Complaint Bulletin

COVID-19 issues described in consumer complaints
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1. Introduction

The Dodd-Frank Wall Street Reform and Consumer Protection Act directed the Consumer Financial Protection Bureau (CFPB) to facilitate the centralized collection of, monitoring of, and response to consumer complaints regarding consumer financial products or services.¹ The CFPB’s Office of Consumer Response (Consumer Response) performs this statutorily mandated function, analyzing and sharing complaint data to inform the marketplace and to empower consumers to take more control over their financial lives.

This Complaint Bulletin expands on the 2020 Consumer Response Annual Report and relies primarily on information provided during the consumer complaint process. For this bulletin, the CFPB analyzes complaints against the backdrop of three specific actions taken by Congress or the CFPB to provide relief for consumers in response to the COVID-19 pandemic. Those actions are (1) suspending monthly payments for federal student loans; (2) issuing Economic Impact Payments (EIPs) to eligible households; and (3) issuing an interim final rule in support of the Center for Disease Control and Prevention (CDC)’s eviction moratorium.

Congress has also provided relief to mortgage borrowers with federally backed mortgages that included, among other things, forbearance for homeowners.² In May, the CFPB published a Complaint Bulletin that highlighted mortgage forbearance issues consumers reported in their complaints.

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¹ See Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111–203 (Dodd–Frank Act), Section 1013(b)(3); see also § 1002(4) (“The term ‘consumer’ means an individual or an agent, trustee, or representative acting on behalf of an individual.”).

² In March 2020, Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act that, among other things, provided relief to homeowners. Under the CARES Act, homeowners with an eligible mortgage who had experienced financial hardship due to the pandemic had the right to request and obtain a forbearance on their mortgage for up to 180 days. Homeowners additionally had the right to request and obtain an extension for up to another 180 days (for a total of up to 360 days). The CARES Act also established a moratorium on mortgage foreclosures. See 15 U.S.C. § 9056(c). Borrowers with certain types of mortgages who requested additional forbearance were able to extend their forbearance for up to 18 months. See Consumer Fin. Prot. Bureau, Learn about mortgage relief options and protections, https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/mortgage-relief/ (last accessed Jun. 28, 2021).
Key findings of this bulletin include:

- Federal student loan complaint volume decreased significantly following suspension of payments; however, borrowers reported issues with customer service and sometimes experienced delays in getting responses to their complaints.

- These customer service issues in student loan complaints raise concerns about servicers’ preparedness for student loan borrowers resuming payments, particularly borrowers who have experienced a decrease in income.

- Consumers reported being charged overdraft fees on their checking accounts when funds advanced by their financial institutions—so consumers could have access to all of their EIP funds—were later reversed.

- Renters have submitted few complaints about third-party debt collectors, or attorneys, who are attempting to carry out an eviction; more often, renters described issues with collections for past evictions or expressed concerns about negative credit reporting.

This *Complaint Bulletin* is organized as follows. Sections 2 through 4 summarize issues consumers described in their complaints to the CFPB. Section 5 highlights consumer resources the CFPB has published that may be especially relevant for consumers who are experiencing hardship and for those who work with such consumers.

Readers who want to learn more about the issues consumers raise in their complaints can visit the public [Consumer Complaint Database](https://www.consumer.gov/complaint).

2. Federal student loan relief

In March 2020, in response to the COVID-19 pandemic, the U.S. Department of Education’s Office of Federal Student Aid began providing temporary relief on government-owned federal student loans. This relief included suspension of loan payments, a 0% interest rate, and stopped collections on defaulted loans. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) extended this relief through Sept. 30, 2020. It was then extended three subsequent times by order of the Secretary of Education and the President. This relief is currently set to expire on September 30, 2021. At that time, more than 40 million borrowers with federally owned student loans will need to resume repayment.

The Department of Education expanded COVID-19 emergency relief measures in March 2021 to defaulted federal student loans made through Federal Family Education Loan (FFEL) Program. This action, which was made retroactive to March 13, 2020, expanded relief to more than one million additional borrowers.

