

May 26, 2015

Ms. Monica Jackson
Consumer Financial Protection Bureau
Office of the Executive Secretary
1700 G Street, NW
Washington, D.C. 20552

Re: Request for Information Regarding the Consumer Complaint Database
Docket No. CFPB-2015-0013

Dear Ms. Jackson,

The Consumer Bankers Association (“CBA”)¹ appreciates the opportunity to respond to the *Request for Information Regarding the Consumer Complaint Database* (“RFI”) from the Consumer Financial Protection Bureau (“CFPB” or “Bureau”) asking for “input from the public on the potential collection and sharing of consumer compliments about providers of consumer financial products and services and more information about a company’s complaint handling.”²

Regarding the compliments section of the RFI, we believe consumers would receive the most benefit if the CFPB transformed the “Tell Your Story”³ webpage into a clearinghouse for the innovative programs, products, and services being offered by financial institutions, including but not limited to, programs that promote financial literacy, small business creation, money management, credit availability, and economic inclusion. While numerous consumers have already taken advantage of these programs, we believe many more would benefit if there was a convenient clearinghouse or shopping tool categorized by issue, financial institution, and/ or geographic area. By consolidating these beneficial initiatives on one website, consumers can more easily discover programs that meet their unique financial needs and banks can learn from the successful models of their peers when developing similar programs.

The second section of this letter addresses the company complaint handling portion of the RFI and suggests the CFPB:

¹ Founded in 1919, the Consumer Bankers Association (CBA) is the trade association for today's leaders in retail banking - banking services geared toward consumers and small businesses. The nation's largest financial institutions, as well as many regional banks, are CBA corporate members, collectively holding well over half of the industry's total assets. CBA's mission is to preserve and promote the retail banking industry as it strives to fulfill the financial needs of the American consumer and small business.

² Bureau of Consumer Financial Protection, Request for Information Regarding the Consumer Complaint Database, Docket No. CFPB-2015-0013 (CFPB RFI), pg. 1.

³ <http://www.consumerfinance.gov/everyone-has-a-story//>

1. Verify the data and establish an appeal process;
2. Publish disclosures giving context to the data, while continuing to determine the best method of normalization;
3. Differentiate complaint data between banks and nonbanks in Consumer Response Reports;
4. Avoid rating timeliness and speed because these metrics are dependent on the complexity of the complaint issue;
5. Do not utilize consumer sentiment due to subjectivity and resulting inconsistency; and
6. Improve the dispute function by notifying banks which consumers disputed the complaint response, instead of creating a subjective rating system.

COMPLIMENTS

Expand “Tell Your Story” to Highlight Valuable Programs Offered by Financial Institutions

We appreciate the Bureau’s request for “innovative and creative input on the idea of highlighting positive consumer experiences and company performance.”⁴ In response, we propose the CFPB transform the “Tell Your Story” website into a tool teaching consumers about innovative and cutting edge programs available to them at financial institutions. We believe this change would heighten consumer awareness and promote participation in the valuable initiatives currently being offered across the banking industry, which are helping consumers better manage their finances, engage in financial literacy, and save for their future. Further, since the information would be supplied by the financial institution, consumer privacy would be protected.

Presently, the “Tell Your Story” website seemingly operates as an extension of the Bureau’s Consumer Complaint Database (“Complaint Database”),⁵ which is reflected by the featured stories focusing on complaints,⁶ and failing to teach consumers about the innovative financial programs currently helping others. Since there is already a robust Complaint Database, we believe consumers would benefit much more from “Tell Your Story” if it matched consumers with bank-offered programs or services to meet their unique financial needs.

⁴ CFPB RFI pg. 8.

