

# 2017 Annual Report to the Director

Advocating for Fair Process in Consumer Financial Protection



OMBUDSMAN'S  
OFFICE

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# Message

I am pleased to present our FY2017 annual report to the Director of the Consumer Financial Protection Bureau, pursuant to the [CFPB Ombudsman's Office Charter](#).

In December 2016, at the same time that we celebrated the Ombudsman's Office's fifth anniversary, the Administrative Conference of the United States (ACUS) published the report of its study on the use of ombudsmen in federal agencies. Our office was selected as one of four extensive case studies and we understand that our office's practices served as a model for several of the recommendations adopted by ACUS for government-wide applicability.

One of the initiatives the ACUS report highlighted as a "promising practice or innovation" was our Ombudsman Forum program, which we launched in FY2015 as another avenue to hear further about process issues raised with our office. This year, we expanded that initiative by hosting two Forums, one event in which we facilitated discussions with compliance officers of entities that engage with the CFPB and another event with the associations of state regulators and their members. In addition, this year we launched a pilot Ombudsman Interactives program, inspired by the Ombudsman Forum, as an additional way to inform our work.

In addition to those initiatives, this report describes how we assist in resolving process issues and how we engage with stakeholders through inreach (internal engagement) and outreach. It also shares information about the developments in our work to define ombudsman terminology as it intersects with enterprise risk management. Added this year is a description and accompanying graphic of how our inreach and outreach inform our work and enable us to be an advocate for a fair process.

The Demonstrating the Ombudsman in Practice section provides short examples that illustrate the various ways in which we can assist on topics, such as how CFPB resources for industry may be used, the Spanish version of [consumerfinance.gov](http://consumerfinance.gov), and consumers' and companies' engagement with the consumer complaint process. The section on individual inquiries received by our office expands upon the analyses of our inquiry data over time. We also include our work on two systemic issues – the accessibility of print materials and the telephone entry point for non-consumers – and provide updates on two issues we studied last year, the memorializing of

ex parte communications and consumers' options to identify issues with companies when submitting consumer complaints, as published in the CFPB's public Consumer Complaint Database.

Going forward, we have developed a new set of strategic plan goals which will guide us as we continue to advocate for fair process in consumer financial protection to assist all of our stakeholders.

Wendy Kamenshine  
CFPB Ombudsman

November 15, 2017

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# Ombudsman in Practice

The CFPB Ombudsman’s Office is an independent, impartial, and confidential resource and our mission is to advocate for fair process in consumer financial protection. The Ombudsman<sup>1</sup> informally assists in resolving process issues with the CFPB that are: mentioned in individual inquiries received from consumers, financial entities, their groups, and others; highlighted in interactions with groups; or observed by the Ombudsman. This section revisits the ombudsman standards that are foundational to our work in light of their recognition, as well as the recognition of our office’s practices, in the recent study and recommendations of the Administrative Conference of the United States (ACUS). The section also outlines our work process, describes our outreach, shares how we connect through inreach (or internal engagement) with the CFPB, and highlights how our inreach and outreach together support our work in advocating for a fair process.

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## Our Practice Highlighted: ACUS Study and Recommendations

In December 2016, 26 years after its first study of federal agency use of the ombudsman concept, ACUS completed an extensive government-wide study and voted to approve 16 recommendations in support of the federal ombudsman resource.<sup>2</sup> The ACUS recommendations highlighted practices already in place by the CFPB Ombudsman since its launch in 2011.

As described in our 2016 Annual Report, our office was selected as one of four case studies for the ACUS study which informed the accompanying recommendations. Criteria for selection of

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<sup>1</sup> In this report, “Ombudsman” refers to the office, the staff, or the person.

<sup>2</sup> ACUS Recommendation 2016-5, “[The Use of Ombuds in Federal Agencies](#),” 81 Fed. Reg. 94312, 94316 (Dec. 23, 2016).

the case studies included identification by peers as “positive models” for ombudsmen in the federal sector and by researchers as “utilizing innovative or effective practices.”<sup>3</sup> As part of this selection, the researchers stated that the case studies “provide powerful examples and stories of success. Furthermore, they may serve as informative models in the future.”<sup>4</sup>

In its recommendations, ACUS endorsed the importance of adherence to the core standards of ombudsman practice of independence, impartiality, and confidentiality for ombudsman offices across the federal government. Drawing on this development, we briefly revisit these core standards and how they have been foundational to our practice since 2011.

**Independence:** We are outside of the CFPB’s business lines, reporting to the CFPB’s Deputy Director and then to the Director, which ensures our independence at the CFPB. It also allows us to act as an early warning system and serve as a catalyst for change.

**Impartiality:** We do not advocate for one side, the inquirer or the CFPB, but instead we advocate for fair process in consumer financial protection.

**Confidentiality:** We have put safeguards in place to preserve confidentiality. We will not share identifying information outside the Ombudsman’s Office unless the inquirer indicates that we can. We also may have to share it if there is: a threat of imminent risk of serious harm; the inquirer raised an issue of government fraud, waste, or abuse; or if required by law.

In the ACUS case study of our office, there also was recognition of our adherence to these foundational standards. Specifically, the researchers concluded that: “[t]he impeccable manner in which these ombudsmen exercised independence, impartiality, and confidentiality truly represented a role model for the federal ombudsman community and the entire organization.”<sup>5</sup>

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<sup>3</sup> C. Houk et al., “[A Reappraisal – The Nature and Value of Ombudsmen in Federal Agencies](#)” (Nov. 14, 2016) (*hereinafter* “ACUS Report”) at Part 2, p. 81.

<sup>4</sup> *Id.* at 80-81.

<sup>5</sup> *Id.* at 105.

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## Our Work Process: How We Assist by Advocating for a Fair Process

The Ombudsman uses an array of methods to assist consumers, financial entities, their groups, and others who contact us for assistance. As such, the assistance we offer exists within a flexible framework that may be adapted to most effectively address an inquirer's distinct process concern. This flexible framework allows us to tailor the steps we take to try to best assist in resolving a particular process issue and enables us to advocate for a fair process.

