

CFPB Observer: Recent Developments from May 4-8, 2015

CFPB Issues Report on Consumers with Limited Credit Histories

On May 5, the CFPB issued a [report on consumers that have limited credit histories](#). The report found that approximately 26 million consumers are “credit invisible,” meaning that they do not have any credit history with a nationwide consumer reporting agency. According to the report, such consumers were more likely to be black, Hispanic, or live in low-income neighborhoods. Consumer reporting agencies collect information about consumers’ credit histories and provide credit reports and credit scores based on this information. The CFPB observed that these reports and scores are important in ensuring the availability of credit because “[m]ost decisions to grant credit and set interest rates for loans are made based on information contained in credit reports.” Those consumers that are “credit invisible” may “face greater hurdles in getting credit.” The report’s analysis was based on a random sample of de-identified credit records that the CFPB purchased from a credit bureau. It is unclear what course of action the CFPB may follow based on the results of this report.

FDIC Hosting Presentation on CFPB Mortgage Rule Compliance

The FDIC’s Division of Depositor and Consumer Protection is hosting a teleconference presentation on compliance with the CFPB’s mortgage rules from 2-3:30 p.m., Thursday, May 21. The presentation will cover observations made by FDIC examiners regarding financial institutions’ compliance with the CFPB’s mortgage rules. Attendance is free and open to the public. Register [here](#).

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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