With these relief measures in effect, complaints about federal student loans decreased significantly over the past year (Figure 1). In the complaints the CFPB received, some student loan borrowers reported issues relating to implementation of relief measures. For example, borrowers described being confused about whether relief was available to them. Borrowers also described difficulty communicating with their loan servicers to discuss relief options and

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4 Id.

5 Id. On Aug. 8, 2020, relief measures were extended through Dec. 31, 2020; on Dec. 4, 2020, relief measures were extended through Jan. 31, 2021; on Jan. 20, 2021, relief measures were extended through Sept. 30, 2021.

expressed concerns when they experienced a drop in their credit scores because of the way their servicer furnished their loan information to consumer reporting agencies.7

FIGURE 1: FEDERAL STUDENT LOAN COMPLAINTS, BY MONTH

In recent months, even with relief measures still in place, borrowers described issues that arose when interacting—or attempting to interact—with their loan servicers. Many of these borrowers described encountering issues when attempting to complete routine account activities.

Borrowers, for example, described difficulties interacting with their servicers about the Public Service Loan Forgiveness (PSLF) program. Some borrowers reported that their servicers did not respond to questions related to their applications or annual employment certification forms. Some borrowers reported having to contact their servicers multiple times about denials of forgiveness applications because their servicer inaccurately calculated the number of qualifying payments. Some borrowers reported that attempts to have errors corrected resulted in customer service representatives providing contradictory information. In response to these complaints, servicers typically informed borrowers that they subsequently reviewed and approved their applications or servicers provided an explanation as to why the application was not approved along with relevant loan account history.

Borrowers described long delays, sometimes lasting weeks, to get answers to questions about their account status. Some borrowers with loans under the FFEL program, for example, reported that after the COVID-19 relief measures were expanded, they attempted to contact

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their servicers for confirmation that relief measures had been applied to their account. These borrowers reported that they either received no response to their emails or no returned calls when asking their servicer to call them back.

Borrowers also reported difficulties in reaching customer service to fix payment application issues. Some borrowers who continued to make payments after relief measures were applied to their account and later requested a refund of those payments reported not receiving a response to their request. Some borrowers reported that customer service representatives said they were not entitled to refunds.

A limited number of borrowers who submitted complaints to the CFPB experienced delays in receiving a final answer to their complaint because their servicer could not complete the necessary research to respond in the 60 days allotted by the CFPB’s complaint process. In these complaints, the servicer simply noted that it would follow-up in writing outside of the CFPB complaint process. The CFPB sent questions to the servicer about these complaints. In response, the servicer provided copies of their final response or took steps to provide a substantive response to borrowers.

These breakdowns in customer service and responses to complaints are concerning because they raise questions as to whether servicers are adequately prepared to handle consumers’ concerns when millions of borrowers resume repayment.

In addition to customer service issues, some borrowers described having lost their job during the COVID-19 pandemic and either not having found new employment or gained employment at a lower wage. These borrowers expressed concern about being able to afford their student loan payments. In response to these complaints, servicers typically encouraged the borrower to explore repayment options, including income driven repayment (IDR) plans.

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8 Companies generally respond to complaints in 15 days. In some cases, when the company needs additional time respond, it can mark the complaint as in progress and provide a final response in 60 days. See Consumer Fin. Prot. Bureau, Learn how the complaint process works, https://www.consumerfinance.gov/complaint/process/ (last accessed Jun. 28, 2021).

9 Consumer Response monitors consumer complaints, company responses, and consumer feedback to assess whether companies are providing accurate, complete, and timely responses. Accuracy is whether companies select appropriate response categories based on their narrative text and complete all appropriate fields. Completeness is whether companies respond to the issues raised by the consumer, describe communications with the consumer, and detail follow-up or planned follow-up actions. And timeliness is whether companies respond to complaints within 15 calendar days of receipt and provide a final response, if applicable, within 60 calendar days.
When payments resume in the fall, borrowers will receive a billing statement or other notice at least 21 days before their payments are due. Borrowers who had enrolled in auto-debit prior to the pandemic will have their payments resume automatically on the first due date when payments begin again. Considering borrower concerns about payment affordability, servicers may need to consider what communications are appropriate to alert borrowers of the date that payments will resume, especially those borrowers who are enrolled in auto-debit payments.

