

# Consumer Financial Protection Bureau

Opportunity Finance Network | September 28, 2017



## Disclaimer

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## CFPB representatives

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## Background on the CFPB



## Our vision

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### A consumer finance marketplace...

- Where customers can see prices and risks up front and where they can easily make product comparisons
- In which no one can build a business model around unfair, deceptive, or abusive practices
- That works for American consumers, responsible providers, and the economy as a whole



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## CFPB mission

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The Consumer Financial Protection Bureau is an independent federal agency built to protect consumers. We write and enforce rules that keep banks and other financial companies operating fairly. We also educate and empower consumers, helping them make more informed choices to achieve their financial goals. Learn more at [consumerfinance.gov](http://consumerfinance.gov)



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## Positive results for consumers (as of May 2017)

- **Nearly \$12 billion returned to consumers**
  - \$11.8 billion in approximate amount of relief to consumers from CFPB supervisory and enforcement work
    - \$3.7 billion in monetary compensation to consumers as a result of enforcement activity
    - \$7.7 billion in principal reduction, canceled debts, and other relief as a result of enforcement activity
    - \$371 million in relief to consumers through supervisory action
- **29 million eligible consumers impacted**
- **1,163,200 complaints CFPB handled**



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## CFPB overview: Organization

<b>Consumer Education and Engagement</b>	Responsible for developing and implementing initiatives to educate and empower consumers to make better-informed financial decisions
<b>Supervision, Enforcement, and Fair Lending</b>	Supervises banks, credit unions, and other financial companies, and enforces Federal consumer financial laws
<b>Research, Markets, and Regulations</b>	Leads the Bureau's rulemaking for Federal consumer financial laws, and efforts to articulate an informed perspective about current issues in consumer financial markets and regulations
<b>Legal Division</b>	Responsible for the Bureau's interpretation of and compliance with applicable laws; advises the Director and the Bureau's divisions
<b>External Affairs</b>	Ensures that perspectives of consumers, industry, advocacy groups, state and federal officials, and other stakeholders shape our work, and helps keep them informed about CFPB initiatives
<b>Operations</b>	Sustains the CFPB's operational infrastructure to support the Bureau's growth and enable its success
<b>Consumer Response</b>	Hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints.



## Meet Consumer Education & Engagement

<b>Financial Education</b> <ul style="list-style-type: none"> <li>• Provide targeted educational content</li> <li>• Identify and promote effective financial education practices</li> </ul>		<b>Consumer Engagement</b> <ul style="list-style-type: none"> <li>• Create interactive, informative relationships with consumers</li> </ul>	
<b>Servicemembers</b> Improve financial protection	<b>Older Americans</b> Protect against financial abuse	<b>Students and Young Consumers</b> Increase awareness of debt in college choice	<b>Financial Empowerment</b> Improve financial stability for low-income and other economically vulnerable consumers
Monitor complaints Coordinate with Department of Defense and other military service organizations Audience: 2.2 million military personnel and 22.6 million veterans	Improve financial literacy Help with planning for life events Audience: 50 million aged 62+	Monitor complaints Build campus awareness Audience: 22-28 million (age 16-26)	68 million unbanked or underbanked Approximately 50 million have thin or no credit files Audience: 33% of Americans earn less than twice the poverty line

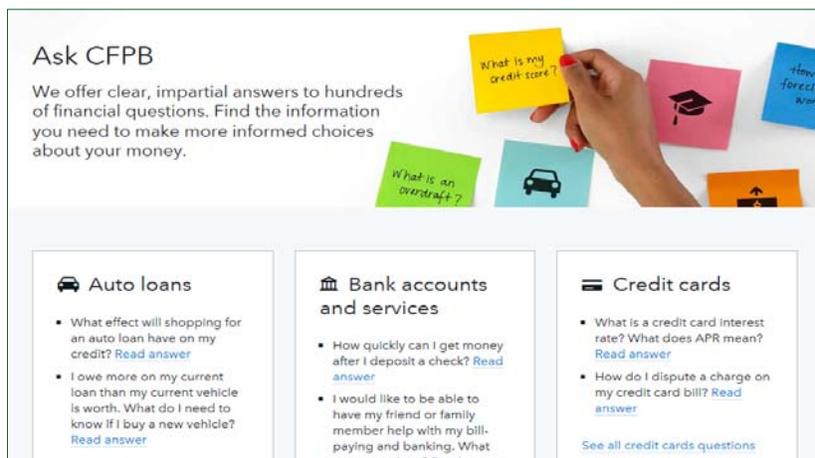
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## Financial education

