

# Consumer Financial Protection Bureau

Opportunity Finance Network | September 28, 2017



## Disclaimer

---

*This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.*

*This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.*



## CFPB representatives

---

- **Janneke Ratcliffe**  
Office of Financial Education  
Division of Consumer Education and Engagement  
Janneke.Ratcliffe@cfpb.gov
- **Grady Hedgespeth**  
Office of Small Business Lending Markets  
Division of Research, Markets, and Regulations  
Grady.Hedgespeth@cfpb.gov



3

## Background on the CFPB



## Our vision

---

### 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



5

## CFPB mission

---

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)



6

## 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**



7

## 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	Improve financial literacy Help with planning for life events	Monitor complaints Build campus awareness	68 million unbanked or underbanked Approximately 50 million have thin or no credit files
Audience: 2.2 million military personnel and 22.6 million veterans	Audience: 50 million aged 62+	Audience: 22-28 million (age 16-26)	Audience: 33% of Americans earn less than twice the poverty line

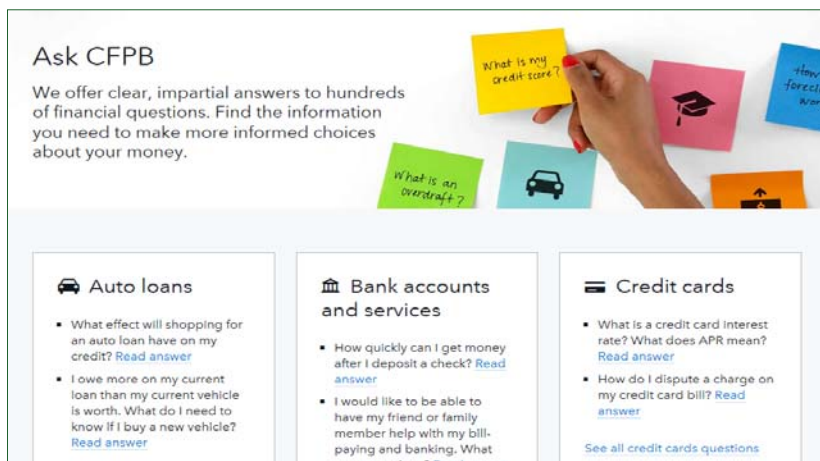
9

## 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

---

**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  
 The Consumer Financial Protection Bureau is a U.S. government agency created in 2011. Our role and efforts focus on protecting consumers, and we provide the tools and resources to help you make thoughtful decisions. Choosing the right home loan is just as important as choosing the right home. Use our tools and resources to know what to expect—and what questions to ask—before you sign.

**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 financing a home. Get yourself up for home loan with a lot of preparation.

**Get started**  
[Check your credit score](#)  
[Learning basics](#)

**2. Explore loan choices**  
 Once you have a pretty good idea of your priorities and budget, you're ready to start home shopping. Now is also the time to start comparing loan offers and making your choice.

**Get started**  
[Understand loan choices](#)  
[Explore interest rates](#)

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

**3. Compare loan offers**  
 Once you've found the right home, it's time to find the right mortgage. Get official loan offers from lenders, compare your returns, and choose the one that's best for you.

**Get started**  
[Compare interest rates](#)  
[Learn about mortgage](#)

**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 submit and things to keep track of the day to lead you step by step.

**Get started**  
[Closing checklist](#)  
[Closing checklist explained](#)  
[Guide to closing forms](#)



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

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

The CFPB is a U.S. government agency created in 2011. Our role and efforts focus on protecting consumers, and we provide the tools and resources to help you make thoughtful decisions.

**Explore interest rates**

Use this tool throughout your homebuying process to explore the range of mortgage interest rates you can expect to receive. Start from your credit score, loan type, term, and down payment amount, and adjust your mortgage rate to see how it compares to the rates in your area. (Rates are updated daily.)