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11 Id. ("Auto-debit payments will resume automatically on your first due date when payments begin again.").
3. Economic Impact Payments

Since the declaration of the national emergency in March 2020, Congress passed three major pieces of legislation to provide financial relief to individuals and families. Each time, the legislation included Economic Impact Payments (EIPs) of varying amounts that were disbursed to eligible individuals. In March 2020, the CARES Act authorized payments of up to $1,200 per individual ($2,400 for married joint filers).\(^1\) In December 2020, the Continuing Appropriations Act, 2021 and Other Extensions Act authorized further payments of up to $600 per individual ($1,200 jointly).\(^2\) Finally, in March of 2021, the American Rescue Plan Act authorized payments of up to $1,400 per individual ($2,800 jointly).\(^3\)

Following each EIP disbursement, the CFPB received complaints from consumers who experienced a variety of issues related to EIPs (Figure 2). These complaints were typically in the checking or savings account and prepaid card product categories, which is consistent with how the U.S. Treasury issued the EIPs to eligible individuals.\(^4\)

\(^4\) See Press Release, U.S. Department of Treasury, Treasury is Delivering Millions of Economic Impact Payments by Prepaid Debit Card, https://home.treasury.gov/news/press-releases/sm1229 (“This week, Treasury and the IRS started to send approximately 8 million Economic Impact Payments (EIPs) by prepaid debit card. The distribution of EIP Cards follows the millions of payments already made by direct deposit and the ongoing mailing of paper checks and are part of Treasury’s and is IRS’s plan to deliver Economic Impact Payments as rapidly as possible.”).
On March 9, 2020, around the time of the first EIP, the federal financial institution regulatory agencies and state bank regulators issued a statement to encourage financial institutions to meet the financial services needs of their customers and members in areas affected by COVID-19. As a courtesy to consumers who had overdrawn deposit accounts, several financial institutions advanced an amount equal to the negative balance so these consumers could take full advantage of their EIP. These advances were later reversed—typically 30 days after the advance.

In their complaints to the CFPB, a limited number of consumers reported that they did not realize that an advance was posted to their account. Many of these consumers reported learning of the advance only after the funds were debited from their accounts several weeks later. Consumers described these reversals as problematic for several reasons. Among the most concerning is consumers being surprised by the reversal, which—at least for some consumers—resulted in overdraft fees for multiple items that posted to their now overdrawn account.

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17 See also Consumer Fin. Prot. Bureau, Supervisory Highlights, COVID-19 Prioritized Assessments Special Edition (Issue 23) (Jan. 19, 2021), available at https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-23_2021-01.pdf (“Waiver of setoff rights allowed consumers access to the full amount of government benefits. At several institutions, examiners found risk when the institutions failed to clearly communicate to consumers how and when provisional credits would be revoked. This risk was exacerbated if the institutions lacked a clear policy preventing assessment of an overdraft fee when the revocation of provisional credit resulted in a negative account balance.”).
consumers reported that they were more overdrawn after the advance was reversed than they were before the stimulus payment was deposited.

It is unclear from complaints the types of notices financial institutions provided to their overdraft customers both at the time of the advance and before the reversal. Financial institutions often reported providing both electronic and written notices at the time of the advance. Consumers, on the other hand, reported not receiving notices and expressed confusion because they did not proactively opt-in to overdraft protection programs. In response to these complaints, several financial institutions reiterated the intention of the advance was so that consumers could make full use of their stimulus payments. In some limited circumstances, financial institutions refunded overdraft fees charged to the consumers’ accounts, stating they were refunding the fees as a courtesy.

As reported in 2020, following the first EIP, some consumers complained about account closures. In these complaints, consumers complained that their EIPs and unemployment benefits were deposited in closed accounts or accounts that their financial institution closed shortly following the EIP deposit. Many of these consumers noted that delays in accessing their EIP funds made it difficult to pay rent, buy food, and to meet other critical obligations. Financial institutions generally responded by referring consumers to the terms of the Deposit Agreement and Disclosure.

