

June 10, 2014

# Working Plan – Auto Initiative Next Steps

Internal – Sensitive and Pre-decisional  
Confidential Supervisory Information



Consumer Financial  
Protection Bureau

# Working Plan Elements

---

- ❑ Supervisory Matters (see attached tracker)
- ❑ Enforcement Matters (see attached tracker)
- ❑ Supervisory Highlights
- ❑ Continued Outreach
- ❑ Evaluate Compensation Models
- ❑ White Paper on Proxy Method
- ❑ Field Hearing (indefinitely postponed)
- ❑ LP Rule on Auto

# Complete Supervisory Highlights (FL/SUP)

---

- Commit to publishing stand-alone issue of Supervisory Highlights regarding resolution of supervisory matters
  
- Next Steps: FL is currently drafting Supervisory Highlights
  - Pre-Clearance by June 13
  - Bureau-wide Clearance by June 24
  - Final Legal Clearance and Director approval by July 1
  - Ready for Publication by July 14
  
- **Goal:** Publication by July 14, 2014

## Continued Outreach (Mkts/EA)

---

- Continuing outreach function with specific institutions and consumer groups on alternative dealer compensation
- Next Steps:
  - NAF (sub-prime) conference (5/28-5/30 in TX) – multiple meetings
  - Credit Industry Marketing Representative Organization (CIMRO) Conference (6/9 in TX)
  - AFSA Law Committee Meeting (6/18 in MN)
  - NIADA (Independent Dealers) Conference (6/24-6/25 in NV)
  - Allied Solutions Conference (7/14-16 in CA)
- **Goal:** Continue and maintain open dialogue with relevant stakeholders

# Evaluate Compensation Models (RMR)

---

- Continue evaluation of possible alternative dealer compensation models
  - Next Steps:
  - Evaluate [REDACTED] markdown model
    - Deadline: Complete by late May
  - Develop response to NADA Proposal
    - Deadline: Complete by late June
  - Develop responses regarding non-discretionary compensation models
    - Deadline: Complete by mid-July
  - Evaluate the impact of adopting a stringent CMS
    - Potential data: Ally, [REDACTED]
    - Deadline: On-going, no deadline
  - Analysis of implemented Pilot programs when data becomes available
- **Goal:** Determine Bureau's public position on various dealer compensation models.

# White Paper on Proxy Method (OR)

---

- Complete white paper on Bureau's proxy methodology
  - Deadline: Decide before June 18<sup>th</sup> whether to publish white paper

- **Goal:** Complete white paper by June 2014

# LP Rule on Auto (Regs)

---

- Proceed with larger participant rule for auto finance market
  - Announced in Unified Agenda and elsewhere
  - RMR is currently developing a proposed rule
    - Deadline: September
    - Policy Committee presentation – June 26
- 
- **Goal:** Publish larger participant rule no later than September 2014