



*Advancing Economic Security  
and Community Prosperity*

July 16, 2018

Acting Director Mick Mulvaney  
Consumer Financial Protection Bureau  
1700 G St., N.W.  
Washington, DC 20552

Docket No. CFPB-2018-0014

**Re: CFPB RFI - Request for Information Regarding the Bureau's Consumer Complaint and Consumer Inquiry Handling Processes**

Dear Acting Director Mulvaney:

Woodstock Institute and the undersigned organizations submit these comments in response to the Consumer Financial Protection Bureau (“Bureau” or “CFPB”)’s Request for Information (RFI) regarding the consumer complaint and consumer inquiry handling process. The Bureau’s consumer complaint and inquiry process should continue to be accessible and responsive and should continue to facilitate a timely and transparent complaint resolution process.

**1. About Woodstock Institute**

Woodstock Institute is a leading nonprofit research and policy organization in the areas of equitable lending and investment, wealth creation and preservation, and access to safe and affordable financial products and services. We work locally and nationally to create a financial system in which lower-wealth persons and communities of color can safely borrow, save, and build wealth so that they can achieve economic security and community prosperity. Our key tools include: applied research; policy development; coalition building; and technical assistance.

In recent years, Woodstock played a leading role on reforms regarding payday and other high-cost lending, currency exchanges/check-cashers, debt collection, public fines and fees, children’s savings accounts, and retirement savings programs for private sector workers. Woodstock also plays a leading role in helping to ensure banks invest in and provide safe and affordable services to low- and moderate-income communities, communities of color, and older people.

## 2. Objections to the CFPB's Request for Information Process

As we previously commented, the number of RFIs that you have issued and their frequency is overly burdensome to small not-for-profits like Woodstock. Industry, with its greater resources in terms of staff and otherwise, is far more capable than the consumer advocacy community in developing thorough responses to this flood of RFIs. The amount of time and attention required to try to address the RFIs has diverted scarce nonprofit resources that might otherwise be spent on other issues such as weakening the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) or the multitude of Congressional efforts to repeal agency rulemakings through the Congressional Review Act. The information provided through this RFI process will be inherently skewed in industry's favor simply because it has the necessary resources to create an official record reflecting its position. Accordingly, at the end of the day, the official record that will have been established through this process is not an accurate reflection of the variety and force of opinions on the many issues covered by the RFIs. We anticipate the need to raise objections insofar as this process is used to back off enforcement, lessen oversight, or gut the CFPB itself.

## 3. Recommendations to sustain and improve the complaint process

***Add small business loans to the list of products and services about which a consumer may complain.*** In 2017, Woodstock published four research reports entitled *Patterns of Disparity* covering eight regions – Chicago; Los Angeles-San Diego; Buffalo; New Brunswick, NJ; Detroit; Richmond; Minneapolis-St. Paul; and Fresno County, CA.<sup>1</sup> Each report details the disparity in access to small business loans from banks for entrepreneurs in low- and moderate-income communities and communities of color. We have also heard complaints from small business owners about unfair treatment by banks and predatory practices by online financial technology (fintech) firms. The CFPB should modify the consumer complaint system to receive complaints about small businesses loans. In this way, the CFPB could better exercise its existing authority to identify and enforce fair lending laws. In addition, adding small business loans as a separate category within the consumer complaint system would assist the CFPB in developing rules pursuant to Section 1071 of the Dodd-Frank Act (Section 1071) regarding the collection of small business loan data.<sup>2</sup>

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<sup>1</sup> Each of the four reports is accessible on the Woodstock website at <http://www.woodstockinst.org/category/research/reports/>.

<sup>2</sup> Woodstock and three of our partners submitted a comment letter regarding Section 1071 on September 14, 2017. <http://www.woodstockinst.org/advocacy/comment-letters/small-business-collaborative-letter-response-to-cfpb-rfi-re-1071/attachment/sb-collaborative-response-to-cfpb-rfi-re-1071/>

***The Bureau should improve transparency in its complaint process.*** The Bureau should increase and improve complaint transparency by making details of financial problems and resolutions a primary source of information for the public in both the public complaint database and in regularly published reports.

***The Bureau should allow public access to the complaint feedback process.*** The CFPB could enhance its complaint process by making the feedback portion of the system publicly available. Complaint outcomes offer invaluable information to individuals who are trying to evaluate a company's performance. Consumer satisfaction or dissatisfaction in a complaint's outcome – and the *details why*--are precisely the kind of information consumers value to indicate how and whether a company stands behind its products and services.

The CFPB's system permits positive and negative feedback from consumers, which allows the businesses that prioritize customer service to stand out and encourages other companies to improve their customer service. Put another way, making consumer complaint feedback more transparent inspires corporate accountability and encourages the market to monitor itself. Public access to this final portion of a complaint's lifecycle offers the public an opportunity to hold the CFPB accountable as well.

***Complaint explanation details should be publicly reported.*** Consumers have frequently reported that they are not provided a meaningful company response to their complaint -- receiving instead a vague, unresponsive reply. Details from company explanations should be transparent and reported in summary form.

***Consumer representation must continue for complaint assistance.*** It is essential that the Bureau maintain its willingness to allow credit and housing counselors, attorneys, and other representatives to assist individuals in filing a complaint. This assistance benefits the Bureau as well as the consumer by making the process more efficient.

***CFPB should maintain their language access line for inquires and complaints from limited English consumers.*** The Bureau accepts questions, complaints, and comments regarding financial products and services in more than 180 languages. Limited English Proficiency (LEP) consumers have a place to lodge a complaint, expect a response, and hopefully receive a solution to their financial problem. This vital service for LEP consumers should be maintained.

***The Bureau should require timely, tailored company responses.*** The Bureau should require all companies supervised by the CFPB to adequately respond to and attempt to resolve consumer complaints within the 15- and 60-day time frames. The CFPB should discourage companies from relying on boiler-plate responses to customers.

***The Bureau must maintain public access to its complaint database.*** The CFPB's public complaint database is a trustworthy tool that empowers individuals to inform and protect themselves in the marketplace. It helps consumers evaluate a company's practices and creates incentives for companies to treat their customers fairly. It helps both consumers and businesses resolve problems when they arise and helps the market reward good products and services by providing consumers with the ability to publicly share their experiences. The complaint database also allows companies to identify and correct problems on their own without the impetus of a new rule or enforcement action.

Thank you for taking the time to thoughtfully review our comments.

Very truly yours,

WOODSTOCK INSTITUTE

Joined by:

CHICAGO URBAN LEAGUE  
COMMUNITY ORGANIZING AND FAMILY ISSUES-POWER PAC  
HEARTLAND ALLIANCE FOR HUMAN NEEDS & HUMAN RIGHTS  
HOUSING ACTION ILLINOIS  
ILLINOIS ASSET BUILDING GROUP  
ILLINOIS PIRG  
JANE ADDAMS RESOURCE CORPORATION  
NORTHWEST SIDE HOUSING CENTER  
SARGENT SHRIVER NATIONAL CENTER ON POVERTY LAW