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# Putting Consumers First

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**The Missing Voice in the CFPB's Coronavirus Response**

April 2020

## Introduction

The Consumer Financial Protection Bureau (CFPB or the Bureau) consumer complaint tool empowers consumers to report problems related to their financial services providers. This tool serves an especially critical function as the economic fallout from the coronavirus pandemic rages across the country. The Bureau's complaint tool not only provides a mechanism for consumers to get a response to their concerns about consumer financial products and services but also serves as a guidepost for government officials and advocates to uncover patterns of abuse and identify issues in the financial services marketplace that may not have been uncovered before.

In a time of crisis, the complaint tool can and must be enhanced to meet the urgent needs of consumers facing economic distress. The CFPB should use the full extent of its authority to take immediate action to strengthen its consumer complaint tool, hold companies accountable for providing complete and timely responses to consumers, and leverage consumer complaints related to the pandemic to support oversight and regulatory action to protect consumers.

Given the magnitude of the coronavirus pandemic, the CFPB needs to expand and enhance its consumer complaint system. We propose a number of changes to the Bureau's complaint tool and public Consumer Complaint Database. These changes are urgently needed during the pandemic but many, such as the addition of small business complaints to the tool, should be made permanently.

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## Background

Millions of consumers across the country are facing [layoffs](#), [furloughs](#), and [economic uncertainty](#) stemming from the coronavirus pandemic. In good times, there are [countless stories](#) of [consumers struggling](#) to meet their financial obligations or facing [predatory schemes](#) by financial services companies. The economic fallout from the present pandemic only exacerbates consumers' financial distress.

With the nation in the throes of another economic crisis poised to match or even surpass the [devastation](#) of the Great Recession, consumers desperately need help navigating the economic realities of the current public health emergency. Consumers are in dire need of assistance from their lenders and servicers to defer payments or get advice if they fall prey to a scam. Consumers also need to be able to contact the federal

government and get assistance if things go wrong.

The last economic crisis was [devastating for millions of Americans](#) who lost their jobs, homes, and retirement savings as financial markets crashed. Many still have [yet to recover](#). In 2008, millions of consumers were in dire need of help but were [unable to get information](#) from their financial institutions — or received bad or conflicting advice — and were left with nowhere to turn for sound guidance and recourse. This misinformation only served to exacerbate the crisis as countless consumers [defaulted on their mortgages](#) despite the existence of programs, albeit imperfect ones, aimed at [mitigating default risks](#). Similarly, when banks, credit card providers, student loan companies, or any other financial institution [gave consumers the runaround](#), consumers could not access the help that they desperately needed, in part because they had no central place to complain or ask for help.

At the time of the last crisis, the nation [did not have a federal agency](#) with the singular task and mission of protecting consumers. However, that is no longer the case. In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act created the [Consumer Financial Protection Bureau](#) to be a federal watchdog empowered with robust consumer protection authorities.

One of the hallmark features of the CFPB, the [consumer complaint tool](#), provides a mechanism for consumers to report their dealings with financial services companies directly to the Bureau. The complaint tool gives consumers an avenue for seeking a timely response and [help when facing problems](#) with their financial services providers. By driving this complaint and response feature through companies' primary regulator, industry is driven to provide [more comprehensive responses](#) to consumers, and consumers are more likely to receive a response to their inquiries than they would typically receive when reaching out independently.

The complaint tool not only empowers consumers to directly report their issues to the CFPB but also provides a mechanism for tracking and analyzing consumers' experiences with a host of financial products and services. The Bureau's consumer complaint tool is particularly well-suited to track the real-time distress and concern of consumers navigating the financial services marketplace. During the current pandemic, the critical function of real-time complaint tracking becomes even more significant, especially since all complaints are also [shared with federal and state government enforcement agencies and partners](#). Consumers need a place to turn in times of distress as well as assurance that policymakers, regulators, and law enforcement officials will hold industry accountable. The CFPB complaint tool should play a key role in those efforts.

The Bureau's consumer complaint tool has been a success in providing consumers with a means to seek answers and accountability on their most pressing consumer finance needs — but now is the time, with the

current crisis, to enhance the consumer complaint tool.

