

**Date:** [Insert Date]

**TO:** Chief Executive Officers of All Supervised Financial Institutions

**SUBJECT:** Interagency Supervisory Guidance on Consumer Protection Practices

## 1. PURPOSE

This letter provides supplemental guidance to supervised financial institutions regarding expectations for consumer protection compliance. It reinforces the commitment of federal regulatory agencies to ensure that consumers are treated fairly and that institutions operate in compliance with applicable consumer financial laws and regulations.

## 2. SCOPE AND APPLICABILITY

This guidance applies to all banking organizations, credit unions, and non-bank financial entities supervised by the undersigned agencies. It specifically addresses risks related to [Insert Specific Area, e.g., Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)].

## 3. SUPERVISORY EXPECTATIONS

Institutions are expected to maintain a robust Compliance Management System (CMS) that includes:

- **Board and Management Oversight:** Active engagement in identifying and mitigating consumer compliance risks.
- **Policies and Procedures:** Clear documentation governing product lifecycles and consumer interactions.
- **Training:** Comprehensive programs for employees and third-party service providers.
- **Monitoring and Audit:** Regular testing to identify potential consumer harm or regulatory violations.
- **Complaint Management:** Effective processes for resolving and analyzing consumer grievances.

## 4. RISK MITIGATION STRATEGIES

To ensure alignment with supervisory standards, institutions should perform regular risk assessments of their marketing, disclosure, and servicing practices. Particular attention should be paid to [Insert Specific Focus Area, e.g., automated decisioning systems or fee structures].

## 5. CONCLUSION

The agencies will evaluate the effectiveness of an institution's consumer protection practices during regularly scheduled examinations. Failure to maintain adequate controls may result in supervisory action.

Questions regarding this guidance should be directed to your primary regional supervisory contact.

Sincerely,

[Name of Official]  
[Title]  
[Agency Name]