### Tools and resources

## Ask CFPB

[consumerfinance.gov/askcfpb](http://consumerfinance.gov/askcfpb)



**Ask CFPB**

We offer clear, impartial answers to hundreds of financial questions. Find the information you need to make more informed choices about your money.

- Auto loans**
  - What effect will shopping for an auto loan have on my credit? [Read answer](#)
  - I owe more on my current loan than my current vehicle is worth. What do I need to know if I buy a new vehicle? [Read answer](#)
- Bank accounts and services**
  - How quickly can I get money after I deposit a check? [Read answer](#)
  - I would like to be able to have my friend or family member help with my bill-paying and banking. What are my options? [Read answer](#)
- Credit cards**
  - What is a credit card interest rate? What does APR mean? [Read answer](#)
  - How do I dispute a charge on my credit card bill? [Read answer](#)

[See all credit cards questions](#)

RJ(1)

## Paying for College

[consumerfinance.gov/paying-for-college](http://consumerfinance.gov/paying-for-college)



**Paying for College**

Get help to make informed financial decisions about how to pay for college. Start by comparing financial aid offers or understanding student loan repayment options.

Get started   Student financial guides   Compare financial aid offers   Repay student debt

- Paying for college is a set of online tools targeted to students and families evaluating their options when financing a higher education
- Provides information about financing college including:
  - Comparing college costs and financial aid offers
  - Shopping for a loan
  - Options to repay student loan debt

## Slide 12

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**RJ(1)** Added a missing word to the notes in bold.  
Rosenthal, Joshua (CFPB), 6/30/2017

# Owning a Home

**Owning a Home: Tools and resources for homebuyers**  
 Whether you're just thinking about buying a home or about to close, we help you take control of the process.

The CFPB is on your side

**Before you make an offer on a home**

- 1. Prepare to shop**  
 Get some help to get started. How much you can afford, or what to expect when buying and what you need to know before you start, can make a big difference.
- 2. Explore loan choices**  
 Once you have a pretty good idea of your priorities and budget, you're ready to start shopping for a mortgage. Explore your options and compare rates to see what's right for you.

**After you make an offer on a home**

- 3. Compare loan offers**  
 Once you've found the right home, it's time to shop for the right mortgage. Get offers from different lenders, compare your options, and choose the one that's best for you.
- 4. Get ready to close**  
 Once you've chosen a mortgage loan, it's time to focus on the closing process. There will be lots of paperwork to review and things to keep track of, so we've got you covered.

[consumerfinance.gov/owning-a-home](http://consumerfinance.gov/owning-a-home)

The page is part of Owning a Home, the CFPB's set of tools and resources for homebuyers.

**Explore interest rates**

In Alabama, most lenders in our state are offering rates of or below **4.500%**.

Explore what a lower interest rate means for your wallet.

Interest rate over the first 3 years	Over the first 3 years, an interest rate of 4.500% costs \$4,817 more than an interest rate of 4.000%
\$35,474	\$42,151
Interest rate over 30 years	Over 30 years, an interest rate of 4.500% costs \$16,876 more than an interest rate of 4.000%
\$134,053	\$162,927

**Next steps:** How to get the best interest rate on your mortgage



# Your Home Loan Toolkit



- Worksheets, tips, and research starters to help people shop for a home loan
- Available in Spanish and English
- At [consumerfinance.gov](http://consumerfinance.gov): More mortgage help in more languages (Chinese, French, Haitian-Creole, Korean, Tagalog)
  - Click Educational Resources and then Free Brochures



