National Federation of Community Development Credit Unions

May 15, 2014

This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter’s own and may not represent the Bureau’s views.

This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.
CFPB Vision

• To encourage the development of a consumer finance marketplace
  • where customers can see prices and risks up front and where they can easily make product comparisons;
  • in which no one can build a business model around unfair, deceptive, or abusive practices;
  • that works for American consumers, responsible providers, and the economy as a whole.
5 Tools

- Congress gave us five key tools to do our job:
  - Supervision
  - Law Enforcement
  - Rulemaking
  - Consumer Education and Engagement
  - Consumer Complaint Response
Consumer Education and Engagement

**Financial Education**
- Provide targeted educational content
- Identify and promote effective financial practices

**Consumer Engagement**
Create interactive, informative relationship with consumers

**Servicemembers**
- Improve financial protection
- Monitor Service members complaints
- Coordinate w/ DoD, etc.
- 2.2 million military personnel
- 22 million veterans

**Older Americans**
- Protect against financial abuse
- Improve financial literacy
- Planning for life events
- 50 million aged 62+

**Students**
- Increase awareness of debt when selecting a college
- Monitor students complaints
- Build campus awareness
- 22-28 million (age 16-26)

**Financial Empowerment**
- Improve financial stability for low-income & other economically vulnerable consumers
- 68 million unbanked or underbanked
- 33% of Americans earn less than twice the poverty line
- Approximately 50 million have thin or no credit files
Office of Financial Empowerment

Improved Financial Marketplace

Economically Vulnerable

Access

Low income

Savings

Managing Money

Credit

Consumer Protection

Building Financial Capability
Office of Financial Empowerment Approaches

• **Training and Education**
  - **Your Money, Your Goals** - Financial Empowerment toolkit for front-line service providers

• **Research** - Random control trial testing the effectiveness of credit builder loans with St. Louis Community CU

• **Projects**
  - **Ready? Set, Save!** – Pilot promoting saving at tax time working with volunteer income tax assistance (VITA) sites
  - **Summer Youth Employment** – Pilot to test the consumer benefit of embedding empowerment tools in youth employment programs
  - **Financial Coaching** – Pilot to test benefits of financial coaching approach in military and non-profit support environments

• **Measurement** – working with other federal agencies, funders, financial institutions, and non-profits to develop common metrics
The CFPB and Community Development CUs

• **Regulatory authorities of note**
  • Mortgage origination and servicing
  • Debt collection
  • Prepaid cards
  • Remittance transfers

• **Supervisory Authority**
  • Credit unions with assets greater than $10 billion

• **Exemptions**
  • Credit unions certified as CDFIs are exempt from Ability-to-Repay rules

• **For complete information on rules and exceptions**
  • [http://www.consumerfinance.gov/regulatory-implementation/](http://www.consumerfinance.gov/regulatory-implementation/)
Office of Consumer Response

Answer questions

Handle complaints

Share data
Consumer Response Mission

The CFPB will answer questions, handle complaints, and share data to level the playing field and empower consumers to take more control over their financial lives.
How we answer questions and handle complaints

Ask CFPB

(855) 411-2372

www.consumerfinance.gov/complaint
What is a complaint?

Consumer complaints are submissions that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer’s personal experience with a financial product or service.
Why submit?

Individual assistance

We work to get a response to every complaint

Market-wide information

Complaints inform our work and improve the transparency and efficiency of the market
Complaints we accept now

As of March 1st, 2014, we’ve handled more than 309,700 complaints
Complaint process

Complaint submitted → Review and route → Company response → Consumer review → Review and investigate → Analyze and report
How we share data: Consumer Complaint Database

consumerfinance.gov/complaintdatabase/
How we share data: Consumer Complaint Database

The Consumer Complaint Database updates daily and includes about more than **205,100** complaints about:

- Credit cards
- Mortgages
- Consumer loans
- Student loans
- Bank accounts and services
- Money transfers
- Credit reporting
- Debt collection
- Payday loans
Contacts

Office of Financial Empowerment

empowerment@cfpb.gov

Have a question? AskCFPB

http://www.consumerfinance.gov/askcfpb/

How can consumers submit complaints?

consumerfinance.gov/complaint/
(855) 411-CFPB (2372) or TTY/TDD (855) 729-CFPB (2372)

Where to find complaint data?

consumerfinance.gov/complaintdatabase/