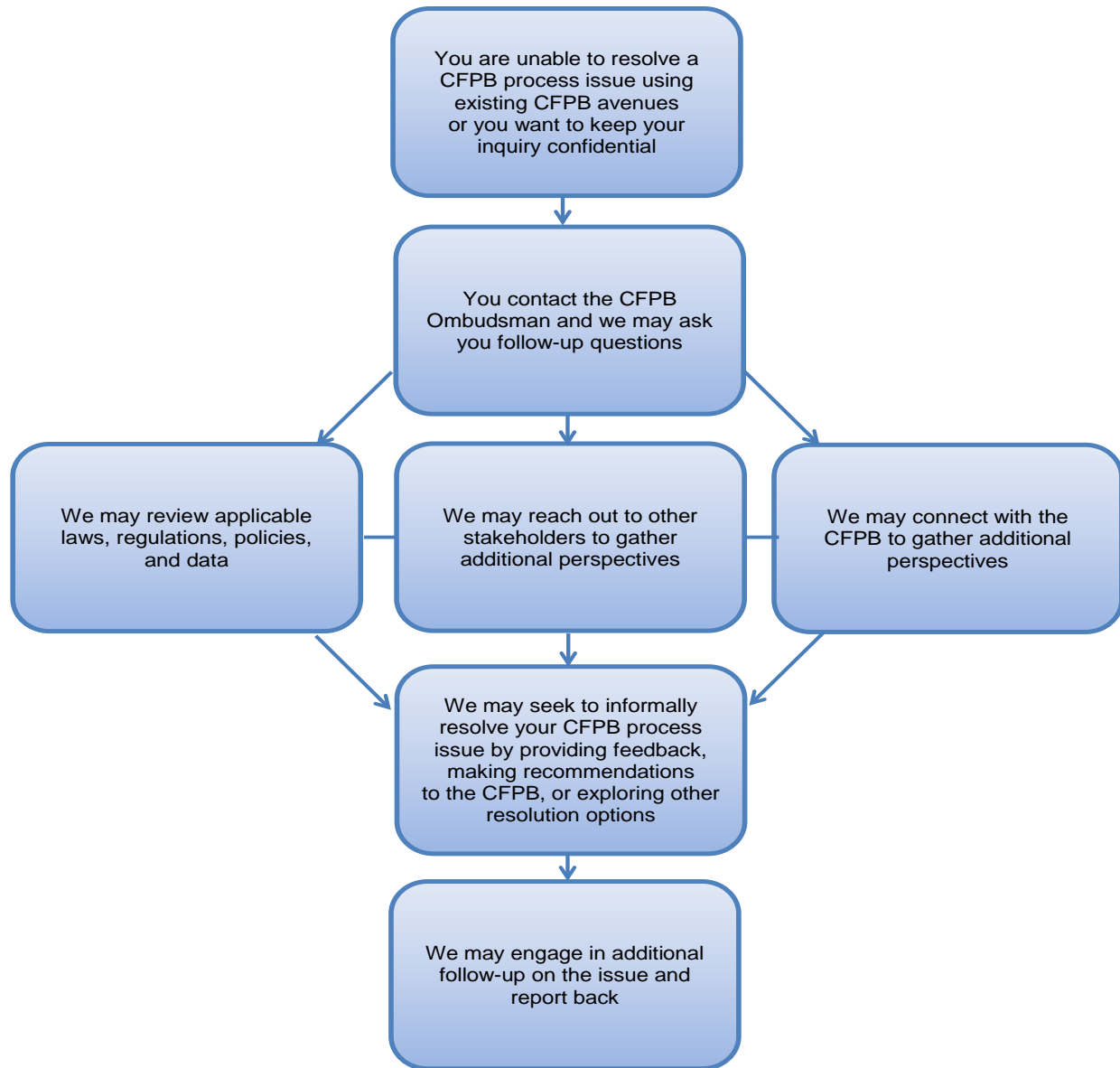
This section describes some of the ways we may use that flexible framework to assist. As part of that flexibility in thinking about how to assist, it also describes our further efforts to define the terminology we use in advocating for a fair process.

### How We Can Assist

The figure below describes what we do with a question, concern, or complaint received by our office regarding a CFPB process.



**FIGURE 1:** THE CFPB OMBUDSMAN'S OFFICE: WHEN TO CONTACT US AND WHAT TO EXPECT WHEN YOU DO



The Ombudsman does not:

- Address matters in litigation or provide legal advice;
- Delay statutory, regulatory, or other CFPB deadlines;
- Make decisions or legal determinations for the CFPB;
- Serve as a formal office of legal notice for the CFPB; or,
- Address internal workforce issues

The Ombudsman utilizes a toolbox of resources to try to informally resolve each issue. As shown in the figure above, we may seek to resolve an issue by providing feedback and making recommendations to the CFPB. To assist, we also can: facilitate discussions, brainstorm and evaluate options and resources, share our independent analyses, offer an impartial perspective,<sup>6</sup> ensure confidentiality of someone's identity,<sup>7</sup> and engage in shuttle diplomacy,<sup>8</sup> among other options.

The circumstances surrounding each inquiry inform the type of resolution tool or tools that we use. After receiving an inquiry, the Ombudsman assesses what approach would maximize the assistance that we can offer. This analysis could include, for example, the type of inquiry, context of the issue, or pervasiveness of the issue. At times, the Ombudsman may consult with the inquirer on the approach. This flexibility and adaptability in our resource set, along with our foundational ombudsman standards, allows us to assist a wide range of stakeholders on various types of issues.

## Ombudsman Terminology: Further Describing Our Work

In FY2016, the Ombudsman initiated a project to establish a set of terms and associated definitions to describe our work and activities. This project will create a set of shared definitions and an understanding of the terms we use to assist us in further informing our internal and external stakeholders about how we may assist. As part of the project, last year we began developing an ascending continuum to reflect what we share with the CFPB, from making observations to serving as an early warning mechanism for possible immediate action.

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<sup>6</sup> For example, the Ombudsman participates in some CFPB working groups in an advisory capacity by providing feedback as the Bureau considers initiatives and activities, but the Ombudsman is not part of the decision-making process.

<sup>7</sup> As described above, we will not share your identifying information outside the Ombudsman's Office unless you tell us we can. We also may have to share it if there is: a threat of imminent risk of serious harm; you have raised an issue of government fraud, waste, or abuse; or if required by law.

<sup>8</sup> Shuttle diplomacy is a technique used in alternative dispute resolution in which we convey information, questions, and observations back and forth between stakeholders, sometimes without sharing their identities, to assist in resolving an issue.

At the same time, in accordance with Office of Management and Budget [Circular No. A-123](#), “Management’s Responsibility for Enterprise Risk Management and Internal Control,” the CFPB’s Office of Strategy conducted work surrounding enterprise risk management. The Ombudsman determined that the language and structures developed by the Office of Strategy for enterprise risk management could further inform the ombudsman terminology and definitions we are developing. Ombudsman terminology that also reflects enterprise risk management language may give the Ombudsman another way to provide feedback to the CFPB. In FY2018, the Ombudsman looks forward to continued work on this effort.

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## The Ombudsman’s Internal and External Engagement

The Ombudsman continuously conducts both internal engagement with the CFPB, or inreach, and external engagement, or outreach. These connections and the continuous engagement with all of our stakeholders enable the Ombudsman to remain informed and assist consumers, financial entities, their groups, and others in resolving process issues with the CFPB.

### Outreach: How We Connect with External Stakeholders

As an independent resource, we conduct our own outreach with external stakeholders to share information about our resource, and to learn more about how those stakeholders engage with the CFPB. To assist our external stakeholders most effectively, the Ombudsman continuously plans, develops, and engages in outreach efforts to convey how we may assist. In implementing our strategic plan, we endeavor to develop innovative methods of engaging with our external stakeholders to inform them of our role and learn about their work, so they may easily connect back with us to share process issues. As in past years, in FY2017, the Ombudsman worked to increase visibility of the office and ensure that our outreach efforts allow external stakeholders to readily access our resource in ways most helpful to them.

