



Credit Union National Association

601 Pennsylvania Ave., NW
South Building, Suite 600
Washington D.C. 20004-2601

Phone: 202-638-5777
Fax: 202-638-7734

May 26, 2015

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1275 First Street NE
Washington, DC 20552

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

Dear Ms. Jackson:

The Credit Union National Association (CUNA) appreciates the opportunity to respond to the Consumer Financial Protection Bureau's (CFPB) Request for Information (RFI) on the potential collection and sharing of consumer compliments about providers of consumer financial products and services. By way of background, CUNA represents America's state and federally chartered credit unions and their more than 100 million members.

CUNA Continues to Have Concerns with Database Overall

CUNA supports the ability of consumers to access timely and clear information on consumer financial products and services. However, we continue to have concerns with the database overall.

We believe we are in an exceptionally strong position to evaluate the CFPB's complaint system objectively for two reasons. First, the high level of consumer satisfaction with credit union services suggests that relatively few complaints will be filed with the CFPB concerning credit unions. As member-owned cooperatives, credit unions are simply less likely to offend their member-owners compared to institutions that serve customers only for purposes of rewarding investors. Second, only a small number of credit unions are large enough to have any consumer complaints included in the CFPB's database.

We would like to call the CFPB's attention again to the concerns we expressed in letters filed on September 22, 2014, July 18, 2012, January 12, 2012, and May 9, 2011, regarding the consumer complaint database, in which we did not support the public release of certain complaint information that is separate from, and in addition to, the CFPB's periodic reports and analyses that provide more complete complaint information to consumers.

While credit unions have not been the subject of a sizable number of complaints and seem unlikely to become so, we nonetheless believe that the public data release, including feedback that is purportedly positive, could have unintended consequences. CUNA supports providing fundamental fairness to consumers, and also to financial institutions, whether they are credit unions or not.

CUNA urges the CFPB to take appropriate steps to verify the legitimacy and accuracy, to the extent possible, of a consumer's complaint and/or compliment prior to public disclosure. Under the current system, we believe it is possible that some institutions are effectively unable to respond to consumers' narrative description of complaints due to privacy restrictions.

Proposed Collection and Sharing of Positive Consumer Feedback

The CFPB currently collects and shares some positive feedback regarding company complaint handling. Broadly speaking, the CFPB conceives of two potential avenues for sharing positive consumer feedback about companies: (1) by providing more information about a company's complaint handling, and (2) by collecting and providing consumer compliments (independent of the complaint process).

We have some concerns with the proposed collection and sharing of positive consumer feedback and we question the potential effectiveness of these efforts.

(1) Company Complaint Handling

We believe there could be some value in an approach that expresses positive feedback by providing more information about a company's complaint handling. Since the database is primarily intended as a repository of consumer complaints, it is unlikely that consumers accessing the database will focus—or even review—information regarding complaint resolution. However, the CFPB could explore ways in which to modify the user interface of the database to make it more likely that consumers will access and give weight to positive feedback (i.e., complaint resolution).

If the CFPB chooses to implement such an approach, we believe the database should include the following metrics, as offered by the CFPB:

- Total number of complaints, by product and issue.
- Companies final responses. Controlling for other variables, such as product and issue, as well as a comparison of how companies choose to close complaints.
- Timeliness and speed. Including (1) the average time between complaint receipt and initial/final response, and (2) the frequency of exceeding either the 15 or 60-day allowance.

In addition to the metrics above, the CFPB also suggested consumer sentiment analysis, which refers to the use of automated textual analysis to identify and extract subjective information in source materials, e.g., classifying the various complaint narratives fields across a spectrum of emotional states. We believe this metric has the potential to yield more accurate information than that received under option 2 ("Compliments") discussed below. However, we ask the CFPB to further explore use of such a metric and provide greater detail to the public on its effectiveness prior to incorporating it into the database's compliment function.

(2) Compliments

Outside of its current complaint handling operation, the CFPB is contemplating another possible avenue for highlighting positive company behavior that would involve soliciting, collecting, and sharing consumer compliments. This could entail a new submission type, channel, and process for the CFPB as well as a new database to list such compliments. The CFPB maintains a feature on its website called Tell Your Story, which gives consumers the opportunity to share their experiences with consumer financial products and services. These submissions are reviewed by CFPB staff and help the CFPB understand current issues in the financial marketplace. This channel could operate as-is and instances of consumer compliments could be shared with the public.

We do not support this potential approach. We are surprised the CFPB, as a data driven agency, is considering such an approach that would likely facilitate only anecdotal stories with no validation. Furthermore, this type of public disclosure may unfairly promote institutions supervised by the CFPB, because other institutions, such as most credit unions that are examined and supervised by their prudential regulators, would not have such responses posted for public view.

Specifically, since this approach would not tie a compliment to a complaint submitted through the CFPB's database, it would be very difficult, if not impossible, to verify the legitimacy of the compliment, particularly since it would exclude any personally identifiable information. Purely textual information without specific metrics would not allow for comparability by consumers. This is especially problematic since the CFPB has stated that the purpose of the complaint database is to assist consumers in making informed financial decisions.

Conclusion

Again, CUNA supports the ability of consumers to access timely and clear information on consumer financial products and services. However, as noted above, we have some concerns with the proposed collection and sharing of positive consumer feedback and we question the potential effectiveness of these efforts.

Thank you for the opportunity to express these views to the CFPB in response to its RFI regarding the consumer complaint database. If you have any questions about our comments, please do not hesitate to contact me at (202) 508-6743.

Sincerely,



Luke Martone
Senior Director of Advocacy & Counsel