



Consumer Federation of America

September 22, 2014

Consumer Financial Protection Bureau
1700 G Street, NW
Washington, D.C. 20552

Re: Docket Number CFPB-2014-0016

To Whom It May Concern:

Thank you for the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) proposal to publish consumer narratives as part of the Bureau's public complaint database. We strongly support this important effort and urge the inclusion of narrative information when the consumer has affirmatively opted-in to make that information public and sufficient safeguards are in place to protect personally identifiable information.

About the Consumer Federation of America

The Consumer Federation of America (CFA) is an association of non-profit consumer organizations that was established in 1968 to advance the consumer interest through research, advocacy, and education. More than 250 of these groups participate in the federation and govern it through their representatives on the organization's Board of Directors.

Narratives provide important context to consumers' complaints

Making complaint narratives publicly available, with consumers' consent, provides the public with key, practical information about other consumers' first-hand experiences with products such as payday loans, credit cards, mortgages and many others. Many of these transactions are complicated, involve more than one company and result in financial harm at various points along the transaction continuum. For example, a consumer trapped in a long-term cycle of debt as a result of a payday loan may be harmed at the point of origination if they receive a loan that violates state interest rate protections. Consumers may also experience unauthorized account debits from their checking accounts or face aggressive or abusive actions from debt collection agencies. While all of these issues stem from an initial payday loan, there are often other financial services providers involved in the underlying problem that may not have directly offered or originated the product in question. A Consumer Federation of America analysis of payday loan complaints filed between November 2013 and August 2014 illustrates this point. Of the 1,161 complaints filed about payday loans, 46 percent named a payday lender, 3.1 percent named a debt collector and 4.9 percent named depository institution.¹

¹ "Consumer Complaints." *Data.consumerfinance.gov*, August 25, 2014.
<https://data.consumerfinance.gov/dataset/Consumer-Complaints/x94z-ydhh?>

Since there are numerous financial institutions involved in a financial transaction, it is important for the public to have additional information about the underlying product as well as the chain of events that contributed to a consumer's financial hardship. Narratives provide the public with the opportunity to review the concerns of other consumers that have firsthand product experience. Narratives also offer the public a better understanding of the series of events that led to the initial complaint alongside the response of the company in question. When this information is made public in an easy-to-access format, it will also allow individuals and advocates to assist the Bureau in detecting harmful practices before they negatively impact the broader economy.

Narratives should only be disclosed with consumer consent

We support the Bureau's proposal to allow consumers to include narrative information about their complaint in a public database through an opt-in process. The opt-in requirement should be prominently displayed and should be revocable at any point during the complaint process as well as any time after the complaint is filed. We also support the Bureau's proposal to publish a company's response to a complaint along side the original dispute.

Complaints should include information about protected classes

We also recommend that the Bureau collect protected class data, including ethnicity, race, marital status, age and gender, on a voluntary basis. This information is necessary to ensure that regulators, researchers and consumers have every opportunity to identify patterns of discrimination.

Safeguards are necessary to protect consumer privacy

We believe the safeguards that the Bureau has proposed will safeguard a consumer's personal information, including any additional information contained in published complaint narratives. We support the CFPB's proposal to require informed consumer consent to disclose complaint details; use search algorithms to search complaint data for personally identifiable information to reduce the possibility of accidental identification; and use human inspectors to review and remove any remaining personally identifiable information contained in the complaint.

As the Bureau considers the challenges of data collection and disclosure, it is important to recognize that personally identifiable information, including personal financial information, is widely available through commercial sources and is frequently used for marketing purposes. Every necessary step must be taken to protect consumer's information during the complaint process, bearing in mind that the collection of this information by financial regulators plays a critical role in ensuring that consumers are treated fairly in the financial marketplace.

Conclusion

The Consumer Federation of America supports the Bureau's commitment to improving consumer information about financial products and practices and safeguarding personal consumer information. Similar efforts to collect and publicize consumer complaints through the Consumer Product Safety Commission's saferproducts.gov database and the National Highway Traffic Safety Administration's SaferCar.gov database have improved the complaint process for consumer products and automobiles, resulting in numerous improvements to or recalls of unsafe products or vehicles.² When consumers are empowered to share their experiences with regulators and companies in a structured way that facilitates communication and timely resolution, markets work better and products are safer.

In addition to these comments, the Consumer Federation of America joins with our colleagues in submitting additional, more detailed comments. I appreciate the opportunity to comment and look forward to the inclusion of this important narrative information in future complaints.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Feltner', with a stylized flourish at the end.

Tom Feltner
Director of Financial Services

² "File a Report." *SaferProducts.gov*, September 19, 2014. <https://www.saferproducts.gov/> and "File a Vehicle Safety Complaint." *Safercar.gov*, September 19, 2014. <https://www-odi.nhtsa.dot.gov/VehicleComplaint/index.xhtml>.