⁵ CFPB Consumer Complaint Database <http://www.consumerfinance.gov/complaintdatabase/>

⁶ The stories currently posted on the “Tell Your Story” include: “1. Harry spoke up when he noticed his son struggling with a car loan; he ended up helping thousands of servicemembers; 2. Leah was struggling to keep up with her student loan debt, until she learned that she had options with the Paying for College Repayment Tool. 3. Debt collectors requested that William pay \$8000 for a debt he never owed, ruining his credit in the process. William took charge by **submitting a complaint**; 4. After finding a \$7000 charge on her credit report, Venida took action and **submitted a complaint**; 5. When a servicemember couldn’t get anywhere with his mortgage lender, Captain Jamison helped him **submit a complaint**; and 6. After closing a credit card, Higinio was continually charged for debts he had already paid. Three years and hundreds of dollars later he **decided to take action**” (bold added) <http://www.consumerfinance.gov/everyone-has-a-story//>

I. The White House Recognizes the Importance of Coordinating with Financial Institutions on Programs that Promote and Enhance the Financial Capability of Young Americans

President Obama created the Advisory Council on Financial Capability for Young Americans (“Advisory Council”) through Executive Order 13646⁷ on June 25, 2013. The Advisory Council was created “to contribute to the Nation's future financial stability and increase upward economic mobility...[by] promot[ing] financial capability among young Americans and encourage[ing] building the financial capability of young people at an early stage in schools, families, communities, and the workplace.”⁸

Last March, the Advisory Council met to “discuss the role of cities and communities in promoting financial empowerment.”⁹ During the meeting, Citibank’s CEO, John Corbett, described the Citi Foundation’s¹⁰ partnership with the Cities for Financial Empowerment Fund¹¹ to establish Citi’s Summer Jobs Connect.¹² This program was founded to “directly fund 1,850 jobs for low- and moderate-income youth and help five cities integrate financial education and access to mainstream financial products into municipal Summer Youth Employment Programs.”¹³ According to the Summer Jobs Connect’s overview, the program “is part of the Citi Foundation’s Pathways to Progress initiative, a three-year, \$50 million program that will give 100,000 low-income youth the opportunity to develop the workplace skills and leadership experience necessary to compete in a 21st century economy.”¹⁴ This valuable, innovative

⁷ The White House, Executive Order 13646, “ESTABLISHING THE PRESIDENT'S ADVISORY COUNCIL ON FINANCIAL CAPABILITY FOR YOUNG AMERICANS” (June 25, 2013) <https://www.whitehouse.gov/the-press-office/2013/06/25/executive-order-establishing-presidents-advisory-council-financial-capab>

⁸ *Id.*

⁹ Federal Register, Vol. 80, No. 25, pg. 6797 (February 6, 2015) <http://www.treasury.gov/resource-center/financial-education/SiteAssets/Pages/March-3,-2015/Federal%20Register%20Meeting%20Notice.pdf>

¹⁰ The Citi Foundation works to promote economic progress and improve the lives of people in low-income communities around the world. We invest in efforts that increase financial inclusion, catalyze job opportunities for youth, and reimagine approaches to building economically vibrant cities. The Citi Foundation’s “More than Philanthropy” approach leverages the enormous expertise of Citi and its people to fulfill our mission and drive thought leadership and innovation. For more information, visit www.citifoundation.com.

¹¹ The Cities for Financial Empowerment Fund (CFE Fund) supports municipal efforts to improve the financial stability of households by leveraging opportunities unique to local government. By translating cutting edge experience with large scale programs, research, and policy in cities of all sizes, the CFE Fund assists mayors and other local leaders to identify, develop, fund, implement, and research pilots and programs that help families build assets and make the most of their financial resources. For more information, please visit www.cfefund.org.

¹² The Cities for Financial Empowerment Fund, Summer Jobs Connect <http://www.treasury.gov/resource-center/financial-education/SiteAssets/Pages/March-3,-2015/Summer%20Jobs%20Connect.pdf>

¹³ *Id.* at 5.

¹⁴ *Id.* at 6.

program is just one example of the many consumer-focused initiatives offered by financial institutions.

While we support similar public/ private collaboration, we hope the valuable information gleaned in these meetings will extend past the Beltway to the population who needs it most – the general public. To implement these policy discussions, we believe consumers would reap a much greater benefit from a central online forum where they could easily learn about bank-offered programs and choose the ones that best meet their needs. For these reasons, we ask the CFPB to transform the “Tell Your Story” website into this practical forum.