Consumers who received their EIPs via prepaid debit cards also reported difficulties accessing their funds. Following the first disbursement, some consumers claimed that funds were deposited onto old or defunct cards—such as cards that had been used to receive tax returns in the prior year—which created delays in accessing their money. Following the second and third disbursements, some consumers described issues with accounts being locked. For example, a consumer reported that their account was locked on the same day that their stimulus payment was deposited and that after contacting the company and not receiving any assistance they turned to social media and found other consumers describing the same issue. In response, the company acknowledged that they inadvertently locked the consumer out of their account on the same day that the stimulus payment was deposited. This company also acknowledged other consumers had been affected, informed the consumer the issue had been resolved, and apologized for any misunderstanding the consumer may have experienced.

18 See Consumer Fin. Prot. Bureau, July Complaint Bulletin: Complaints mentioning coronavirus keywords (Jul. 16, 2020), available at https://files.consumerfinance.gov/f/documents/cfpb_july-complaint-bulletin_coronavirus-complaints_2020-07.pdf (“Consumers increasingly discussed stimulus funds following the first disbursement of Economic Impact Payments in mid-April… When funds were deposited into closed accounts, some consumers reported that their account was reopened to accept the stimulus payment.”).
Consumers also reported problems when a previous prepaid card had been reported as lost or stolen and a new card was issued. Some consumers described being confused about how to access their stimulus payments after learning their previous card had not been deactivated and the stimulus payment had been deposited onto that card, which they no longer had in their possession. Consumers described contacting the financial institution and not receiving assistance to have the funds transferred to the new card account. Company responses typically provided the consumer with an overview of the account and information on corrective measures taken to ensure consumer access to account funds.
4. Eviction protections

As of May 2021, an estimated 6.7 million renter householders were behind on their rental payments. On average, these renters are nearly three months delinquent and owe more than $4,500.20

Section 4024 of the CARES Act provided a temporary moratorium on eviction filings, as well as other protections for tenants in certain rental properties with federal assistance or federally related financing.21 On September 4, 2020, the CDC issued an eviction moratorium, which was originally set to expire on December 31, 2020.22 The CDC moratorium has been extended four times and currently is set to expire on July 31, 2021.23 This moratorium generally limits the circumstances in which certain persons may be evicted from residential property. The CDC moratorium has been subject to several legal challenges.24

The CFPB has taken a number of actions to protect renters during the COVID-19 pandemic. In March 2021, the CFPB and Federal Trade Commission (FTC) issued a Joint Statement on Preventing Illegal Evictions.25 In April, the CFPB issued an interim final rule to address certain

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19 Moody’s Analytics’ June 2021 baseline economic outlook.

20 Id.


debt collector conduct associated with the eviction moratorium issued by the CDC. In May, the heads of the FTC and CFPB sent notification letters to the nation’s largest apartment landlords, which collectively own more than 2 million units, reminding them of their obligations under the ongoing national eviction moratorium. The CFPB also clarified in its public statements that it accepts consumer complaints from consumers who experience problems with debt collectors, including attorneys, involved in evictions.

In light of these actions, the CFPB continues to monitor complaints and, specifically, debt collection complaints where consumers describe evictions or being at risk of eviction. The volume of debt collection complaints where consumers mention eviction or other related keywords was relatively consistent over the past year until seeing an increase in recent months (Figure 3). This recent increase in complaints discussing evictions may be explained, in part, by the CFPB’s increased focus in this area.

FIGURE 3: COMPLAINTS MENTIONING EVICTION OR RELATED KEYWORDS IN DEBT COLLECTION COMPLAINTS, BY MONTH

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26 See Press Release, Consumer Fin. Prot. Bureau, CFPB Rule Clarifies Tenants Can Hold Debt Collectors Accountable for Illegal Evictions, https://www.consumerfinance.gov/about-us/newsroom/cfpb-rule-clarifies-tenants-can-hold-debt-collectors-accountable-for-illegal-evictions/ (“The CFPB’s rule requires debt collectors to provide written notice to tenants of their rights under the eviction moratorium and prohibits debt collectors from misrepresenting tenants’ eligibility for protection from eviction under the moratorium.”).