In conducting our outreach, and in keeping with the ombudsman standard of impartiality, we also endeavor to balance our outreach efforts over time to ensure fairness in our engagement with the public. With this in mind, the Ombudsman develops an outreach plan to connect with a broad range of stakeholders that connect with the CFPB. We conduct outreach with a wide array

of external stakeholders, such as consumer, trade, and other groups and their memberships, financial entities, state and federal government agencies, and others. As a result of balancing our outreach, we strive to give as many stakeholders as possible an opportunity to engage with the Ombudsman so that various perspectives may be heard.

Our outreach includes: in-office introductory and follow-up meetings, teleconferences with groups' memberships, presentations at board meetings, speaking at conferences and smaller gatherings, and informal visits to financial entities' operations. Consumer and industry groups as well as financial entities that wish to request an outreach meeting with the Ombudsman may contact our office directly at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or (855) 830-7880.

### *Outreach Activities in FY2017*

This year, we completed several planned outreach activities in accordance with our two-year strategic plan and accompanying outreach plan. We increased our proactive outreach through the continued efforts of a temporary staff resource, an Acting Outreach Specialist, dedicated to outreach. In addition to continuing our introductory outreach connections with consumer, trade, and other groups and their memberships, we arranged for additional speaking opportunities at groups' conferences to inform larger audiences about our resource and latest work.

We also continued our outreach teleconference series to connect with a broad range of stakeholders nationwide and to introduce the Ombudsman. This year, we offered state banking associations participation in one of three teleconferences to share how the Ombudsman may be a resource for their organizations and members. State banking associations from 20 states joined us for one of these calls and we are planning to do a make-up teleconference for people who could not attend. We also hosted teleconferences with regional consumer groups in the CFPB's Northeast and West regions to share about our resource and to explore hosting Ombudsman Forums in the CFPB's regions with regional consumer groups.

In FY2018, we plan to host outreach opportunities for regional consumer groups in the Midwest and Southeast regions. In addition, we anticipate hosting a series of teleconferences with law school clinics around the country that assist consumers.

## *An Ongoing and Evolving Connection with External Stakeholders*

The Ombudsman's initial outreach with an external stakeholder is the beginning of an ongoing connection. We have open channels of communication with our stakeholders so they can reach us on any given process issue and we also can hear as many perspectives as possible. After the initial outreach with an external stakeholder, the Ombudsman seeks to build upon that connection by offering further engagement. For example, the Ombudsman is available for regular meetings to touch base with groups to maintain engagement with us as well as to share perspectives and emerging trends. In addition, this year, we piloted our Ombudsman Interactives program, as described in the Ombudsman Forums and Interactives section, which arose out of earlier outreach. We continually seek to enhance our existing outreach program by adopting new, creative outreach approaches.

## Inreach Within the CFPB: Connecting with Internal Stakeholders

The Ombudsman's inreach takes two forms, initial and ongoing. Our initial inreach introduces the Ombudsman to new CFPB staff through introductory meetings or presentations and also via introductory emails. In these introductions, we describe our resource, how we approach our work, and how we may be of assistance. We strive to ensure that when we contact someone at the CFPB to discuss a process issue it is not the first time they ever heard of the Ombudsman.

At the same time, in conjunction with our inreach plan, the Ombudsman maintains a series of meetings throughout the CFPB with leadership and staff of the divisions and offices, whether monthly, bi-monthly, or quarterly. This regular and continuing engagement ensures we can promptly connect with the right Bureau contacts to address process issues, while also giving us the opportunity to maintain awareness about Bureau activities. In addition, in these meetings we provide feedback on perspectives we are hearing, offer feedback in conjunction with CFPB offices' proposed initiatives, and share recommendations. Figure 2 shows all of our inreach meetings this year.

**FIGURE 2:** REGULAR INREACH MEETINGS WITH THE CFPB, FY2017

Monthly Meetings	
Director	Office of Consumer Response, Stakeholder Services
Deputy Director	Research, Markets, and Regulations Division, Chiefs of Staff
Chief of Staff	Office of Financial Institutions and Business Liaison
Office of Strategy	Office of Intergovernmental Affairs
Office of Consumer Response, cross-office managerial leadership	Office of Legislative Affairs

Bi-monthly Meetings	
Executive Secretary	Office of Financial Empowerment
Office of Consumer Response	Office of Older Americans
Office of Consumer Response, Investigations	Office of Community Affairs

Quarterly Meetings	
Operations Division	Legal Division
Division of Consumer Education and Engagement	Office of Minority and Women Inclusion
Division of Supervision, Enforcement, and Fair Lending	Office of Consumer Engagement
Research, Markets, and Regulations Division	Office of Enforcement
Division of External Affairs	Office of Supervision, Regional Directors
	Office of Mortgage Markets
	Office of Advisory Boards and Councils
	Office of Communications

Note: We meet with other CFPB components on an as-needed basis.

### *New Inreach Activities in FY2017*

As with our outreach program, the Ombudsman seeks to expand the methods by which we connect with internal stakeholders to share information about our role and highlight how we

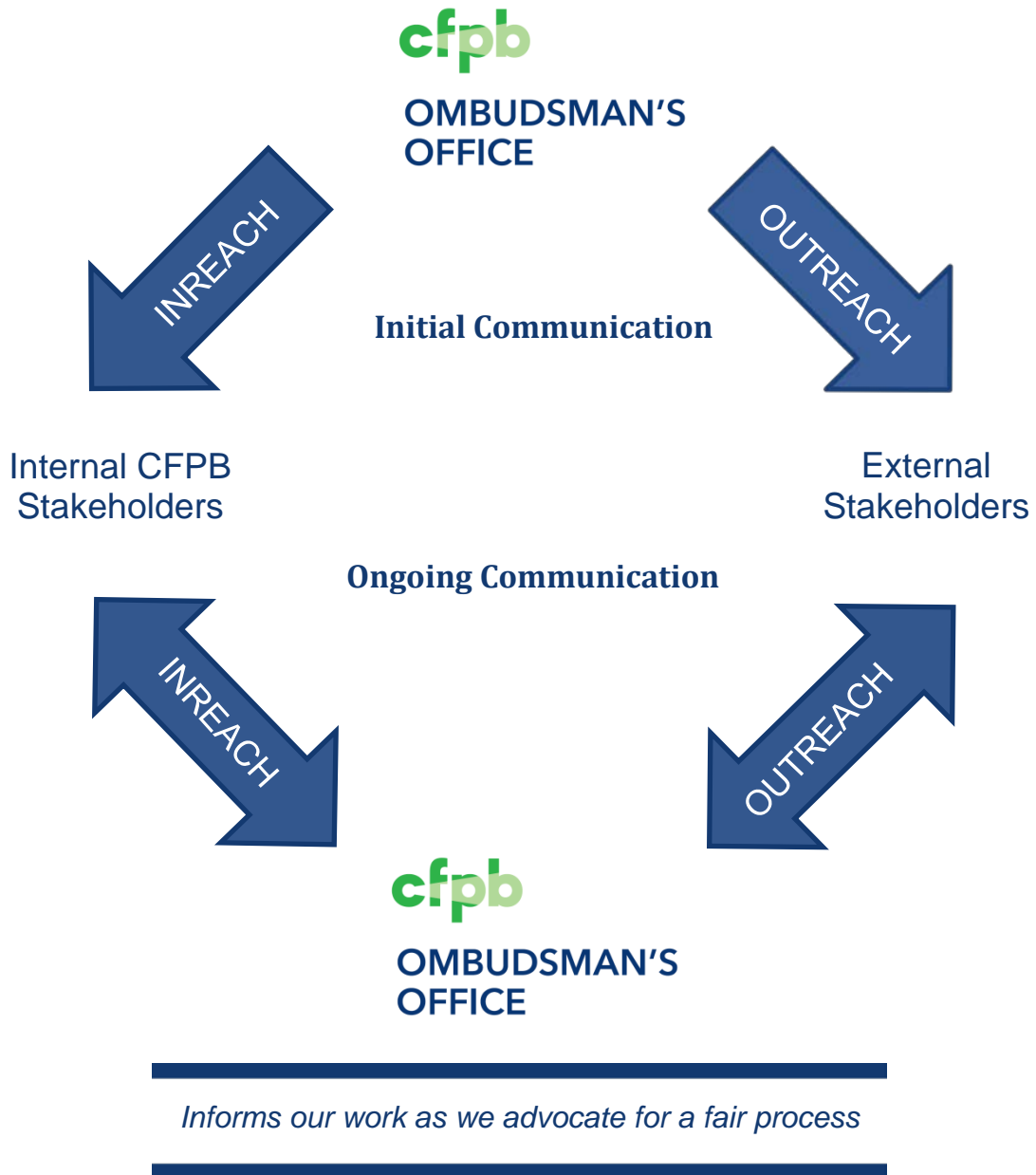
can serve as a resource. In accordance with our strategic plan goals, we again expanded our inreach activities this year by utilizing multiple channels to enhance our ability to share about the Ombudsman as an independent, impartial, and confidential resource and to discuss our latest work. For example, we launched a new CFPB employee orientation video to provide information about our office, including our ombudsman standards and how we approach our work. In addition, the video describes how we may be of assistance to CFPB employees, such as providing feedback from our unique vantage point on a project or offering our assistance on systemic process issues. We also tried a new method of sharing about our work within the CFPB through program-specific scenarios. For example, instead of describing how we can assist, we demonstrated a sample interaction. In FY2018, we anticipate continuing to develop ways to communicate about our resource and otherwise connect internally with the CFPB.