II. CBA Recognizes the Importance of Promoting Our Members’ Initiatives that are Benefitting Consumers and Addressing Pressing Social Issues

Our members have established a broad array of such programs, but need help educating the public about their availability. To promote these initiatives, CBA established the Joe Belew Award (“Award”), in honor of our former President, to encourage and recognize the efforts of CBA member banks whose innovative solutions address pressing social issues. The focus of the Award changes annually, with past honors highlighting financial education, job creation, and low- and moderate-income housing programs. Each year, we announce the winner at our conference, CBA LIVE®, and award the institution \$5,000 to donate to the nonprofit of their choice that furthers that year’s theme. Past winning banks and programs include:

- a. Financial Education, 2015: Citizens Financial Group, Citizens Helping Citizens Manage Money¹⁵**
 - i. Citizens, in partnership with Drexel University’s Dornsife Center for Neighborhood Partnerships and Clarifi, a regional nonprofit providing financial education, provides a comprehensive initiative in wealth building and entrepreneurship to increase financial stability in the Mantua community.¹⁶
 - ii. Supported by a Citizens Bank Foundation grant and dedicated volunteer activity, the Citizens Helping Citizens Manage Money program directly serves those in deep poverty who have historically lacked the resources and support system to break the cycle of poverty and attain financial mobility.¹⁷
 - iii. In 2014, through more than 20 financial education workshops and more than 400 counseling sessions, Citizens’ program impacted more than 720 low-income West Philadelphia individuals, families, and homeowners as

¹⁵ CBA, “Citizens Bank Wins 2015 Joe Belew Award” <http://consumerbankers.com/cba-media-center/joe-belew-award>

¹⁶ *Id.*

¹⁷ *Id.*

they worked toward identifying and securing their most important assets. Almost half (44%) of the program's efforts were geared toward reducing debt; another third (32%) addressed credit repair; a quarter (24%) created savings and spending plans; and a tenth (11%) acknowledged their banking challenges.¹⁸

b. Service members and Veterans, 2014: Discover Financial Stability Program for Military Personnel and their Families

- i. Discover was recognized for providing employment, training, and financial education to military personnel and their families.¹⁹ In partnership with Dover Air Force Base and Delaware Technical & Community College, Discover provides a work-at-home employment opportunity for members of the Delaware Air National Guard and their families.
- ii. As stated on Discover's application for the Award, "[t]he Financial Stability Program is designed to address a number of factors that impact stability for military families, including employment and income, money management and family togetherness- Families will have ongoing employment that is flexible and transportable, reducing some of the uncertainty that comes with military relocations. Our goal in collaborating with the college is to open the college door to get military families thinking about their future, to include what GI Bill or VA benefits are available to them, plus making them aware of all of the excellent services and opportunities that are available at the college and as a result of an advanced degree."

c. Affordable Housing for Low and Moderate Income Communities, 2013: First Niagara Bank Affordable Housing Partnership with Habitat for Humanity Capital District

- i. First Niagara indicated it "provides both monetary and employee volunteer support to Capital District Habitat for Humanity as the organization pursues its mission of transforming communities by building affordable and sustainable homes in partnership with lower-income families."²⁰

d. Job Creation, 2012: Wells Fargo SFMade Manufacturing Incubation and Growth Program

- i. According to its website, "SFMade's mission is to build and support a vibrant manufacturing sector in San Francisco, that sustains companies

¹⁸ *Id.*

¹⁹ <https://www.discover.com/company/newsroom/awards.html>

²⁰

https://www.firstniagara.com/About_Us/Community_Commitment/How_We_Give/Past_Recipients/Past_Recipient_s.aspx

- producing locally-made products, encourages entrepreneurship and innovation, and creates employment opportunities for a diverse local workforce.”²¹
- ii. Wells Fargo partnered with SFMade to help small business owners manage their money, payroll, and financial risk by offering business deposits, business online, business credit, merchant services, payroll services, retirement and investments, and insurance.²²
- e. Affordable Housing for Low and Moderate Income Communities, 2011: Discover Comprehensive Rural Housing Opportunities Program**
- i. Discover’s Comprehensive Rural Housing Opportunities Program (CRHOP) is a focused, strategic planning and support effort that enables the nonprofit Milford Housing Development Corporation (MHDC) to expand affordable housing services to low- and moderate-income families and seniors in southern rural Delaware.
 - ii. The total program investment exceeded \$13 million and approximate annual beneficiaries included 25 families who received construction job training, financial literacy, and housing counseling in a self-help program; 10 families who received transitional housing support; 80 families were served through the preservation of affordable rental and homeownership units and over 2,300 families through the management of affordable rental units.

