



**National Association
of Federal Credit Unions**
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NAFCU | Your Direct Connection to Education, Advocacy & Advancement

May 9, 2011

Andrew Trueblood
Consumer Financial Protection Bureau Implementation Team
1801 L Street, NW
Washington, DC 20036.

RE: Consumer Financial Protection Bureau Consumer Response Intake Fields

Dear Mr. Trueblood:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I am writing to you regarding the Treasury Department's request for comment regarding the Consumer Financial Protection Bureau's (CFPB) consumer complaint form. Before addressing the questions included in the request for comment, I would like to share my thoughts regarding two more general issues of concern. First, it is important that information collected by the CFPB in this context is kept confidential. A second concern is the role of the CFPB with regards to the complaint process.

There are two potential issues regarding the confidentiality of the intake forms. First, the forms will, no doubt, include sensitive, personal information, such as account numbers. When coupled with other information, such as the consumer's name and address, the account number becomes particularly valuable to criminals. While the CFPB may include several layers of protection to ensure that the information is safe from hackers, while also implementing procedures to ensure that employees handle information with care, as you are no doubt aware, the federal government has been responsible for several data breaches in recent years. With this in mind, simply minimizing the breadth and scope of the personal information requested would help minimize the potential for problems.

The second issue regarding confidentiality involves the significant reputation risk for the institutions that are reported by consumers. NAFCU does not believe it is appropriate to publicize complaints made against particular financial institutions given that any consumer can file a complaint, regardless of the merits of the accusation. Even in cases where there are significant issues with a particular institution, publicizing consumer complaints could very well raise – or create out of thin air – safety and soundness concerns. With this in mind, NAFCU requests that the CFPB take steps to ensure that consumer complaints remain confidential throughout the process.

The Consumer Product Safety Commission (CPSC) recently developed a consumer complaint database which publicly discloses virtually all complaints within fifteen days of receipt from consumers. The complaints are not vetted by CPSC staff to ensure their veracity. Given that the CFPB is modeled, to some extent on the CPSC, NAFCU is concerned that the Bureau may consider implementing a similar system. Publicly disclosing all complaints, with virtually no efforts to authenticate their truthfulness would be incredibly harmful to the financial services industry generally, and could create safety and soundness concerns for specific institutions. I understand the CFPB's primary role is to assist consumers; I support that mission and I believe it can be achieved – and in fact will be easier to achieve – without publicly disclosing every single complaint filed by a consumer. Such a practice is not only highly counterproductive but will likely create an adversarial atmosphere where institutions are as concerned with reputational risk as they are with resolving the specific issue.

Next, the CFPB's role in the process should be to serve as a facilitator between the consumer and the financial institution. In most cases, a resolution, or at the least, an explanation of the institution's decision will be simple and straightforward. However, NAFCU does not believe that the CFPB should serve as an adjudicator in the context of the consumer complaint process. The Bureau has sufficient authority to oversee financial institutions without serving as an adjudicator in the 1 to 3 million consumer complaints it expects to receive each year.

The Treasury sought input on several different issues. This remainder of this letter focuses on three specific questions: (1) ways to enhance the quality and usefulness of the information to be collected; (2) ways to minimize reporting and/or record keeping burdens; and (3) specific types of information that would be useful to collect.

First, the form and the questions included should be written to gather the most important information in the simplest and most efficient way possible. To that end, NAFCU encourages, wherever possible, using yes or no questions or questions that provide a list of possible response that the consumer can check off. Consumers should also be given the option to describe their complaint. Providing a brief, narrative statement is likely the best way to provide the CFPB and the financial institution sufficient information to investigate the matter. It would, however, be useful if the field for describing the complaint was limited to 200-300 words. Limiting the field in this manner strikes a proper balance that enables the consumer to provide the most pertinent information without confusing those, who are trying to read and resolve the issue, with extraneous information. It would also be useful if, prior to beginning the complaint process, the consumer is provided with a checklist of likely items or information he or she will need to file a complaint. Alternatively, for complaints filed online, it would be helpful if the consumer could save his or her complaint, gather information needed, and then finish and submit it later. Finally, as a general matter, it would likely be useful if the CFPB examined existing complaint forms that financial institutions use to gather information with dissatisfied consumers.

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The best way to minimize reporting and record keeping burdens is to design the complaint form in a way that encourages consumers to provide the most pertinent information without including extraneous details. Similar to some of the suggestions above, this can best be achieved by requiring yes or no answers or questions that can be answered with a checkbox, wherever possible. To that end, NAFCU agrees with the Treasury that the form should be short enough to be filled out in approximately ten minutes.

Finally, the Treasury requested comment on what information the CFPB should collect. In terms of identifying information, I would caution the agency to only request the information that it will actually use. For example, it may be difficult to facilitate a resolution without the consumer's account number. At the same time, it is unlikely that a Social Security Number or even other basic information, like a home address would be required for an institution to examine and resolve a complaint. Given the sensitivity of personal, financial information and the fact that some such information is absolutely necessary, it would be best if the Bureau can limit, as much as possible, any information that is not absolutely necessary. In addition to questions that help flesh out the complaint, the CFPB should inquire as to whether the consumer has already contacted the institution and what, if any, response the consumer received. To that end, for complaints submitted online, it may be helpful if the consumer has the capability to attach any written or electronic communication he or she received from the financial institution. Similarly, if the consumer knows who he or she spoke with at the institution, that would also be helpful. The complaint form should also ask the consumer to explain his or her desired resolution.

NAFCU appreciates this opportunity to share its comments on the proposal. I would like to reiterate my concern that the complaints remain confidential and that the CFPB not play an adjudicative role in the process. Next, we would encourage the Bureau to design the forms in a way that focuses on gathering the most relevant information while minimizing extraneous facts. This will help speed the resolution process, which is beneficial for all parties involved. Should you have any questions or require additional information please feel free to call me, or Dillon Shea, NAFCU's Associate Director of Regulatory Affairs, at (703) 842-2212.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred R. Becker, Jr.", with a stylized flourish at the end.

Fred R. Becker, Jr.
President/CEO