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## The Intersection of Internal and External Engagement

Together, the Ombudsman's inreach and outreach initiatives inform our work, as illustrated in the figure below, and enable us to advocate for a fair process. We conduct initial inreach and outreach to share with our internal and external stakeholders, respectively, about our resource and how we can assist. Then, through our ongoing connection with both sets of stakeholders, we: stay informed about various process matters; learn about new process issues; and hear various perspectives, sometimes confidentially, on those issues. At the same time, we are aware of and connect with the different CFPB components to try to resolve various issues. For example, when an inquirer shares a process issue, the Ombudsman can seek to address the issue by connecting with the relevant CFPB office or by facilitating an internal cross-Bureau discussion. Our inreach and outreach, along with the foundational ombudsman standards, enable us to address process issues by analyzing interrelated information and then using our toolbox of resources to advocate for a fair process.

**FIGURE 3:** THE OMBUDSMAN'S INREACH AND OUTREACH PROCESS





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# Demonstrating the Ombudsman in Practice

This section provides examples of how we used our toolbox of resources this year, from providing feedback to engaging in shuttle diplomacy to suggesting changes, as we assisted in resolving CFPB process issues. In applying the flowcharts in Figures 1 and 3 above, these examples demonstrate how we tailor the way to best assist in a situation depending on the circumstances.

**Suggesting Clarifying Language Regarding Industry Resources** – This year, the Ombudsman received an inquiry from a company regarding what appeared to be inconsistent information in the “[2017 Rural and Underserved Counties List](#)” and “[2017 Rural and Underserved Areas Tool](#)” housed on the Policy and Compliance webpage of [consumerfinance.gov](#). The CFPB provides these resources as references to use in conjunction with some CFPB rules. We understand from the CFPB that the 2017 Rural and Underserved Areas Tool contains more comprehensive information than the separate 2017 Rural and Underserved Counties List. Based on this information, we suggested that language be added to the [consumerfinance.gov](#) website alerting the public that the 2017 Rural and Underserved Counties List is not a comprehensive list and to encourage the public to check both the 2017 Rural and Underserved Counties List and the 2017 Rural and Underserved Areas Tool. In considering that feedback, the CFPB updated the [relevant webpage](#) which now reads: “In addition to these lists, lenders should also use our Rural or Underserved Areas Tool to provide a safe harbor determination that a property is located in a rural or underserved area as defined in 12 CFR 1026.35(b)(2)(iv)(A) and (B). The tool is more comprehensive than the lists because the lists reflect rural status only at the county level; the tool includes both locations that are rural because they lie in rural (non-urban) census blocks and locations that are rural because they lie in rural counties.”

**Reviewing the CFPB English and Spanish Language Websites** – This year, we provided feedback on the CFPB’s [Spanish language website, consumerfinance.gov](#). We initially observed that the Spanish website did not have the same description of the consumer complaint process as the English language website. Specifically, on the Spanish language website, a few of the steps

that described the consumer complaint process did not reflect the current process. We provided this information to the relevant CFPB offices so that the information could be updated. As of this writing, both the English and Spanish CFPB websites now reflect the same steps for the consumer complaint process. In addition, as part of our broader review of the CFPB's Spanish language [consumerfinance.gov](http://consumerfinance.gov), we shared feedback with the CFPB regarding the "Obtener Respuestas" (Get Answers), "Política de Información," (Information Policy), and "Presentar una Queja" (Submit a Complaint) sections of the site for the CFPB's consideration.

**Engaging in Shuttle Diplomacy to Clarify Information About Industry Shared by the CFPB** – This year, the Ombudsman received inquiries from industry which sought to clarify information that the CFPB communicated. We assisted by engaging in shuttle diplomacy between industry and the relevant CFPB offices to try and assist in resolving the issue.

**Offering Feedback and Observations on How the Public Engages with the Consumer Complaint Process** – During FY2017, the Ombudsman continued to share feedback and observations on how the public interfaces with the CFPB's consumer complaint process. For example, we offered feedback and requested information relating to how the Office of Consumer Response assists people with disabilities over the phone. In addition, as in the last few years, we also received inquiries regarding the consumer's user experience with the consumer complaint portal. In April, consumers contacted us after the Bureau updated its consumer complaint form. Specifically, consumers had difficulty resetting their passwords to access the consumer complaint portal on [consumerfinance.gov](http://consumerfinance.gov). We shared this feedback with Consumer Response, that office developed a plan to convey technical solutions to the password reset issue, and the issue appears to be resolved.

**Assisting External Stakeholders in Navigating the CFPB's Public Comment Process** – In FY2017, we heard from inquirers seeking to further understand the CFPB's public comment process. One inquirer shared a potential process issue regarding a comment submission. To assist the inquirer, we used the tool of shuttle diplomacy to help clarify certain elements of the public comment process, as applicable to the matter, and shared options for next steps.