## Getting an Auto Loan

The screenshot displays the CFPB website's resources for auto loans. It features a 'Comparing auto loans' tool with a table comparing two loan options. The table includes columns for 'Scenario', 'Choice 1', and 'Choice 2'. The rows list various cost factors such as 'Price of the vehicle', 'Additional features, services or add-ons', 'Sales tax and non-negotiable fees', 'Registration fees', and 'Total amount to finance (includes interest)'. Below the table, there are sections for 'Plan to shop for your auto loan', 'Learn to explore loan choices', 'Know what is negotiable', and 'Understand how to close the deal'. A green banner at the bottom of the screenshot reads 'Take control of your auto loan'.

**Tools and resources to help consumers to:**

- Shop for an auto loan with as much care as you shop for the vehicle itself
- Look beyond the monthly payment and consider total cost to compare and negotiate for financing
- “Know before you owe” by spotting financing features that could lead to costly surprises later

## Money Topic Resource Portals – Debt Collection

[consumerfinance.gov/consumer-tools/debt-collection/](http://consumerfinance.gov/consumer-tools/debt-collection/)

### Debt collection

Debt collection issues can be challenging. You don't have to face them alone. Our resources can help you understand how debt collection works and what your rights are.

#### FEATURED TOPIC

##### 5 sample letters to send debt collectors

Wondering how to respond to a debt collector? Our sample letters can help if you:

- Need more information
- Do not owe the debt
- Want the debt collector to stop contacting you while you dispute the debt
- Want the debt collector to only contact you through a lawyer
- Want to specify how the debt collector can contact you

\* These letters are not legal advice. You'll also want to keep copies of any letters you send.

#### About the CFPB

The CFPB is an independent federal agency built to protect consumers. We write and enforce rules that keep banks and other financial companies operating fairly. We also educate and empower consumers, helping people make more informed choices to achieve their financial goals.

#### STILL HAVE A QUESTION?

Call us if you still can't find what you're looking for. You can also submit a complaint about an

## Money Topic Resource Portals – Credit Reports and Scores

[consumerfinance.gov/consumer-tools/credit-reports-and-scores/](http://consumerfinance.gov/consumer-tools/credit-reports-and-scores/)

### Credit reports and scores

Your credit reports and scores have a major impact on your financial opportunities. Our resources can help you better understand your credit reports and scores, learn how to correct inaccuracies, and improve your credit record over time.

#### ★ Featured

#### Does your credit card come with a free credit score?

Lenders use credit scores to make decisions like whether to approve a mortgage at a certain rate or issue you a credit card. Some companies offer free credit scores to



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Call us if you still can't find what you're looking for. You can also submit a complaint about an issue with credit reporting or scores over the

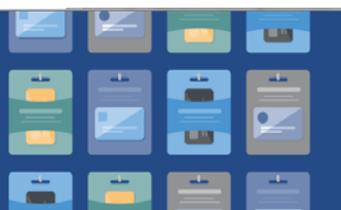


## Money Topic Resource Portals – Prepaid Cards

[consumerfinance.gov/consumer-tools/prepaid-cards/](http://consumerfinance.gov/consumer-tools/prepaid-cards/)

### Prepaid cards and other prepaid accounts

If you're considering getting a prepaid card or account, we have information that can help you choose the right one for you. We also help you understand your rights.



#### What is a prepaid card?

A prepaid card is a card that you use to access money that is loaded onto the card in advance. There are different types of prepaid cards. With most cards, you can spend the money on the card for daily expenses or withdraw cash from an ATM. You can also choose to have your income directly deposited on most cards.



#### Choose the right card for your situation

Not all prepaid cards are the same. Each card has its own set of rules and fees.

[Learn what to consider to choose the right card for your situation](#)

SHARE THIS

#### About us

The CFPB is an independent federal agency built to protect consumers. We write and enforce rules that keep banks and other financial companies operating fairly. We also educate and empower consumers, helping them make more informed choices to achieve their financial goals.