## Immediate federal action is necessary to stave off significant consumer harm

On March 13, 2020, President Trump [declared a national emergency](#) in response to the coronavirus pandemic. Two weeks later, Congress passed the [CARES Act](#) to provide emergency relief aimed at mitigating the economic fallout from the coronavirus. Questions still remain, however, about the [efficacy of the recovery efforts](#), particularly the extent to which consumers are able to access the much-needed relief.

Even with trillions of dollars allocated by Congress for recovery aid, it is apparent that borrowers are still [struggling to get the help](#) they need. If borrowers are unable to access critical relief programs because of faulty servicing practices, breakdowns in communication at banks, or if consumers [continue to get evicted](#) and foreclosed on despite purported protections outlined in the recovery package, then the relief effort will fall far short of what is necessary.

For a window into these breakdowns, one need look no further than the student loan market. Despite Washington's promise of a [six-month payment suspension](#) and protections against collection actions for most federal student loans, some borrowers have already begun documenting their trouble with servicers' implementation of the CARES Act. Student loan borrowers still [struggle to get in touch](#) with their servicers or access payment relief, and in some states borrowers faced threats of [debt collection lawsuits](#). Federal borrowers anticipating payment suspensions continue to see their [payments deducted](#), interest accrue, [wages garnished](#), and more.

This breakdown in the implementation of relief efforts, however, is about more than just student loans. These difficulties spread across other financial products and services: consumers have reported that their credit card companies, mortgage servicers, and auto lenders are also unable to address their individual needs. Small businesses, shuttered in the face of stay-at-home orders, are scrambling to access immediate financial assistance to no avail as some banks construct additional eligibility requirements, websites crash with the deluge of business owners trying to save their livelihoods, and stories of struggles with the implementation of emergency loan relief continue to mount. In some instances, banks have even seized consumers' stimulus payments. While many consumers are trying to make ends meet, scammers are already looking to use the coronavirus pandemic to their advantage.

Consumers need prompt assistance to help them get answers from their financial institutions, to demand erroneous actions be halted, and for law enforcement officials to take action to stop these issues at a

systemic level. The CFPB's consumer complaint tool is a critical tool to accomplish all of these ends.

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## **The CFPB's consumer complaint tool gets consumers answers from their financial services providers**

The CFPB's complaint tool allows consumers to [submit complaints](#) to the Bureau about their issues with various consumer finance products and services. Managed by the CFPB's Consumer Response division, the complaint tool is a frontline gateway for [consumers to get direct responses](#) from their financial services providers. The Bureau accepts complaints on financial services providers of the following products: debt collection, credit reporting, mortgages, credit and prepaid cards, checking and savings accounts, vehicle loans or lease, payday or title loans, and money transfers. When a consumer submits a complaint through the tool, the Bureau [forwards the complaint](#) to the company in reference, and the company has 15 days to acknowledge the complaint and up to 60 days to substantively respond. With the consumer's consent, the

complaint narrative is made publicly available on the [CFPB's Consumer Complaint Database](#). Consumers can also leave feedback via survey after receiving the company's response to their complaint. The Bureau's consumer complaints — a direct glimpse into consumers' most pressing issues with financial firms' practices — help inform the Bureau's supervisory, enforcement, and rulemaking functions.

Additionally, consumer complaint information is shared with other [law enforcement officials](#) at the state and federal level. Access to this real-time information can help these agencies pinpoint what is happening to consumers and how industry is reacting to the crisis. The Bureau also [shares complaint data publicly through a dashboard](#) and regular reporting. Through its regular [analysis of complaints reported to the CFPB](#), the Bureau studies the breakdowns that consumers submit to identify patterns that, in turn, directly influence the rest of the Bureau's work. Also, the complaint database can be accessed through a [searchable explorer tool](#) that allows for greater insight into the [specifics of complaints and trends](#) where they exist. Consumers, advocates, and government officials can search through the public [Consumer Complaint Database](#) to get a better snapshot of problems consumers face as they are captured in the complaints.

To date, the CFPB has taken over [two million complaints from consumers](#) in all 50 states and U.S. territories. Last year alone, the Bureau handled more than 350,000 complaints from consumers seeking assistance on a range of issues, such as credit reporting errors, debt collection, credit cards, mortgages, and more. The Bureau's complaint tool creates a critical avenue for consumers to get answers when they have an issue with a financial services providers and learn from other consumers' experiences with that firm, and for regulators to draw from a repository of information on the industry patterns and practices that are affecting consumers in the marketplace.