**Providing Suggestion for Company Portal Communications** – In the last few years, we received inquiries regarding Office of Consumer Response communications sent to companies to join the CFPB's Company Portal. The Company Portal is the interface companies use to respond to complaints that consumers submit to the CFPB regarding consumer financial

products and services. In our [FY2015 Annual Report](#) (p. 12), we highlighted whether the language used was sufficiently clear and provided some suggestions. This year, we continued to receive questions and feedback on this topic, such as the need for additional clarity about the process to join the Company Portal and what companies should consider in deciding whether to participate in the consumer complaint process. We shared this additional feedback with Consumer Response and had the opportunity to provide suggestions on updated letters that office developed to invite companies to join the Portal. For example, we suggested it may be helpful to explain the purpose of timeframes associated with joining the Company Portal and why it is important for a company to respond within certain timeframes. Consumer Response incorporated many of our suggestions into their updated series of communications.

**Facilitating Discussion on Where the Public Sends Postal Mail to the CFPB** – In November 2016, the CFPB updated the mailing address on the “Contact Us” page of [consumerfinance.gov](http://consumerfinance.gov) to an address different than that found elsewhere on the website for specific offices or purposes, in CFPB printed materials, or provided by the telephone contact center. In addition, the Contact Us page lists both a mailing address and headquarters addresses all of which the public uses to send postal mail. We observed and also received feedback that the public sometimes used incorrect mailing addresses to reach an intended CFPB person or resource. To understand the issue further, we researched the information the CFPB provides via the website, phone, and print materials on where to send postal mail, and facilitated cross-Bureau meetings on the topic. Stemming from our facilitated discussions, the CFPB decided to provide additional information to Bureau employees for them to share the appropriate mailing address with anyone who would like to send postal mail to the CFPB. We will continue to provide feedback on this issue, as necessary.

**Facilitating Communications with the CFPB to Address Questions Regarding the Redress Process** – An individual described to the Ombudsman the experience of trying to inquire about eligibility for Bureau-administered redress that stemmed from a CFPB enforcement action. The Ombudsman advocates for a fair process, but is not an appeal process. Specifically, our office does not provide a higher level of review and does not make a decision on behalf of the agency, such as whether a consumer is eligible for redress. In the example noted here, through shuttle diplomacy, the Ombudsman assisted by ensuring a fair process for the inquirer’s evaluation of redress. As the Ombudsman receives additional such inquiries, we will continue to provide feedback to the CFPB.

**Offering Feedback on How Stakeholders Engage with the Regulatory Process** – The Ombudsman provides feedback to the CFPB about the process surrounding the development and implementation of regulations. For example, we offered suggestions to the Office of Regulations as it replaced the email address previously used to submit questions about the Bureau’s regulations with a new [inquiry request form](#) through which the CFPB provides “informal staff guidance on specific questions about the Bureau’s regulations.” In addition, when assisting on inquiries or during our outreach activities, we sometimes receive feedback for the CFPB that is not process-related. We provided some of this unattributed feedback to the Research, Markets, and Regulations Division as one component of their review of which regulations to update.

**Addressing How Other Federal Agencies Provide Information About the CFPB’s Consumer Complaint Process** – This year, the Ombudsman highlighted to the CFPB how some other federal financial regulatory agencies provide information about the CFPB’s consumer complaint process. Specifically, consumers shared letters from other agencies which provided incorrect information relating to what the consumer can expect from the CFPB’s process. As of this writing, we understand that the CFPB is working with those agencies to update their communications to reflect the correct process.

**Suggesting a Change to the Placement of the Whistleblower Line Information** – In our FY2016 Annual Report, we shared that individuals and company contacts reached us to convey alleged violations of consumer financial protection laws. In general, the Ombudsman directs whistleblowers to the CFPB’s usual avenue for reporting alleged violations. In FY2017, we continued to receive these contacts and noted that subsequent to the CFPB’s 2016 website refresh the whistleblower contact points were more difficult to find on [consumerfinance.gov](#). Prior to 2016, the CFPB located the whistleblower contact information on the consumerfinance.gov Contact Us page. After the 2016 refresh, whistleblowers had to know to click on the Policy and Guidance tab on consumerfinance.gov, then link to the Enforcement webpage, and finally seek out the whistleblower information by scrolling to the bottom of that webpage. We provided feedback to the relevant CFPB offices and offered suggestions to make the information easier to locate. The CFPB considered our suggestions and we understand will update the location of the whistleblower information so it can be found more easily.

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# Ombudsman Forums and Interactives

In 2015, the Ombudsman's Office launched the Ombudsman Forum as another avenue for consumer, trade, and other groups to share feedback on their CFPB interactions as we, in turn, provide feedback and recommendations to the CFPB. For our half-day events, Ombudsman staff leads facilitated discussions, which allow participants to share feedback on the topics as well as offer their recommended solutions to any process concerns. This year, we incorporated additional facilitation techniques tailored to the participants and Forum topics. We select the topics to be discussed at the event ahead of time based on process issues shared with the Ombudsman by the groups or the CFPB prior to the event. In keeping with our ombudsman standards of practice of independence, impartiality, and confidentiality, the Forums are closed to the press, the public, and CFPB staff. After the Forum, we share participants' feedback and recommendations, without attribution, with the CFPB.

Our first Forum in 2015 was with industry groups previously contacted through our outreach. In 2016, we held a Forum with broad-based national and regional consumer-focused organizations with which our office had conducted outreach or otherwise shared about our resource over time. In FY2017, as anticipated in our 2016 Annual Report, we expanded the Forum program and held two additional Forums, as described further below.

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## Ombudsman Forum: Compliance Officers of Entities that Engage with the CFPB

On June 1, 2017, we held a Forum in Washington, D.C., with compliance officers, or people serving in that capacity, of companies that engage with the CFPB. Industry trade groups with which our office conducted outreach over time suggested participants for our event. We invited each group to refer two or three participants serving as a compliance officer or in a similar capacity at a company. There were 37 participants from companies in all four of the Bureau's

regions, representing a broad range of industries that engage with the CFPB. The selected topics for the all-afternoon discussion included: compliance management and the consumer complaint process, the public Consumer Complaint Database, the examination process, CFPB compliance tools and resources, and current process considerations with regulatory compliance. The following is a summary of participants' feedback and some of their recommendations on these discussion topics.

## Compliance Management and the Consumer Complaint Process

Several participants shared positive feedback regarding their engagement with the CFPB to resolve stakeholder issues related to the consumer complaint process, particularly in more recent years. They commented that the administrative response options that companies use to notify the CFPB about certain circumstances surrounding consumer complaints do not provide an option to notify the CFPB about all such certain circumstances that they think should be covered by an administrative response. One example they shared was where a company has a commercial relationship with the consumer and the complaint is not about consumer finance. In addition, participants indicated that some data included in the consumer complaint, such as servicemember rank, should not be provided to the companies. Lastly, participants highlighted that the CFPB should distinguish between what is handled as a consumer "inquiry" versus a "complaint," as some complaints the companies receive are understood by the companies to be consumers' questions.

For recommendations, participants offered that the CFPB should provide additional definitions or guidance to consumers as to the distinction between inquiries and complaints. They also proposed that the CFPB could assist consumers by providing website tools that define certain words, for example, an "offset," that consumers may use as they write their consumer complaint narratives. In addition, participants had several suggestions about company responses to consumer complaints, including that the CFPB should: partner with industry to develop a list of words that capture a broader range of possible company responses; add a field for companies to indicate if the consumer complaint is about that company or a third party; and add language to the administrative response definitions, for example, that the company has a commercial relationship but the issue is not consumer finance related.

