



Bankers Advisory

COMPLIANCE MONITOR

March 29, 2013

CFPB Releases Consumer Compliant Data

By Anna DeSimone

On March 28, 2013 the Consumer Financial Protection Bureau (CFPB) went live with the nation's largest public database of federal consumer financial complaints, opening up to consumers across the country information on more than 90,000 individual complaints on financial products and services.

The March 2013 launch expanded the CFPB's Consumer Complaint Database significantly from about 19,000 credit card complaints to more than 90,000 complaints on mortgages, student loans, bank accounts and services, other consumer loans, and credit cards. In many cases, it includes the sub-category of products. For example, for mortgages it includes reverse mortgages, conventional fixed mortgages, conventional adjustable mortgages, and home equity loans or lines of credit.

The database allows the public to see what consumers complained about and why, as well as how and when the company in question responds. It has more than one million data points, covering approximately 450 companies. It includes the type of complaint, the date of submission, the consumer's ZIP code, and the company that the complaint concerns.

Key Points from The CFPB's March 2013 Report: *Consumer Response--A Snapshot of Complaints Received*

From July 21, 2011 through February 28, 2013, the CFPB received approximately 131,300 consumer complaints, including approximately 30,600 credit card complaints, 63,700 mortgage complaints, 19,800 bank accounts and services complaints, 4,600 private student loan complaints, 4,100 consumer loan complaints, and 6,700 credit reporting complaints.

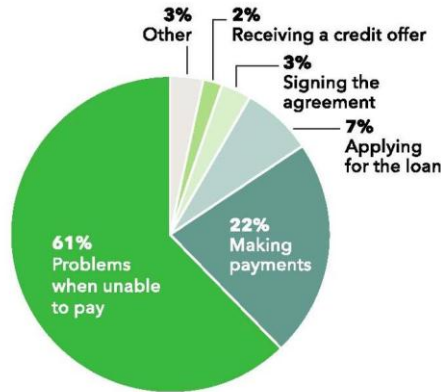
The report reveals the CFPB handled more than 63,700 mortgage complaints. The most common type of mortgage complaint concerns problems consumers face when they are unable to make payments, such as issues related to loan modifications, collections, or foreclosures (61 percent).

Other common types of mortgage complaints address issues related to making payments, such as loan servicing, payments, or escrow accounts (22 percent). Issues related to applying for the loan, such as the application, the originator, or the mortgage broker, are also among the most common types of mortgage complaints (7 percent).

Approximately 56,800 (89 percent) mortgage complaints have been sent by Consumer Response to companies for review and response. The remaining mortgage complaints have been referred to other regulatory agencies (7 percent), found to be incomplete (1 percent), or are pending with the consumer or the CFPB (2 percent). Companies have already responded to approximately 53,900 complaints or 95 percent of the complaints sent to them for response.

The median amount of monetary relief reported was approximately \$425 for the approximately 1,800 mortgage complaints where companies reported relief. Consumers have disputed approximately 10,500 company responses (23 percent) to mortgage complaints. Below is the CFPB chart:

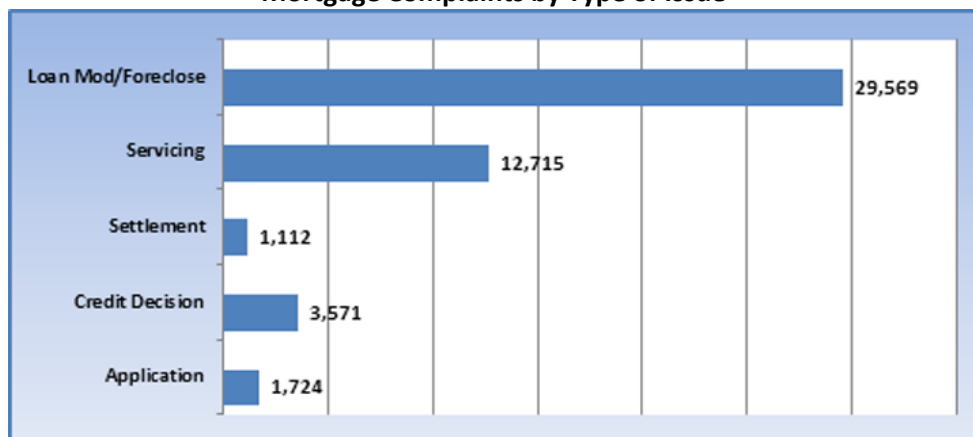
Type of Mortgage Complaints Reported by Consumers



The CFPB's Consumer Complaint Database is available to the public. The CFPB states that they do not verify all the facts alleged in these complaints but we do take steps to confirm a commercial relationship between the consumer and company. Complaints are listed in the database after the company responds or after they have had the complaint for 15 calendar days, whichever comes first. The CFPB removes complaints that do not meet all of the publication criteria and data is refreshed nightly.

The CFPB database is segmented by product (e.g. credit cards, mortgages, etc.) and within the mortgage table there is "sub-product" data (e.g. conventional, FHA loan, etc.) The table also includes the following information: complaint ID, zipcode, company name, date of complaint, date sent to and method of complaint submission (e.g. web, mail, referral) to the CFPB. The figures represent the number of records from a database of 50,617 mortgage complaints in the Mortgage Product category, as compiled by Bankers Advisory:

Mortgage Complaints by Type of Issue



The database also includes information about the actions taken on a complaint by those companies - whether the company's response was timely, how the company responded, and whether the consumer disputed the company's response. A consumer's identity and other personal information is not included in the data.

The live database updates daily; so as the CFPB handles more complaints, more will be added. For example, credit reporting complaints, which the CFPB recently began to accept, will be included in the database in the near future.

Complaints are listed in the database only after the company responds to the complaint or after they have had the complaint for 15 days, whichever comes first. Importantly, while the allegations in the complaint are not verified, a commercial relationship between the consumer and the company is substantiated before the complaint is added to the database. Companies can categorize their response to a complaint in a number of ways. Examples, and what they mean, include:

- Monetary relief: The steps taken by the company in response to the complaint resulted or will result in measurable and verifiable monetary relief to the consumer.
- Closed with non-monetary relief: The result was not monetary relief, but may have addressed some or all of the consumer's complaint involving non-monetary requests.
- Closed with explanation: The result included an explanation that was tailored to the individual consumer's complaint. This category would be used if the explanation substantively meets the consumer's desired resolution or explains why no further action will be taken.
- Closed: The company closed the complaint without relief - monetary or non-monetary - or explanation.

Consumers are given the option to review and dispute company responses. The CFPB then reviews that feedback. The CFPB uses this along with other information, such as the timeliness of the company's response, in a variety of ways, for example, to help prioritize complaints for investigation.



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