Keep in mind that the mortgage is important, but not the only cost of a mortgage. See [closing costs](#) and [closing costs explained](#) for more information.

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

**Explore rate options**

Equal home value  
 Home price  
 Loan type  
 Loan amount  
 Available

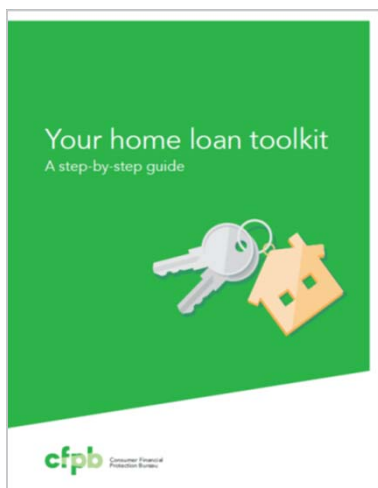
**Explore what a lower interest rate means for your wallet**

Interest rate over the first 3 years

\$35,474	\$42,151
Interest rate over 30 years	\$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. On the left, a sidebar lists several topics: 'Know Before You Borrow: Auto Loans', 'Plan to shop for your auto loan', 'Learn to explore loan choices', 'Know what is negotiable', and 'Understand how to close the deal'. The main content area features a 'Comparing auto loans' tool with a table for comparing two loan offers. Below the table is a 'Calculate how much you will need to borrow' section. A large green graphic in the foreground reads 'Take control of your auto loan' and 'A step-by-step guide'.

Determine your up-front costs	Offer 1	Offer 2
A. Price of the vehicle	\$20,000	-
B. Additional delivery, service or options fees	\$1,000	-
C. Taxes, title and non-negotiable fees (sales and destination, and title fees)	\$1,500	-
D. Registration fees	\$100	-
E. Total amount the vehicle seller should receive (A+B+C+D)	\$23,500	-

**Calculate how much you will need to borrow**

F. Down payment	\$3,000	-
G. Total amount of loan needed (E-F)	\$20,500	-
H. Vehicle usage (if you already have a vehicle)	\$2,000	-
I. Total amount of loan needed (G-H)	\$18,500	-

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



#### 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 issue with credit reporting or scores over the

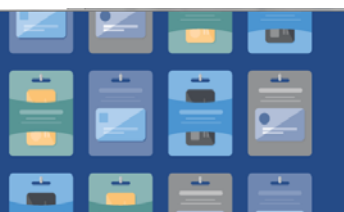


## Money Topic Resource Portals – Prepaid Cards

[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 webinars, digital 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

---

### ***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

---

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)

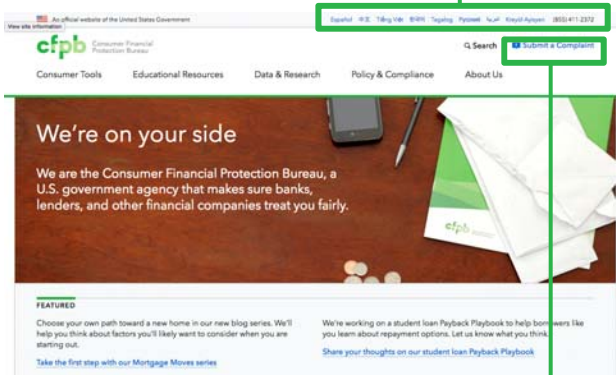
# Listening to consumers

## Helping consumers



### How we answer questions and handle complaints

(855) 411-2372



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





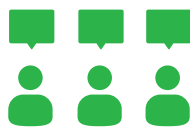
## How we help

---



### 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

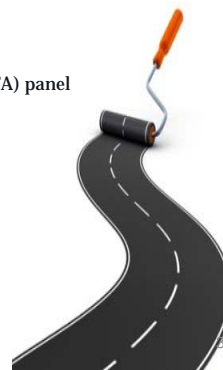
- Amount of credit transaction or credit limit approved



33

## 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



34

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)