## The Consumer Complaint Database

In 2015, the CFPB requested public feedback on how to normalize, or provide context to, the “raw complaint data it makes available via the [Consumer Complaint Database] so they are easier for the public to use and understand.”<sup>9</sup> When we were planning for the Forum, the CFPB continued to consider data normalization solutions. With that in mind, at our Forum we facilitated a brainstorming session regarding normalization of the data. The discussion demonstrated a continued interest in engaging on this topic and offered a window into ideas across the industries that engage with the CFPB.

A few participants shared that, from their perspective, the CFPB’s focus should be on the data itself rather than first on data normalization, for example, by better distinguishing between inquiries and complaints received. Participants suggested that prior to normalization the CFPB may wish to consider: who uses the Database; who would do the normalization of the data, the CFPB or someone else; and for what purpose. In addition, they mentioned that companies contextualize the data from the Database before they analyze it internally.

Participants recommended that the data should not be normalized across all industries, but rather in silos, such as by banks, debt collection, and credit reporting. To do such normalization, they offered that some information would need to be shared by companies or particular industries to provide data that may not otherwise be public. The CFPB also could use other data sources, such as Home Mortgage Disclosure Act (HMDA) data in conjunction with other information to normalize the information for certain products. One participant offered that to normalize the data it would be helpful to review the statistics to see how the level of complaints received compares with complaints received more generally for a particular industry.

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<sup>9</sup> [“Request for Information Regarding the Consumer Complaint Database: Data Normalization,”](#) 80 Fed. Reg. 37237, 37237 (June 30, 2015).

## The Examination Process

Some participants shared that they do not have all of the information to comply with regulatory requirements, such as having sufficient guidance. They also highlighted that they do not know how far the CFPB will go back in time to find instances of non-compliance with agency rules. In addition, the amount of time to respond to examination requests is short relative to what is requested, as the documentation has to go through significant review at the company before it can be submitted to the government.

Participants suggested that it would be helpful for the CFPB to provide sets of FAQs as well as fact-specific guidance. They also recommended that the CFPB share how far back in time enforcement actions may cover. In addition, they recommended that there be sufficient time provided to comply with a new regulation before it is enforced.

## CFPB Compliance Tools and Resources

Participants shared that they closely review CFPB enforcement actions, but do not know how the information applies to their companies' circumstances or industry. However, instead of the CFPB providing this information, they hear perspectives from non-CFPB sources. Participants shared that CFPB bulletins are helpful but they do not include concrete information that companies can use. Moreover, they also highlighted that CFPB webinars give a general disclaimer at the beginning, so the information provided is not as useful as perhaps it could be. Some participants shared that they would like to further understand the CFPB's position on certain topics, as well as any concerning practices, so they can help solve for it as an industry. In addition, the organization of [consumerfinance.gov](http://consumerfinance.gov) makes it difficult to locate what information would be most helpful to provide to new compliance team members.

Participants recommended that it would be helpful for the CFPB to articulate the principles behind compliance requirements. They also suggested that CFPB guidance have real world applications and be ongoing so it continues after the Bureau introduces a rule or practice. In addition, it would be helpful for the CFPB to have approved compliance tools to use, such as a risk assessment template that focuses on consumer harm. They also recommended that the CFPB indicate what is permissible for the broader industry when the Bureau issues an enforcement action regarding a particular company. Lastly, it would be helpful for the CFPB to outline its expectations surrounding vendor management.



## Current Process Considerations with Regulatory Compliance

Forum attendees shared that compliance officers face the implementation of rules as a practical matter and consider items, such as whether there are sufficient vendors to provide the service to meet rule requirements, what new computer coding will be necessary, and how to accomplish the user testing of new coding prior to implementation. Another suggestion was that the CFPB should place more emphasis on the feedback provided to the CFPB during the Small Business Regulatory Enforcement Fairness Act (SBREFA) process when considering a new rule. For emerging issues, participants highlighted the use of “big data” and shared that more CFPB guidance in that area would be helpful.

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## Ombudsman Forum: Associations of State Regulators and Their Member Regulators

On September 19, 2017, we hosted another Forum in Washington, D.C. In attendance were association representatives and/or their members from state financial regulatory agencies and enforcement offices. Those in attendance included individuals from eight states reflecting three of the Bureau’s four regions. The selected topics for the all-afternoon session included: CFPB tools and resources for the public, state regulators, and other stakeholders; engaging and interfacing with the CFPB; coordination, collaboration, and practices in CFPB examinations and enforcement; CFPB consumer complaint information for state regulators; and CFPB information sharing, education, and training on various subjects. The following is a summary of participants’ feedback and some of their recommendations on these discussion topics.

### CFPB Tools and Resources for the Public, State Regulators, and Other Stakeholders

In keeping with the CFPB’s process for regulatory interpretation, state regulators complete the new regulations inquiry form to then receive CFPB regulatory guidance over the phone. However, participants in the Forum shared that receiving guidance in that informal format makes it challenging for the states to be consistent in interpreting federal law. In thinking of other tools and resources, it also is not clear how the CFPB and states can work together to coordinate on information that is based more regionally or locally. In addition, some

participants provided examples of other federal agencies that have listservs to disseminate information about their activities to state regulators, which they suggested would be helpful for the CFPB to have.

One tool recommended by participants was for the CFPB to provide to the states a repository of questions and answers on regulatory guidance, so that interpretation of federal law is consistent across the states. They also suggested that the CFPB index examination findings to CFPB regulations to assist the states in further understanding the application of CFPB regulations. In addition, they mentioned that the CFPB should continue to proactively contact the states on upcoming reports as well as on consumer outreach and engagement for the states' awareness and for the opportunity to provide feedback.

## Engaging and Interfacing with the CFPB

To connect with the CFPB, participants stated that they either contact the Office of Intergovernmental Affairs, call individuals directly at the CFPB they already know, or contact the CFPB through their associations. They also shared that there is significant engagement with the state regulators regarding examinations, but for enforcement the coordination is primarily surrounding federal-state coordinated actions.

Attendees suggested that the CFPB create a contact protocol on how the states should connect with the CFPB regarding all topics, not just examinations. They also indicated it would be helpful for the states to have a contact list stating which person to call at the CFPB on various topics. Finally, participants shared that the CFPB and states should have more coordination in outreach and in their joint mission of consumer protection.

## Coordination, Collaboration, and Practices in CFPB Examinations and Enforcement

Participants stated that coordination on examinations, by the states and the CFPB, is robust, with the exception of some communication issues. At the same time, many participants shared that while there is a lot of focus on federal-state collaboration and coordination in examinations, more such collaboration and coordination in enforcement would be helpful. They highlighted that while the “[2013 CFPB-State Supervisory Coordination Framework](#)” specifies the timeframe in which to notify the states about CFPB enforcement actions, they would appreciate learning about these actions earlier.