Despite the historic success of the Bureau's complaint tool, the current economic crisis reveals the urgent need for further action to empower consumers to get help when they need it.

## **Given the magnitude of the coronavirus pandemic, the CFPB needs to expand and enhance its consumer complaint system**

Given the financial fallout facing hundreds of millions of American consumers, it is essential that the Bureau respond in kind. This includes enhancing its consumer complaint tool. For example, permitting companies to respond within two months is too long during this crisis to ask struggling consumers to hold on, especially when there are no protections against negative consequences while they wait. Also, the Bureau has yet to expand complaint intake to areas that are of critical importance in the response to the economic harm resulting from the coronavirus pandemic, including small business lending. Additionally, new leadership has

stymied efforts to expand which entities the Bureau shares complaint data with, which also results in time lags for public complaint tracking.

Given the economic fallout stemming from the coronavirus pandemic, [the Bureau must look to strengthen and deploy](#) every resource it has to [protect consumers](#), and the consumer complaint tool is no exception. Therefore, the CFPB should make the following enhancements to the consumer complaint tool:

- **Ensure Quicker Assistance and Answers for Consumers When They Need Help.** The CFPB's consumer response capability must be updated and strengthened to meet the urgency of the present moment. The Bureau's current approach, which allows companies [up to 60 days](#) to substantively respond to a consumer's complaint may have been appropriate pre-crisis. However, 60 days is insufficient for the millions of consumers that cannot wait two months to get an answer about collection on a time-barred debt, guidance on their ability to access a promised payment relief plan, or help if their [wages are illegally garnished](#). For certain subsets of emergent complaints, like wage garnishment where financial harm is imminent and severe, the Bureau should require a company to respond to consumers in near real-time — acknowledging complaints within 48 hours and providing a complete response within 5 business days. For all other complaints, the Bureau should reduce the mandated response time for companies by half so that companies must substantively respond to consumers' complaints within 30 days. The stakes are dire for consumers; nearly 40 percent of American consumers [lack sufficient savings to cover a \\$400 emergency expense](#). The CFPB must respond accordingly.
- **Hold Companies Accountable for Providing Timely and Responsive Assistance Through Supervision of Complaint Handling Practices.** The Bureau's Office of Supervision provides regular oversight over the largest banks and many nonbank financial services companies. As part of this oversight, the Bureau [requires companies to maintain systems](#) to handle consumer complaints, respond to consumers in a timely manner, and address the root causes of consumers' concerns. Further the Bureau must use its supervisory authority to ensure that consumers are offered substantive resolutions, and companies cannot simply provide blanket responses that offer little assistance to consumers. The Bureau should clarify that supervised companies' responses must seek to address the root causes of an issue identified by the consumer submitting a complaint. The Bureau should also provide guidance to all "covered persons" that companies unable to meet the thirty-day deadline described above and that take negative action against consumers while a complaint is pending run the risk of violating the [federal prohibition against Unfair, Deceptive, or Abusive Acts or Practices \(UDAAP\)](#) or being deemed to have engaged in a practice that presents risks to consumers

pursuant to the [Bureau's risk-based examination analysis](#).

- **Add an Option to Directly Tag Coronavirus-Related Complaints in the Drop-Down Menu.** The CFPB should add an option for consumers to tag complaints related to the coronavirus crisis. This change to the existing complaint tool system would help the Bureau, other government officials, advocates, and researchers rapidly assess and address consumers' problems associated with the pandemic. The complaint tool currently allows for keyword searches in the database where one could presumably filter key terms related to the virus, such as: "coronavirus," "COVID-19," or "pandemic." This means complaint narratives that are related to the pandemic, but don't explicitly use a key term, may be excluded from searches on coronavirus-related complaints. However, an addition to the current complaint menu would allow consumers to identify their complaint relating to the coronavirus pandemic and streamline complaint filtering for regulators, law enforcement officials, and policymakers in their efforts to address consumers' problems in a timely manner.
- **Expand and Enhance the Consumer Complaint Tool Intake and Resolution Process.** The Bureau has the authority to handle complaints for all "covered persons." Given the ongoing economic crisis, it is critical that the Bureau fulfil the full scope of its charge by expanding the complaint system to cover markets and onboard companies that are not yet included in the complaint portal. This includes educational institutions, especially for-profit colleges that are [slated to receive over a billion dollars in relief](#) under the CARES Act and have a [track record of violating the federal or state prohibitions](#) against unfair practices.