## CFPB Financial Education Exchange (CFPB FinEx)

[consumerfinance.gov/adult-financial-education](http://consumerfinance.gov/adult-financial-education)

### OFFICE OF FINANCIAL EDUCATION Financial Education Exchange

Are you a financial educator? Do you help consumers take charge of their financial lives?

The CFPB is here to help you help the people you serve. We created the CFPB Financial Education Exchange (CFPB FinEx) so you can receive the latest news and research and learn about what's working from your peers.

The CFPB finds things you want to improve in the financial well-being of the people you serve. It's free and open to the public. To sign up, email [CFPB\\_FinEx@cfpb.gov](mailto:CFPB_FinEx@cfpb.gov)



#### Learn

- Find the latest CFPB research, tools, and resources for financial educators

#### Pledge

- Take the CFPB FinEx Pledge to use our tools and resources and provide your feedback
- The pledge and our surveys are completely voluntary

#### Connect

- Attend a networking in your area
- Join webinars on new research findings
- Receive updates and invitations via email
- See CFPB survey results on what's working for your peers
- Participate in the CFPB Financial Education Discussion Group on LinkedIn

#### CFPB resources for you

Understanding the financial education field and practice: Keep up with the financial education field and with promising and effective practices.

Understanding consumers: Gain insights into consumer behaviors, motivations, perceptions, and attitudes, including challenges consumers face in the financial marketplace.

Tools for financial educators: Investigate training materials and toolkits designed to improve your effectiveness and service to clients.

Tools for consumers: Help your clients with wallet-size Web tools and guides tailored to their needs.

Learn more

For more about CFPB FinEx and the CFPB resources that you can access, download, and use for free, visit [consumerfinance.gov/office/financial-education](http://consumerfinance.gov/office/financial-education)

We look forward to working with you to help consumers



- Online and in-person information exchange for financial educators
  - Receive the latest news and research on financial education from the CFPB
  - Share what's working for you in financial education
  - Connect with your peers in the financial education field
- Webinars, email updates, regional convenings, and more
- To sign up, email **CFPB\_FinEx@cfpb.gov**

## CFPB en Español

[consumerfinance.gov/es](http://consumerfinance.gov/es)



## Newcomers Guides to Managing Money

<http://www.consumerfinance.gov/about-us/blog/the-newcomers-guides-to-managing-money/>



- Provide recent immigrants with straightforward information about basic money decisions.

## Publications

<http://promotions.usa.gov/cfpbpubs.html>



- The CFPB has free financial education materials in English and many other languages
- Available for bulk ordering

## Office of Financial Empowerment

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### ***Vision:***

*Lower-income and economically vulnerable consumers are financially stable*

### ***Mission:***

*We work to empower lower-income and economically vulnerable consumers to make informed financial decisions by providing them with tools and information and by promoting a more inclusive and fair financial marketplace.*

## Office of Financial Empowerment objectives

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1 Increase access

2 Build financial capability

3 Improve / build credit

4 Build savings

## Office of Financial Empowerment

### Building partnerships

**Strategies to Implement Vision:**

Partner with local, state, and federal agencies, and non-profit organizations to integrate financial empowerment tools and services to build skills.

**Tools / Projects:**  
(with emphasis on access and scalability)

Your Money, Your Goals

Tax-Time Savings

Youth Employment Success

### Building partnerships: *Your Money, Your Goals*



**Toolkit** with financial education modules & tools

**Companion guides**

- Native Communities
- Justice involved individuals
- People with disabilities
- Issue focused booklets

**Toolkit topics include:**

- ✓ Credit
- ✓ Goals
- ✓ Saving
- ✓ Income and spending
- ✓ Cash flow budgeting
- ✓ Debt
- ✓ Financial services
- ✓ Consumer protection

## Office of Financial Empowerment

### Testing promising practices

**Strategies to Implement Vision:**

Evaluate products, services, and delivery channels.