The participants recommended implementing a system, perhaps web-based, for better communication between CFPB and state examiners, so that questions asked and answered can be viewed by other states. They also recommended enhancing communication with the states before a CFPB enforcement action and, preferably, notifying the states once the CFPB decides to do a consent order. To address any duplication of information requests, they suggested creating a common portal for CFPB and state examiners to access information.<sup>10</sup>

## CFPB Consumer Complaint Information for State Regulators

Participants shared they appreciate the ability to review CFPB consumer complaints for all states rather than solely complaints pertaining to their own state, as before. Some participants indicated they would prefer that the CFPB investigate each consumer complaint rather than the current process of obtaining a response from the company. They also highlighted that the CFPB's consumer complaints would be more useful to them if they could know from the CFPB whether a resolution resulted or if there was a violation of law.

To further analyze the consumer complaints, participants recommended that the CFPB provide analytical tools and options to easily generate reports for state partners. They also said it would be helpful for the CFPB to provide a pre-recorded webinar for training purposes, describing how to use the government portal to view consumer complaints submitted to the CFPB. State regulators could incorporate such a webinar into the training schedule for all new state examiners. In addition, they shared that it would be helpful to have information about the CFPB's consumer complaint process to provide to consumers.

## CFPB Information Sharing, Education, and Training on Various Subjects

Participants indicated that it is not always clear what the CFPB would like to have in terms of information and to whom the CFPB would want that information provided. For example, the states may have information to share for consumer engagement and education, but there is not a protocol to share that information. In addition, several participants mentioned that it is difficult

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<sup>10</sup> We understand that the CFPB currently is working on improved information-sharing capabilities.

to find items on [consumerfinance.gov](http://consumerfinance.gov) using the main search function. They also shared that, from their perspective, the CFPB provides selected examination trainings to the states and they would like to have direct access to additional CFPB training opportunities.

Attendees suggested that the CFPB provide its full examination commissioner training track to state examiners.<sup>11</sup> They also shared that there is not a single preferred training format, but having trainings available in multiple formats is helpful. It also would be helpful for the CFPB to provide additional advance communications for upcoming training opportunities that would include as much information as available, such as the topic, date, location, and cost, which would be shared through as many channels as possible to bolster attendance.

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## Ombudsman Interactives

Inspired by our Ombudsman Forum program, in 2016, we anticipated piloting a new initiative, entitled “Ombudsman Interactives.” In 2017, we held our first Ombudsman Interactive. As described in our [2017 Mid-year Update](#), these facilitated discussions are similar to our Ombudsman Forum, but are held onsite for attendees at consumer, trade, and other groups’ conferences to further inform our work. The discussions give participants an opportunity to provide feedback on several topics and offer their recommended solutions to any process concerns. We select topics for discussion ahead of time based on process issues previously shared with the Ombudsman by the groups or the CFPB prior to the event.

At our first Ombudsman Interactive, Ombudsman staff led facilitated discussions during three segments, each of which had participants with different company roles. The topics were informed, in part, by a survey that the association developed and sent to conference attendees. Topics that were discussed included: the consumer complaint process, CFPB examinations, the whistleblower line resource, and engaging with the CFPB’s resource materials. We provided participants’ feedback to the CFPB, including requests for additional guidance on regulations,

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<sup>11</sup> We understand that the CFPB has made available to the states all the necessary examiner core classes, with the exception of the final steps to obtain a CFPB commission.

recommendations to benchmark how other regulatory entities provide information to industry at the federal and state levels, and the request for additional tools to aid in compliance with CFPB regulations.

Interactives are available by request on a first-come, first-served basis, subject to the Ombudsman's budget and availability. This pilot initiative will continue with the first Ombudsman Interactive of FY2018 in November.

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# Analyzing Individual Inquiries to the Ombudsman

The Ombudsman assists in resolving individual inquiries that pertain to a particular person, company, or group's process issue from their CFPB interactions. This section describes the various kinds of individual inquiries we received in FY2017, the changes in those inquiries received over time, as well as our holistic approach to assisting each inquirer.

In FY2017, we received a total of 1,610 inquiries,<sup>12</sup> compared with 1,412 in FY2016, an increase of about 14 percent.<sup>13</sup> The figure below shows the change in the number of inquiries to the Ombudsman for the last three years, since we launched our Mid-year Updates in 2015, reporting on our mid-year inquiry numbers.

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<sup>12</sup> Inquiries do not include Ombudsman outreach and the broader issues received in connection with such outreach.

<sup>13</sup> All percentages in this report are rounded up to the nearest whole number if 0.5 or greater, or rounded down if less than 0.5, except where adding a decimal place is of explanatory value.

**FIGURE 4: INQUIRIES TO THE OMBUDSMAN'S OFFICE**<sup>14</sup>

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
<b>Oct-Mar</b>	550	541	820
<b>Apr-Sept</b>	616	871	790
<b>Total</b>	<b>1,166</b>	<b>1,412</b>	<b>1,610</b>

Individuals who contacted the Ombudsman on their own behalf accounted for 1,384 inquiries in FY2017.<sup>15</sup> We also receive inquiries from: attorneys, representatives, and third parties; parties not authorized to receive information concerning a consumer complaint; financial entities; businesspersons; consumer and trade groups; and local, state, and federal government, as well as Congressional offices.

As shown in the figure below, the types of inquiries received by the Ombudsman in FY2017 again mostly held steady compared with the last couple of years.

**FIGURE 5: TYPE OF INQUIRIES RECEIVED BY THE OMBUDSMAN**

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>
<b>Questions</b>	53%	50%	55%
<b>Complaints</b>	24%	26%	27%
<b>Courtesy Copies to the Ombudsman</b>	11%	12%	11%
<b>Topics of Concern</b>	9%	9%	4%
<b>Feedback on CFPB and Non-CFPB Topics</b>	2%	3%	3%

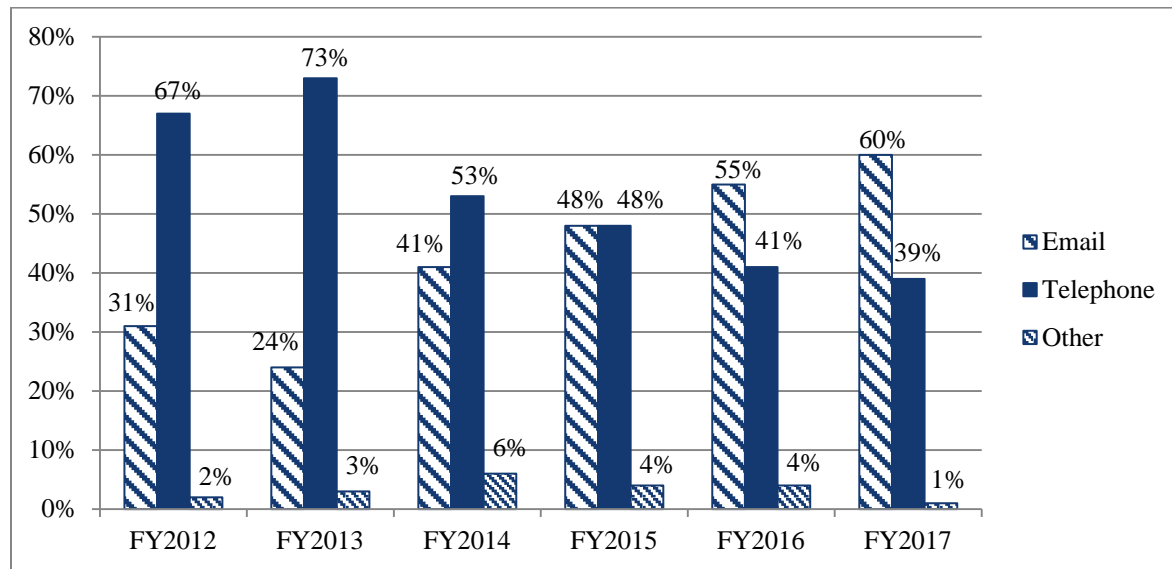
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<sup>14</sup> Inquiry totals for prior years were 1,133 (FY2014), 1,422 (FY2013), 775 (FY2012, for the ten-month period starting when the office opened in December 2011).

