

The Consumer Financial Protection Bureau (CFPB), Recent Developments: March 31, 2014 – April 4, 2014

CFPB Issues Annual Complaint Report

On March 31st, the CFPB issued its Consumer Response Annual Report.¹ According to the Report, which reviews the complaints received by the CFPB during the 2013 calendar year, the CFPB received 163,700 complaints—an 80 percent increase over 2012. The Report summarizes the complaints by category and companies' responses to them. The top three complaints in 2013 were:

- **Mortgages:** The most common complaint regarded mortgages, accounting for 37 percent of overall complaints. Consumers complained most about issues relating to loan modifications, collections and foreclosures.
- **Debt collection:** The second most common complaint regarded debt collection, accounting for 19 percent of overall complaints. Consumers complained the most about collectors attempting to collect debt not owed, communication tactics by the collectors, and collectors taking or threatening illegal action.
- **Credit reporting:** The third most common complaint regarded credit reporting, accounting for about 15 percent of overall complaints. Consumers complained the most about incorrect information on their credit report.

Companies responded to in a timely fashion to 99 percent of the complaints, but monetary relief was granted to consumers in only about 7 percent of the complaints. The Report also details the types of non-monetary relief consumers received. These types of relief included alternatives to mortgage foreclosure, restored lines of credit and corrections to credit reports.

CFPB Implementation Guidance for TILA-RESPA Integrated Disclosure Rule

On March 31st, the CFPB released its Small Entity Compliance Guide for the TILA-RESPA Integrated Disclosure Rule, which the CFPB issued on November 20, 2013.² The plain-language Guide is designed to help users determine their federal mortgage disclosure compliance obligations for the mortgage loans they originate. The Integrated Disclosure Rule combines the disclosures consumers are required to receive under the Truth in Lending Act and the Real Estate Settlement Procedures Act when applying for and closing on a mortgage loan. The Rule takes effect on August 1, 2015.

¹ See the Report [here](#).

² See the Small Entity Compliance Guide [here](#). See other implementation guidance [here](#).

CFPB OIG Report Identifies Issues for Improvement

On March 27th, the Federal Reserve Board's Office of Inspector General (OIG), which is also responsible for auditing the CFPB, issued a report on the CFPB's supervision program.³ This initial evaluation assesses the operational efficiency and effectiveness of the supervision program. According to the report, the OIG believes that the CFPB can improve the efficiency and effectiveness of its supervisory activities. Specifically, the OIG found that the CFPB needs to "(1) improve its reporting timeliness and reduce the number of examination reports that have not been issued, (2) adhere to its unequivocal standards concerning the use of standard compliance rating definitions in its examination reports, and (3) update its policies and procedures to reflect current practices."

Recent CFPB Speaking Engagements

On April 3rd, CFPB Director Richard Cordray spoke before the American Bar Association.⁴ Cordray emphasized how the CFPB is a 21st century agency with "a strong democratic foundation of public engagement." He noted how the CFPB is soliciting comments from consumers on its rulemakings through the e-Rulemaking Initiative and has also been revising its rules based on industry feedback.

On April 4th, CFPB Director Richard Cordray spoke at the Greenlining Institute's Economic Summit.⁵ Cordray discussed the four chief consumer issues that the CFPB is addressing, which he refers to as "the four D's": deceptive marketing, debt traps, dead end markets and discrimination. He emphasized in particular the CFPB's use of its authority to restrict unfair, deceptive, and abusive acts and practices in addressing these four areas.

Also last week, CFPB Deputy Director Steven Antonakes spoke at the Consumer Bankers Association meeting.⁶ Antonakes speech covered a wide range of topics, including the CFPB's consumer complaint program, its new mortgage rules and the ongoing debt collection rule writing process.

CFPB Issues Minority and Women Report

Last week the CFPB's Office of Minority and Women Inclusion issued its annual report.⁷ The report reviews the office's achievements over the past year, summarizes the CFPB's diversity and inclusion mandate and provides statistics on the composition of the CFPB workforce.

³ See the OIG Report [here](#).

⁴ See the Director's prepared Remarks [here](#).

⁵ See the Director's prepared Remarks [here](#).

⁶ See the Deputy Director's prepared remarks [here](#).

⁷ See the report [here](#).

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The Consumer Financial Protection Bureau (CFPB), created by the Dodd-Frank Wall Street Reform and Consumer Protection Act, implements and enforces federal consumer financial law. Greenberg Traurig monitors the CFPB's activities, including the almost daily movement on multiple industry fronts that the CFPB makes as it redefines consumer finance law. An entirely new system has been and is being created for the consumer financial services industry. Once complete, the question will be, "How does our clients' business match up?" Our GT CFPB Team regularly observes and analyzes the actions of the CFPB in order to advise clients in best practices, risk management and compliance procedures.

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