

May 2013

Office of Servicemember Affairs

SEMI-ANNUAL COMPLAINT REPORT



Consumer Financial
Protection Bureau

Message from Holly Petraeus

Assistant Director for the Office
of Servicemember Affairs



Hello and welcome from the Office of Servicemember Affairs!

Our job at the Consumer Financial Protection Bureau (CFPB) is to work on consumer financial challenges affecting military personnel (including retirees and veterans) and their families. We do that through financial education, monitoring of complaints submitted by consumers to the CFPB, and coordinating with other Federal and state agencies on military consumer protection measures. We understand that military life has some extra challenges, such as deployment and frequent moves, and that those challenges can have powerful financial repercussions. Our job is to make sure that others understand the unique consumer financial challenges faced by the military, and to encourage the CFPB and other agencies use their powers to make financial markets work better for our military and veteran families.

One important way that we learn about the financial challenges impacting the military is through complaints submitted by servicemembers and handled by the Bureau's Office of Consumer Response. We monitor complaints carefully, as they can help us determine where the pain points are for military families navigating the consumer financial system. Sometimes complaints can even help the CFPB identify businesses that are breaking consumer financial protection laws in ways that harm servicemembers, and can provide information that CFPB's Supervision and Enforcement teams may opt to pursue further.

We want to hear from active duty, Guard, Reserve, retirees, family members, and veterans – the whole military community.

And we want them to feel comfortable contacting the CFPB with questions or complaints about consumer financial products and services.

Those who serve, or have served, our country should not have to worry about falling victim to unfair or deceptive financial practices. It's my honor to represent the military community here at the CFPB, and to make sure that its concerns are heard – and that we do something about them.

A handwritten signature in blue ink that reads "Holly Petraeus".

Holly Petraeus

Introduction:

The CFPB began consumer response operations on July 21, 2011 and became the first federal agency solely focused on consumer financial protection. The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (“Dodd-Frank Act”) created the Bureau to protect consumers of financial products or services and to encourage the fair and competitive operation of consumer financial markets. Taking in, resolving, and analyzing consumer complaints¹ is an integral part of the CFPB’s work, as Congress set forth in the Dodd-Frank Act.² The Office of Servicemember Affairs works with the Bureau’s Consumer Response team on complaints submitted by servicemembers, veterans, or their spouses and dependents, providing subject-matter expertise and helping to monitor complaints.

The Bureau began accepting consumer complaints about credit cards on July 21, 2011. It began handling mortgage complaints on December 1, 2011, and it began accepting complaints about bank accounts and services, private student loans, and other consumer loans on March 1, 2012. On October 22, 2012, the Bureau began handling credit reporting complaints and more recently began accepting money transfer complaints on April 4, 2013. Additionally, the CFPB’s public Consumer Complaint Database was launched on June 19, 2012 to bring more transparency and efficiency to the marketplace.

The CFPB continues to work toward expanding its complaint handling to include other products and services under its authority, such as debt collection and payday loans. Consumers may also contact the CFPB about other products and services. The Bureau answers these questions and refers consumers to other regulators or additional resources as appropriate.

In keeping with the CFPB’s statutory responsibility and its commitment to accountability, this snapshot report provides an overview of complaints submitted by servicemembers, veterans, or their spouses and dependents and presents an analysis of complaints received over the period from January 1, 2012 through December 31, 2012.

¹Consumer complaints are submissions that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer’s personal experience with a financial product or service.

²Dodd-Frank Act, Public Law 111-203, Section 1021(c)(2).

Once you submit a complaint:



Complaint
Received



1. Complaint submitted

You submit a complaint about an issue you have with a company about a consumer financial product or service. You will receive email updates and can log in to track the status of your complaint.



Review and
Route



2. Review and route

We'll forward your complaint to the company and work to get a response from them. If we find that another government agency would be better able to assist, we will forward your complaint to them and let you know.



Company
Response



3. Company response

The company will review your complaint, communicate with you as needed, and report back about the steps taken or that will be taken on the issue you identify in your complaint.