Additionally, given that the Bureau is now required, [under court order](#), to advance its small business rulemaking, it should immediately begin [taking complaints related to small business lending](#), particularly where companies that already use the CFPB's consumer complaint tool are engaged in this type of lending. This will provide immediate assistance to consumers who own small businesses and who [continue to struggle to get access to answers and relief](#) under the [embattled Paycheck Protection Program](#). This will also help effectuate the underlying goals of the Congressional-mandated rules. The Bureau should also pursue additional interagency partnerships, including agreements with the Small Business Administration and the Federal Trade Commission, to ensure that small business lending issues identified through consumer complaints can inform regulatory and enforcement actions by other federal agencies and to ensure complaints submitted to other agencies can be used to support the CFPB's rulemaking.

- **Provide Full Access to Consumer Complaints and Reporting for Oversight Bodies of Recovery Efforts.** The Bureau provides real-time and robust complaint analytics to other enforcement agencies and regulators through its government portal. Given the imperative of oversight and accountability over the recovery efforts, the Bureau should immediately provide access to the government portal to both the Congressional Oversight Commission and [Office of the Special Inspector General for Pandemic Recovery](#). Furthering that transparency, the Bureau should create a dashboard specifically for complaints related to entities that receive stimulus money as a part of the coronavirus relief efforts. The Bureau should then publish monthly reports documenting consumer complaints and trends from entities related to the stimulus program. The CFPB should also publish its own rapid response analyses to highlight developing issues in the financial marketplace. These reports will help provide greater transparency and accountability into financial services firms' practices during the pandemic.
- **Broaden Cities' Access to Real-Time Consumer Complaint Data.** The Bureau currently provides real-time information to certain government partners, such as state law enforcement officials. This access should also be extended to municipal officials who are on the front lines of efforts to provide guidance and relief to consumers in the midst of the coronavirus pandemic. Just as the complaint data informs the Bureau's supervisory activities, city officials can use complaint analytics to pinpoint issues facing their communities in real-time. Cities across the nation have already begun implementing measures to provide reprieve to consumers facing economic harm as a result of the coronavirus pandemic; access to complaint data is critically important to best-direct local resources to issues most affecting consumers.
- **Publish Consumer Complaint Narratives in Real-Time for the Duration of the National Emergency.** The public deserves to have as much accurate and timely information about company practices and consumers' experience as possible. Rather than wait weeks to post, all information should be posted immediately as soon as consumers' personal information can be redacted. Acknowledging that companies are struggling to respond to borrowers in a timely manner, the Bureau should immediately publish complaint narratives with reasonable geographic information, without use of personally identifiable information, so consumer groups providing assistance can better target outreach to consumers facing significant harm.
- **Expand Outreach to Consumers to Increase Awareness of the Complaint Tool.** The Bureau should increase outreach efforts to consumers to empower them to report financial problems and be forewarned of unfair and deceptive practices. This outreach should focus on consumers with limited access to the internet, including targeted outreach to those whose access is limited as a result of

public library, college, and school closures, to raise awareness of the CFPB complaint system and provide information on ways consumers can submit complaints via phone. Additionally, the Bureau should increase outreach to consumers with limited English proficiency in the eight languages that the Bureau serves and via its Spanish-language site.

## Conclusion

As millions of consumers navigate the economic landscape taking form during the coronavirus pandemic, the CFPB cannot sit idly by. The functions and capabilities of the CFPB's complaint tool must be enhanced to meet the urgent needs of consumers in the present crisis. The economic fallout from the coronavirus pandemic makes consumers more vulnerable to financial devastation and susceptible to bad actors seeking to profit off of consumers' fear and desperation. The CFPB must be proactive in changing this course — particularly with regard to its consumer complaint tool. The complaint tool helps consumers get timely answers for pressing financial needs and has the ability to bring greater transparency and accountability in consumer finance markets, and its use must be enhanced in response to the current crisis.