

Mr. Andrew Trueblood
Consumer Financial Protection Bureau
1801 L St. St. NW
Washington D.C. 20036

May 9, 2011

Mr. Trueblood:

We, the undersigned consumer, civil rights, and community groups and members of Americans for Financial Reform (AFR) make the following recommendations regarding the collection and use of complaint data on behalf of consumers at the Consumer Financial Protection Bureau (CFPB).

The consumer complaint data collection is an essential statutory function of the consumer bureau. While recognizing that the Bureau has limited resources to address competing priorities, we expect that the Bureau's success in handling consumer complaints will play a major role in developing the CFPB's credibility and reputation. The complaint system will be the primary interface between the agency and the public.

As the sole financial regulator representing consumers, people will turn to the agency to respond to and resolve their complaints in an effective and efficient manner. The complaint database will also provide the Bureau with timely and valuable information, including early warning signs of emerging problems.

The consumer complaint database ought to be designed to empower consumers by providing a publicly accessible, user-friendly, searchable system that allows individuals to access the data as a pre-purchase tool. We believe that consumers would be best served if they could retrieve the data by company, as well as by specific complaint type.

The database should redact any personal, identifying, and/or sensitive information, and limit access to sensitive information (SSNs, account numbers etc.) to only on an as needed basis.

To be of most value, the database could allow for updates to consumer complaints by both the Bureau and the consumer, and in cases where a complaint remains unresolved or in dispute the complaint could include brief responses by companies to explain their position in the matter. We would suggest the CFPB look to the Consumer Product Safety Commission's new safety database as a model. Companies with excellent complaint resolution records stand to benefit in the marketplace based on public perception of their successful dealings with their customers.

Complaint and resolution information should be tracked by complaint type, product, and company, and publically reported once a year.

The database should be able to produce reports reflecting complaint ratios based on product, industry, entity size, specific types of complaints, types and timing of resolutions, including dollar amounts recovered (where applicable).

The database should be designed so that the public can easily generate reports online (at no cost to them). The database should be created with enough flexibility for consumers to access even more information than is listed above. Access to all complaints – whether the dispute involves a clear violation or not - should be available to the public upon request and without delay. Complaint forms should be available in many languages (ex. Spanish, Mandarin, Cantonese, Amharic, Vietnamese, Korean, Hmong, French, Braille) and in large font, and complaint specialists should be available to assist non-English speakers online and by phone.

To manage the volume of complaints and meet its statutory requirements, we recommend that the Bureau use a triage method to distinguish which complaints can be resolved, which must be referred to other agencies, which are candidates for mediation and which require more sophisticated handling.

Within days of receiving a complaint, a consumer should receive a plain language form letter or email from the Bureau acknowledging the complaint and spelling out precisely what the consumer can (and cannot) expect from the agency, including how many days it will take to get a response from the company. The CFPB should require companies to verify a debt or default (where applicable). If further documentation is required from the consumer, it should be specified in the form letter or email.

Complaint intake forms should include:

- Complete contact information (day and evening)
- If the consumer has complained to the company (and other agency) and its response
- What outcome the consumer is seeking (ex. negotiation, resolution, notification)
- Request for permission to share complaint and contact information with others (lawmakers, media etc.)
- Tracking number (& if possible, complaint analyst) that is shared with the consumer
- Coding should include specific type of complaint, company, complaint status, intake specialist, date of receipt, date of resolution.

Efficiencies can be found by using an online help desk with answers posted frequently to a variety of questions about financial services and products. Consumers should be able to expect an online response to most queries within 24 hours of posting, though we recognize that it is difficult to predict whether the volume and complexity of inquiries would render that turn-around time feasible. Nevertheless, we urge that the effort be made to assure rapid responses. For

consumers without internet access, an automated phone line with responses to frequently asked, and topical questions could be created. Automated answers could be included in the most popular languages as well.

When the Bureau promulgates a new rule, basic details could be communicated via automated phone lines and online. The website should also include a listing of the types of complaints, services and products that the Bureau has jurisdiction over. For problems the CFPB does not cover, there should be referrals to other agencies.

Complaint trend data should be gathered quarterly and promptly reported to other CFPB departments, in addition to other regulators. Complaints should be coded for easy retrieval by other agencies as well as individuals. There should also be a mechanism to capture and report if specific problems are frequently occurring in particular geographic regions, and to particular communities (minorities, ethnic groups, military etc.).

Consequences (fines, penalties) for not attempting complaint resolution, or not complying with agreed upon resolutions or timelines should be developed and communicated clearly to companies up front.

Effective use of the complaint database will likely have the one of the most significant impacts on the people this agency is intended to help. We appreciate the attention the Bureau is devoting to developing an effective complaints process, and we would be happy to discuss our comments further. For more information please contact ruth.susswein@consumer-action.org

Sincerely,

Americans for Financial Reform
Center for Responsible Lending
Consumer Action
Consumer Federation of America
Consumers Union
Empire Justice Center
National Association of Consumer Advocates
National Community Reinvestment Coalition
National Consumer Law Center (on behalf of its low income clients)
National Fair Housing Alliance
Neighborhood Economic Development Advocacy Project (NEDAP)
Public Citizen
U.S.PIRG