Though just a brief sample of industry initiatives, these examples show the powerful positive impacts financial institutions can have on communities and consumers that need it most. By highlighting these programs, consumers can discover the resources available to them and financial institutions may create similar programs based on the successful models of their peers.

Recommended “Tell Your Story” Website would not put Consumer Privacy at Risk

Not only will the revised “Tell Your Story” site create a useful forum for consumers to learn about beneficial programs, this approach will not put sensitive financial data at risk because the banks will provide the information, not the consumers. This advantage is especially significant given our great concerns surrounding the impending publishing of narratives on the Complaint Database.²³ In the narratives opt in disclosure, the Bureau expressly states: “We will monitor this scrubbing process so that personal information is removed in accordance with our Scrubbing

²¹ <http://www.sfmade.org/about-us/about-sfmade/>

²² <http://www.sfmade.org/partner/wells-fargo/>

²³ CBA Comment Letter, Re: Proposal to Disclose Consumer Complaint Narratives Docket No. CFPB–2014–0016 (September 22, 2014) <http://consumerbankers.com/cba-issues/comment-letters/proposal-disclose-consumer-complaint-narratives>

Standards but *a risk remains that something will be missed and publicly released.*²⁴ This disclosure clearly states that consumer financial information threatened, raising serious privacy concerns.

Moreover, the minimal Scrubbing Standards (“Standards”)²⁵ descriptions leave numerous questions unanswered. The Standards indicate personally identifiable information (“PII”) will be scrubbed in a three-step process using 1) a computer program; 2) trained human reviewers; and 3) quality assurance specialists. However, the Standards are silent on many issues that are crucial for gauging the effectiveness of the procedure, including, but not limited to: the training programs, number of reviewers, quality control, type of computer program, accuracy of the systems, and studies evaluating the procedure.

The CFPB’s narrative opt in disclosure also states “[d]espite the scrubbing process *someone may be able to identify you.*”²⁶ Moreover, the Narrative Policy asserts “[t]he publication of narratives involves risks, including the *potential harm associated with the re-identification* of actual consumers within the Consumer Complaint Database.”²⁷ Thus, even if the Standards adequately remove PII, the remaining seemingly anonymous information can lead to re-identification, creating a heightened risk of fraud, identity theft, and reputation harm.

Director Cordray recently said the CFPB has received over 600,000 complaints to date.²⁸ If PII is “missed and publicly released” in even one percent of these complaints, there will be disastrous consequences for consumers. Highly sensitive financial situations will be made public, potentially causing financial distress, personal embarrassment, reputational harm, and career damage. In the Narrative Proposal, the CFPB revealed it was “currently conducting a study to further verify that the proposed scrubbing standard and methodology will sufficiently address concerns related to FOIA, the Privacy Act, the Dodd-Frank Act and the Bureau’s confidentiality regulation.”²⁹ We have yet to see the findings of the study and ask the Bureau to release them to the public *before* publishing the narratives.

Based on these privacy concerns, we advocate for altering the “Tell Your Story” website to include information supplied by financial institutions. This will enable consumers to learn about and identify the programs available to them, while keeping their financial data safe.

²⁴ CFPB Complaint Database <https://help.consumerfinance.gov/app/mortgage/ask> (emphasis added).

²⁵ CFPB, Scrubbing Standards (March 2015).

²⁶ *Id.* (emphasis added)

²⁷ CFPB Narratives Final Policy at 32.

²⁸ Richard Cordray “Prepared Remarks of CFPB Director Richard Cordray at the White House Conference on Aging Regional Forum” (April 27, 2015) <http://www.consumerfinance.gov/newsroom/prepared-remarks-of-cfpb-director-richard-cordray-at-the-white-house-conference-on-aging-regional-forum/>

²⁹ CFPB, Disclosure of Consumer Complaint Narrative Data, Notice of proposed policy statement with request for public comment, Federal Register Vol. 79, No. 141, Pg. 42767 (July 23, 2014).

COMPANY COMPLAINT HANDLING

We thank you for the opportunity to comment on the Company Complaint Handling portion of the RFI and offer the following suggestions.