Consumer
Review



4. Consumer review

We will let you know when the company responds. You can review that response and give us feedback.



Review and
Investigation



5. Review and investigation

Complaint data is shared with state and federal law enforcement agencies. Complaints tell us about business practices that may pose risks to consumers. If we need more information, we'll reach out and let you know.



Analyze and
Report



6. Analyze and report

Complaints help with our work to supervise companies, enforce federal consumer financial laws, and write better rules and regulations. We also report to Congress about the complaints we receive and post some consumer complaint data.



Consumer Financial
Protection Bureau

The CFPB accepts complaints about:



Bank account or service



Credit card



Credit reporting



Money transfer



Mortgage



Student loan



Vehicle or consumer loan

Have a complaint about a product or service not on this list?

Call toll free (855)411-CFPB (2372), or TTY/TDD (855)-729-CFPB (2372), and we'll answer your questions and refer you to other resources that may help.

Visit www.consumerfinance.gov/complaint for more information.

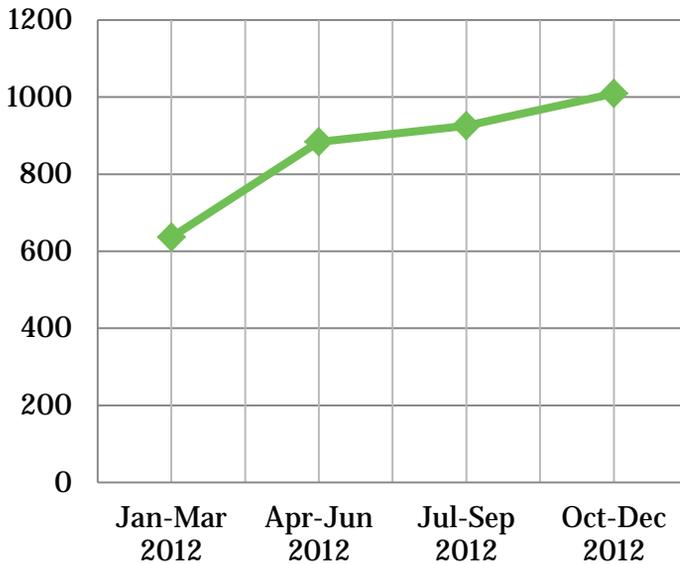


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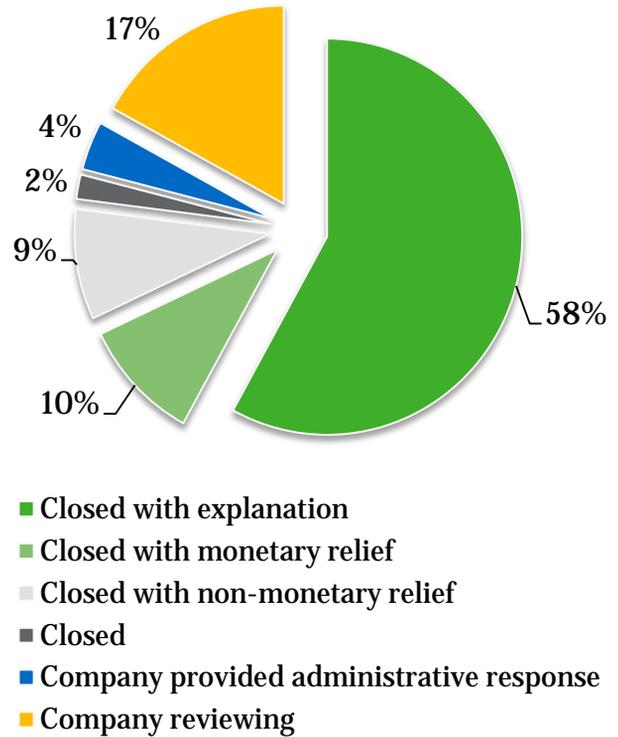
Complaint data from servicemembers, veterans, and their families:

1. Complaints in 2012

The volume of complaints has steadily risen each quarter since complaints were first accepted in July 2011. In 2012, 3,455 complaints were received.



