CFO update for the first quarter of fiscal year 2013

OCT 1 – DEC 31, 2012

Issued: February 15, 2013

Bureau Fund

As of December 31, the end of the first quarter of fiscal year 2013, the CFPB had spent close to $86 million (including commitments, obligations, and outlays). (1) Approximately $45 million was spent on employee compensation and benefits for the 1,073 CFPB employees who were on-board by the end of the quarter.

In addition to payroll expenses, the largest obligations for the quarter were related to other contractual services. Large obligations of $1 million and over made during the first quarter to government and non-government vendors included:

- $7.5 million to the Department of Treasury for cross-servicing of various human resource and financial management services, such as core financial accounting, transaction processing and reporting, travel and payroll.
- $3.5 million for maintaining ongoing operations of CFPB's consumer contact center and enhancements to the case management database.
- $3.5 million for facility operation and maintenance costs for CFPB's headquarters building.
- $1.5 million for CFPB's headquarters electricity.
- $1.4 million for CFPB's headquarters security services.
- $1.2 million for management and consulting services for CFPB's Office of Consumer Response.

Table 1 and table 2 categorize first quarter CFPB spending by expense category and division/program area:

Table 1: Fiscal Year 2013 year to date spending by expense category:

Expense Category	Fiscal Year 2013
Personnel Compensation	35,323,000
Benefit Compensation	9,605,000
Travel	2,569,000
Transportation of Things	15,000
Rents, Communications, Utilities & Misc.	3,635,000
Printing and Reproduction	72,000
Other Contractual Services	28,865,000
Supplies & Materials	836,000
Equipment	5,002,000
Total (as of 12/31/12)	**$85,922,000**

Table 2: Fiscal Year 2013 year to date spending by division/program area:

Division/Program Area	Fiscal Year 2013
Office of the Director	1,231,000
Chief Operating Officer	29,791,000
Consumer Education & Engagement	2,585,000
Research, Markets & Regulations	7,910,000
Supervision, Enforcement, Fair Lending	22,857,000
Legal Division	2,521,000
External Affairs	1,066,000
Ombudsman	95,000
Centralized Services (2)	17,866,000
Total (as of 12/31/12)	**$ 85,922,000**

Civil Penalty Fund

Pursuant to the Dodd-Frank Act, the CFPB is also authorized to collect and retain for specified purposes civil penalties collected from any person in any judicial or administrative action under federal consumer financial laws. The CFPB generally is authorized to use these funds for payments to victims of activities for which civil penalties have been imposed, but may also use the funds for purposes of consumer education and financial literacy programs under certain circumstances. The CFPB maintains a separate account for these funds at the Federal Reserve Bank of New York.

In the first quarter of FY 2013, the CFPB settled enforcement actions against American Express and Payday Loan Debt Solution, Inc. (PLDS), which resulted in the institutions entering into four separate consent orders. American Express agreed to pay a total of $14.1 million in civil penalties to CFPB and to provide relief directly to consumers identified in the action. PLDS agreed to pay a total of $5,000 in civil penalties to CFPB and provide $100,000 in redress for harmed consumers.

FY 2013 Funds Transfers Received from the Federal Reserve

As of December 31, CFPB received the following transfers in FY 2013. The amounts and dates of the transfers are shown below.

$136.2 M	October 15, 2012

1. Definitions. For the purposes of this update, *outlays* are payments that result when the CFPB issues checks, disburses cash, or makes electronic transfers of funds to pay off a current fiscal year obligation. A *commitment* is a reservation of funds in anticipation of a future obligation. An *obligation* is a transaction

or agreement that creates a legal liability and obligates the government to pay for goods and services ordered or received.

2. Centralized services include the cost of certain administrative and operational services provided centrally to other Divisions (e.g., building space, utilities, and IT-related equipment and services).