**Tools / Projects:**  
(with emphasis on access and scalability)

Credit-Builder Loan Evaluation

Mobile

Catalyst Partnerships (AmEx, H&R Block)

## Office of Financial Empowerment

### Advancing policy

**Strategies to Implement Vision:**

Remove barriers and improve access to appropriate products and services. Four examples:

**Tools / Projects:**  
(with emphasis on access and scalability)

Checking Account Screening and Access

FICO & CRA Credit Report & Score Access

Consumer Reporting/Complaints

Department of Justice (Federal Interagency Re-Entry Council)

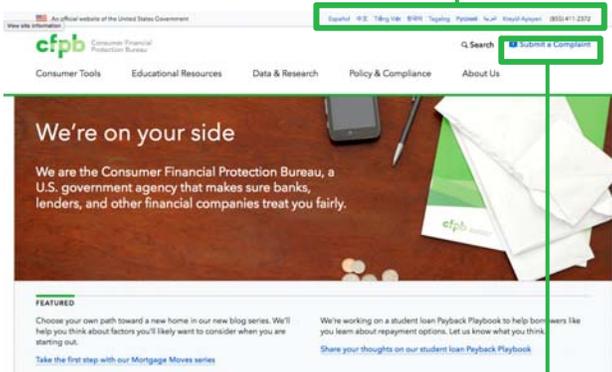
# Listening to consumers

## Helping consumers



### How we answer questions and handle complaints

(855) 411-2372



www.consumerfinance.gov/complaint



## How we help

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### Individual assistance

We turn complaints into action. We work to get a response to complaints – **generally within 15 days**



### Market-wide information

**Every complaint provides insight** into problems consumers are experiencing, allowing us to improve the marketplace

## Small Business Lending Data Collection under Section 1071 of the Dodd-Frank Act

## Statutory Purpose – Dodd-Frank Section 1071

### Section 1071

Under Section 1071\* of the Dodd-Frank Act, the Equal Credit Opportunity Act was amended to require financial institutions to compile, maintain, and report to the CFPB certain information about applications for credit made by **women-owned, minority-owned, and small businesses to:**

“Facilitate enforcement of fair lending laws”

“Enable communities, governmental entities and creditors to identify business and community development needs and opportunities for women-owned, minority-owned and small businesses”

#### Statutory Data Elements



- Application number and date received

- Action taken by the institution and date of such action



- Type and purpose of the loan or credit

- Gross annual revenue in last fiscal year



- Race, sex and ethnicity of the principal owners

- Principal place of business (census tract)



- Amount of credit or credit limit applied for

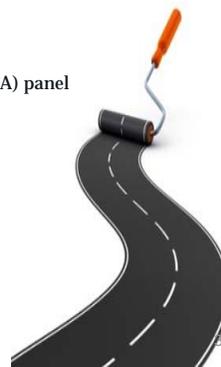
- Amount of credit transaction or credit limit approved



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## Rulemaking for Section 1071 – The Road Ahead

- First Year Accomplishments:
  - ✓Expert team assembled ✓60+ engagements ✓White Paper ✓Field Hearing/RFI
- Rulemaking process will include the following elements:
  - ❖ Market insights/research - underway
  - ❖ Stakeholder input – underway
  - ❖ RFI comments
  - ❖ Small Business Regulatory Enforcement Fairness Act (SBREFA) panel
  - ❖ Notice of proposed rulemaking
  - ❖ Comment period covering the proposed rule
  - ❖ Issuance of final rule
  - ❖ Implementation period
  - ❖ Effective date



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**Visit our webpage:**

[consumerfinance.gov](http://consumerfinance.gov)

**Contact us:**

[CFPB\\_FinEx@cfpb.gov](mailto:CFPB_FinEx@cfpb.gov)

[empowerment@consumerfinance.gov](mailto:empowerment@consumerfinance.gov)

**Small Business Lending:**

[Grady.Hedgespeth@cfpb.gov](mailto:Grady.Hedgespeth@cfpb.gov)

[Anirudh.Sarna@cfpb.gov](mailto:Anirudh.Sarna@cfpb.gov)