I. Total Number of Complaints

As previously discussed with the Bureau, the total number of complaints fails to provide useful data due to many concerns, including the lack of verification – a crucial practice that would convey a more accurate view of the marketplace and greatly increase the utility of the data. We would like to use this opportunity to again ask the Bureau to establish an appeals process similar to the Consumer Product Safety Commission – the government agency the Bureau was modeled after – that would allow for the removal of “materially inaccurate,” bad faith, and defamatory complaints. Due to the authority and deference embodied by governmental agencies, the CFPB is inherently endorsing the published unverified complaints, which may mislead customers.

II. Normalization

We appreciate the Bureau’s proposal to normalize complaint handling data, but understand the difficulty of finding the right metric to compare institutions and volume. As the Bureau investigates the best way to normalize the data, we ask the CFPB to enhance the utility of all complaint data by:

1. Providing a breakdown of each financial institution’s number of accounts and/ or asset size in reports about the Complaint Database;
2. Publishing instructive disclosures on the Complaint Database; and
3. Dividing data by banks and non-banks in reports about the Complaint Database.

Contextualizing the data will increase its utility, equipping consumers with more accurate information when making important financial decisions. For this reason, we ask the Bureau to disclose information about each financial institution’s number of accounts and/ or size on the Complaint Database. This way, consumers will have better insight into the complaint figures and be able to draw more informed conclusions.

Also, we suggest the CFPB post a disclosure on the Complaint Database before consumers are able to download complaint data, similar to the following:

“The number of complaints often correlates to the number of accounts or asset size of a financial institution. For this reason, institutions with greater volume will likely have more complaints. Further, the CFPB generally does not publish

complaints from institutions with under \$10 billion in assets on the Consumer Complaint Database.”

We also ask the Bureau to enhance data utility in the Consumer Response Annual Reports by dividing complaint metrics by banks and non-banks. Since banks and non-banks abide by different standards, we believe creating two categories will illuminate differences in the market and enhance consumer knowledge.

III. Timeliness and Speed

Reporting timeliness and speed would not be useful because the time it takes to respond to a complaint highly correlates with the complexity of the issue. For instance, a consumer with a complaint about a mortgage will take longer to resolve than an issue arising from inaccurate contact information.

IV. Consumer Sentiment

We do not believe consumer sentiment would provide valuable insight because sentiment is entirely subjective. Further, the analysis would disproportionately be looking at complaints, which inevitably would result in an inaccurate portrayal of overall consumer sentiment.

V. Adjust Dispute Function

The proposal to replace the dispute function with a two-part consumer rating system is problematic for multiple reasons:

1. The two functions are not comparable, and
2. The subjectivity of a rating system would not provide consumers with valuable information.

With regards to the first issue, the dispute function is intended to dispute the response provided by the company to the consumer. Accordingly, the consumer is disputing the *result*, not the process. On the other hand, the rating system would assess the complaint handling *process*. Therefore, the two functions serve different purposes and cannot be substituted for one another.

In terms of the rating system, consumers’ criteria for the same rating metric may greatly vary, which would not create useful information and would only confuse consumers. While the car service Uber may benefit from such ratings, they request feedback from *all* customers after using the service. Conversely, entries on the Complaint Database are a result of *only* complaints and do not represent a broad segment of consumers, leading to complaint resolution ratings that will

be disproportionately low. Further, the subjective rating is problematic because there is an inevitable regulator endorsement inferred.

Instead, we would suggest the Bureau improve the dispute function by notifying the financial institutions when complaints are disputed. This would allow banks to investigate the facts surrounding the handling of the specific complaint and improve the overall complaint resolution process. While only 19% of complaints were disputed last year,³⁰ our banks feel one dispute is too many, which is why they work diligently to ensure all customers are satisfied.

CONCLUSION

We appreciate the CFPB's inquiry on methods to highlight "positive consumer experiences and company performance."³¹ We look forward to working with the Bureau to create resources for consumers that promote awareness about the beneficial initiatives being offered by financial institutions. Please do not hesitate to contact the undersigned at 202-552-6366.

Sincerely,



Kate Larson
Regulatory Counsel

cc.

Scott Pluta, CFPB Assistant Director Office of Consumer Response
Wendy Kamenshine, CFPB Ombudsman

³⁰ CFPB, Consumer Response Annual Report, pg. 44 (March 2015).

³¹ CFPB RFI, pg. 8.