In their complaints to the CFPB, consumers reported being affected financially by COVID-19 as their employers reduced their work hours or terminated their employment. Many of these consumers reported that prior to the pandemic they were current in rental payments; however, because of long periods of disrupted wages, these consumers described no longer being able to afford monthly rental payments and ultimately falling behind.

In their complaints, few consumers described a current eviction proceeding where they were being contacted by a debt collector or an attorney. More often, consumers described debt collection activities following their eviction. For example, some consumers described receiving debt collection notices for outstanding account balances for apartments they had been evicted from earlier in the pandemic. In these complaints, some consumers described collection attempts for amounts higher than their rent payments because of daily late fees assessed to their accounts.

Consumers also reported receiving collection notices for charges and fees they viewed as questionable. Some consumers, for example, described collection attempts for damage to the property, outstanding utility balances, and fees for trash removal. According to several of these consumers, when they asked for more information about the charges in question, debt collectors were unable to provide specific information related to the debt.

In addition to debt collection issues, consumers described credit reporting concerns related to evictions. The CARES Act generally requires furnishers to report as current certain credit obligations and accounts for consumers affected by COVID-19 who have sought payment accommodations. Under the CARES Act, homeowners who were current on their accounts and took advantage of a mortgage forbearance were to be reported as current to consumer reporting agencies. As the eviction moratoria and other government interventions aimed at alleviating the economic and public health impacts of COVID-19 begin to expire, the CFPB released a compliance bulletin to remind consumer reporting agencies consumer reporting agencies and furnishers of their obligations to accurately report rental information.

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28 Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136, § 4201 (2020) (stating that, with certain exceptions, “if a furnisher makes an accommodation with respect to 1 or more payments on a credit obligation or account of a consumer, and the consumer makes the payments or is not required to make 1 or more payments pursuant to the accommodation, the furnisher shall—(I) report the credit obligation or account as current; or (II) if the credit obligation or account was delinquent before the accommodation—(aa) maintain the delinquent status during the period in which the accommodation is in effect; and (bb) if the consumer brings the credit obligation or account current during the period described in item (aa), report the credit obligation or account as current”).

In their complaints, some consumers reported concerns that their eviction would have detrimental effects on their ability to secure future housing. Indeed, some consumers reported facing homelessness because an eviction had negatively affected their credit, making it more difficult for the consumer to secure another residence. Other consumers reported being denied applications for housing because information in their tenant screening reports was inaccurate.

In response to complaints, tenant screening companies varied widely in their responses to the CFPB. Some companies provided detailed explanations, describing both the actions they took in response to complaints and the outcomes of their investigations. But some companies did not provide responses at all. In complaints about these tenant screening companies, consumers raised serious concerns. For example, some consumers described tenant screening companies reporting inaccurate criminal and civil information on their reports. Companies’ decisions to not respond to CFPB complaints raises questions about their ability, or willingness, to comply with requirements under the Fair Credit Reporting Act generally.


5. Consumer resources

Throughout the COVID-19 pandemic, the Bureau has released a variety of resources on its website, consumerfinance.gov, to ensure that consumers have timely and understandable information to help them protect and manage their finances. These include:

- A centralized coronavirus webpage, established in March 2020, that serves as a hub where consumers can find information to help navigate their finances during the pandemic. From that page, consumers can access topic- and audience-specific resources, including videos and links to additional information. The page is regularly updated to reflect recent developments and provide up-to-date guidance.

- Guidance about protections and relief for student loan borrowers to keep consumers informed and apprised of developments, such as when relief deadlines were extended.

- Information about Economic Impact Payments (EIPs), including blogs translated into six languages, and a video about EIP prepaid debit cards.

- Mortgage and housing assistance website: Launched jointly with the Federal Housing Finance Agency (FHFA) and the Department of Housing and Urban Development (HUD), this website consolidates critical information and features videos to help homeowners and renters, including guidance for avoiding eviction and for handling debt collection issues.

- Resources to help consumers avoid fraud and scams.

- Informative blogs: The Bureau regularly posts up-to-date information and guidance on a variety of COVID-19 related financial issues.