2. Company responses in 2012



3. Relief reported by companies in 2012

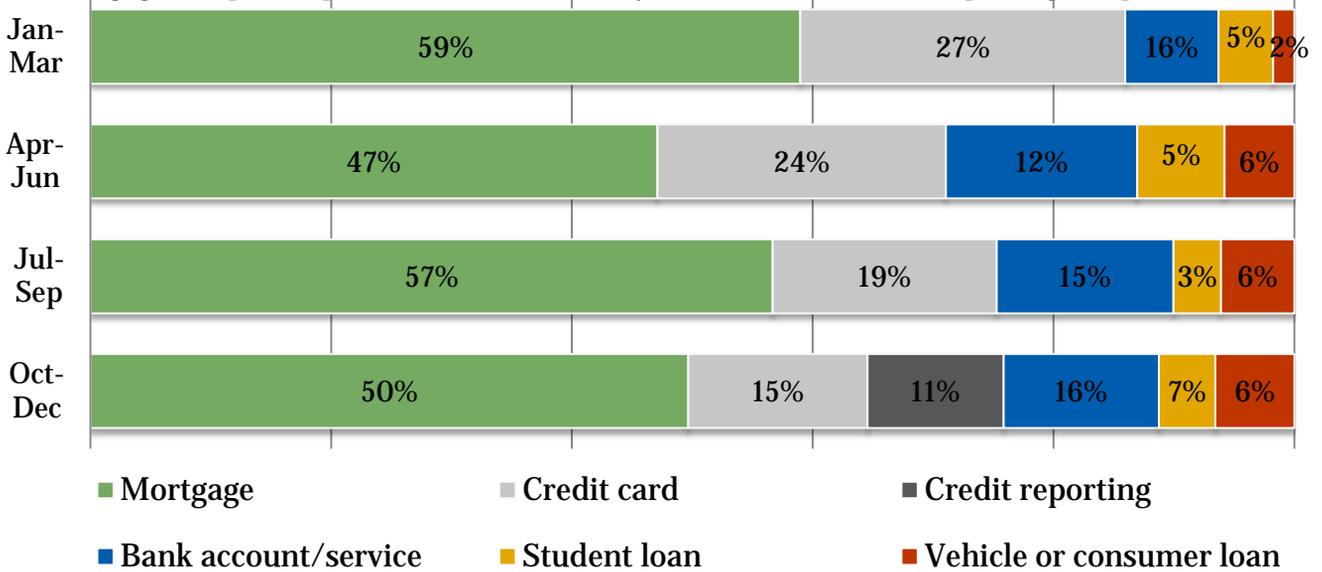
Category	Median Monetary Relief
ALL	\$170
Mortgage	\$494
Credit card	\$130
Bank account or service	\$100
Vehicle or consumer loan	\$99
Student loan	\$1866

Complaint data from servicemembers, veterans, and their families:

4. Complaints by product in 2012

Consumer Response began taking complaints about credit cards in July 2011; it began handling mortgage complaints in December 2011; and it began accepting complaints about bank accounts and services, private student loans, and other consumer loans in March 2012. In October 2012, the Bureau began accepting credit reporting complaints.

Mortgage complaints predominate, followed by credit card and credit reporting complaints.



5. Top consumer reported issues by product in 2012

Mortgage	
Loan modification, collection, foreclosure	58%
Loan servicing, payments, escrow account	24%
Application, originator, mortgage broker	10%

Credit card:	
Billing disputes	15%
APR or interest rate	9%
Credit reporting	8%

Credit reporting:	
Incorrect information on credit report	63%
Credit reporting company's investigation	21%
Unable to get credit report/credit score	7%

Bank product/service:	
Account opening, closing, or management	44%
Deposits and withdrawals	32%
Problems caused by my funds being low	13%