

BUREAU OF CONSUMER FINANCIAL PROTECTION

[Docket No. CFPB-2012-0024]

Request for Information Regarding Complaints from Private Education Loan Borrowers

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice and request for information.

SUMMARY: Section 1035 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established a Private Education Loan Ombudsman (Ombudsman) within the Consumer Financial Protection Bureau (Bureau) to provide timely assistance to borrowers of private education loans. Among other things, the Dodd-Frank Act directs the Ombudsman to “compile and analyze data on borrower complaints” regarding private education loans and make appropriate recommendations to the Director of the Bureau, the Secretary of the Treasury, the Secretary of Education, and Congress. In March 2012, the Bureau launched the intake of borrower complaints on private education loans. In order to “compile and analyze data” on complaints processed through other mechanisms, with this Notice and Request for Information, the Ombudsman seeks information on borrower complaints about private education loans.

DATES: Comments must be received on or before [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER], to be considered and analyzed to develop recommendations as specified in Section 1035(c)(4).

ADDRESSES: You may submit comments by any of the following methods:

- <http://www.regulations.gov>. Follow the instructions for submitting comments.
- Mail/Hand Delivery/Courier: Monica Jackson, Office of the Executive Secretary, Consumer Financial Protection Bureau, 1700 G Street NW, Washington, DC 20552.

Instructions: The Bureau encourages the early submission of comments. All submissions must include the agency name and docket number, CFPB-2012-0024. Please note the number of the question you are answering at the top of each response (you do not need to answer all questions). In general, all comments received will be posted without change to <http://www.regulations.gov>. In addition, comments will be available for public inspection and copying at 1700 G Street NW, Washington, DC 20552, on official business days between the hours of 10 a.m. and 5 p.m. Eastern Time. You can make an appointment to inspect the documents by calling (202) 435-7275. All comments, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. **Sensitive personal information such as account numbers or Social Security numbers should not be included.** Comments will not be edited to remove any identifying or contact information.

FOR FURTHER INFORMATION CONTACT: For general inquiries and submission process questions, please call Monica Jackson at (202) 435-7275.

SUPPLEMENTARY INFORMATION: Section 1035 of the Dodd-Frank Act establishes a Private Education Loan Ombudsman (Ombudsman) within the Consumer Financial Protection Bureau (Bureau). Section 1035(c)(3) requires the Ombudsman to compile and analyze data on borrower complaints regarding private education loans. Sections 1035(d) and 1035(c)(4) further require the Ombudsman to prepare an annual

report to Congress and make appropriate recommendations to the Director of the Bureau, to the Secretary of the Treasury, the Secretary of Education, and to Congress.

In support of the duties of the Ombudsman under section 1035 of Dodd-Frank, the Bureau seeks information on borrower complaints about private education loans.¹ To supplement the data that the Ombudsman will receive through the Bureau's consumer complaint intake function and to capture qualitative information that may help to inform the Ombudsman's recommendations, this notice and request for information therefore seeks responses from the public, including:

- Institutions of higher education's financial aid offices;
- State attorneys general;
- State and local banking and consumer protection agencies;
- Borrower advocates and legal aid entities; or
- Complaint resolution departments of lenders and servicers;
- Other interested parties.

To assist the Bureau in satisfying the requirement that the Ombudsman shall "compile and analyze data on borrower complaints" mandated by Section 1035, the Bureau is interested in receiving comments that could bear on its analysis of data regarding borrower complaints. The Bureau is therefore interested in responses to the questions outlined below, including, where known, information on the volume of complaints received and complaint outcomes. Please note that the Bureau is not soliciting individual borrower complaints in response to this notice and request for

¹ As used in Section 1035 of Dodd-Frank, "private education loans" is defined by section 140 of the Truth in Lending Act (15 U.S.C. 1650).

information. Nor is the Bureau seeking personally identifiable information (PII) regarding borrower complaints, from the parties to the complaint or any third party. Responses to this subsection should not contain account numbers, Social Security numbers or other personal information that could be used to identify the complainant or another party identified in a complaint, or in any way otherwise reveal personally identifiable information. Below are some general areas for which information is being sought. Please feel free to respond to any or all of the questions below:

1. What complaints are submitted by borrowers of private student loans?

Among other things, responses can address topics that relate to some or all of following areas:

- a. Whether the complainant is the primary borrower, co-signer, school, or other party;
- b. The topic or topics featured in complaints (e.g., credit reporting, debt collection, billing disputes);
- c. The types of institutions of higher education that complainants attended; or
- d. Generalized descriptions or summaries of individual private education loan borrower complaints that do not include personally identifiable information.

2. What processes do institutions have in place to respond to complaints from private education loan borrowers? Among other things, the Bureau invites comments on topics such as:

- a. How institutions receive complaints from private student loan borrowers; and
- b. How institutions respond to complaints from private student loan borrowers.

Date: June __, 2012.

Meredith Fuchs,

Chief of Staff, Bureau of Consumer Financial Protection.