<sup>15</sup> "Individuals" contacting the Ombudsman on their own behalf include, for example, people contacting the office about a consumer complaint, seeking information on how to submit such a complaint, or seeking a Bureau resource for direct assistance.

The public can reach the Ombudsman by email ([CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov)), toll-free number (855) 830-7880 or with a U.S. area code (202) 435-7880, TTY (202) 435-9835, or fax (202) 435-7888. The Ombudsman also occasionally receives letters sent by postal mail. As shown in the figure below, the Ombudsman has received an increasing percentage of first contacts to the office by email since our office launch in 2011.

**FIGURE 6: HOW INQUIRERS FIRST CONTACT THE OMBUDSMAN**

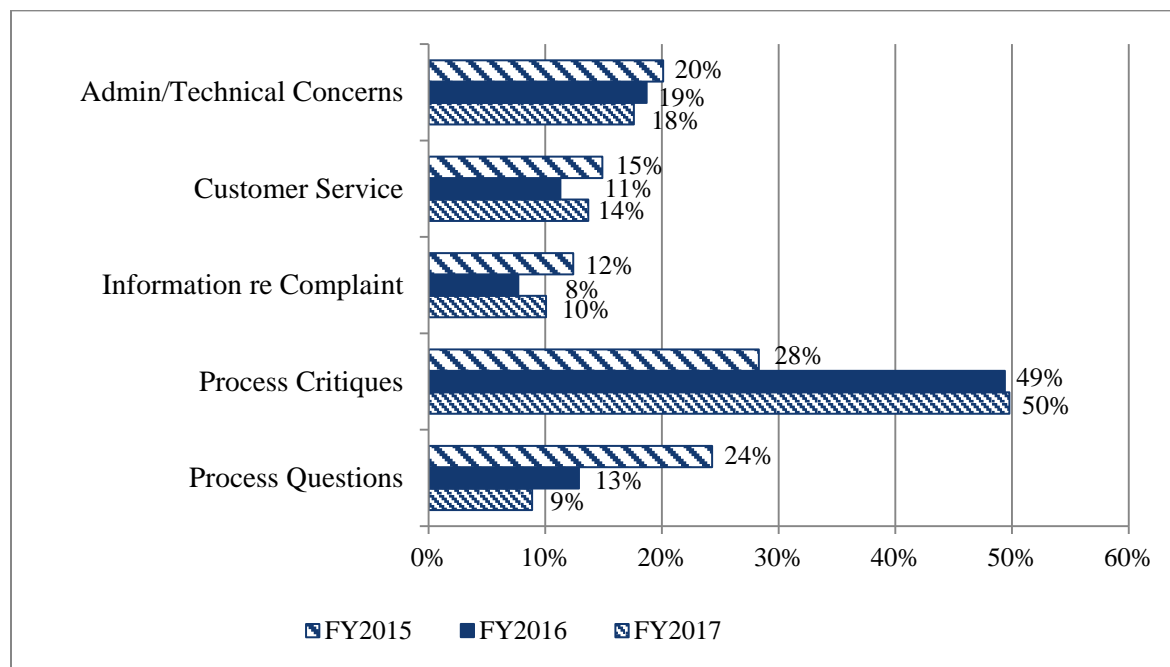


This year, inquirers contacted the Ombudsman from 48 states, the District of Columbia, Guam, and Puerto Rico, and from other countries. In the last two years, we have heard from inquirers in all 50 states. In addition, in FY2017, web users from all 50 states viewed the Ombudsman website at [consumerfinance.gov/ombudsman](http://consumerfinance.gov/ombudsman) at some point during the year.

## Individual Inquiries about the Consumer Complaint Process

The figure below provides a three-year comparison of five principal types of issues about the consumer complaint process from individual inquiries received.

**FIGURE 7: INDIVIDUAL INQUIRIES ABOUT THE CONSUMER COMPLAINT PROCESS<sup>16</sup>**



Similar to FY2016, nearly half of the inquiries about the consumer complaint process were “Process Critiques.” This category encompasses feedback provided about the complaint process, including the prescribed timeframes, dissatisfaction with the closure or outcome of the complaint process, or the manner in which the CFPB conducted the process.

Percentages for FY2017 in the other issue categories regarding the consumer complaint process are also similar to FY2016. “Process Questions,” as distinct from the category of “Process Critiques,” include inquiries seeking clarification about the entire consumer complaint process or some aspect of it. This year, the “Administrative or Technical Concerns” most commonly included concerns relating to the consumer’s user experience with the consumer complaint portal on [consumerfinance.gov](http://consumerfinance.gov) and related technical concerns, such as difficulty in resetting passwords to access the consumer complaint portal. “Customer Service” relates to communications or interpersonal issues experiences when interacting with the CFPB. Finally, the category “Information re Complaint” includes instances where the inquirer wanted

<sup>16</sup> This figure provides a comparison based on how we have reported these data since FY2015.



additional information about the inquirer's particular consumer complaint submitted to the CFPB, such as complaint status.

For product type, as in the last few years, mortgages were the financial product most commonly underpinning consumer complaint-related inquiries to the Ombudsman. However, since FY2013, when we began providing this data element, the percent of mortgages underpinning consumer complaint-related inquiries to the Ombudsman has declined from 55 percent in FY2013 to 35 percent in FY2017. During that time period, the CFPB expanded the types of financial products and services for which consumers could submit consumer complaints. The Bureau also updated the consumer complaint process itself. As in FY2016, mortgages again were followed by credit products, a category including credit cards and non-mortgage lending such as student loans (25 percent), deposit products (14 percent), credit reporting (10 percent), and debt collection (5 percent). Other products underpinned approximately 10 percent of the inquiries.

## Individual Inquiries from Industry

The industry-related individual inquiries the Ombudsman received in FY2017 related to a broad range of topics. For example, some inquiries concerned the rulemaking process itself. Other inquiries pertained to the desire for additional clarity and guidance on CFPB regulations during both the implementation phase and after they are implemented. As in past years, we received questions about how an inquirer can report a whistleblower communication to the CFPB while still maintaining anonymity. In addition, inquirers contacted us requesting assistance in clarifying CFPB communications regarding their company or industry. We also continued to receive questions about the communications companies receive to join the Company Portal to respond to consumer complaints, as well as engagement with the consumer complaint process more generally. We discuss some of these issues further in other parts of this report.

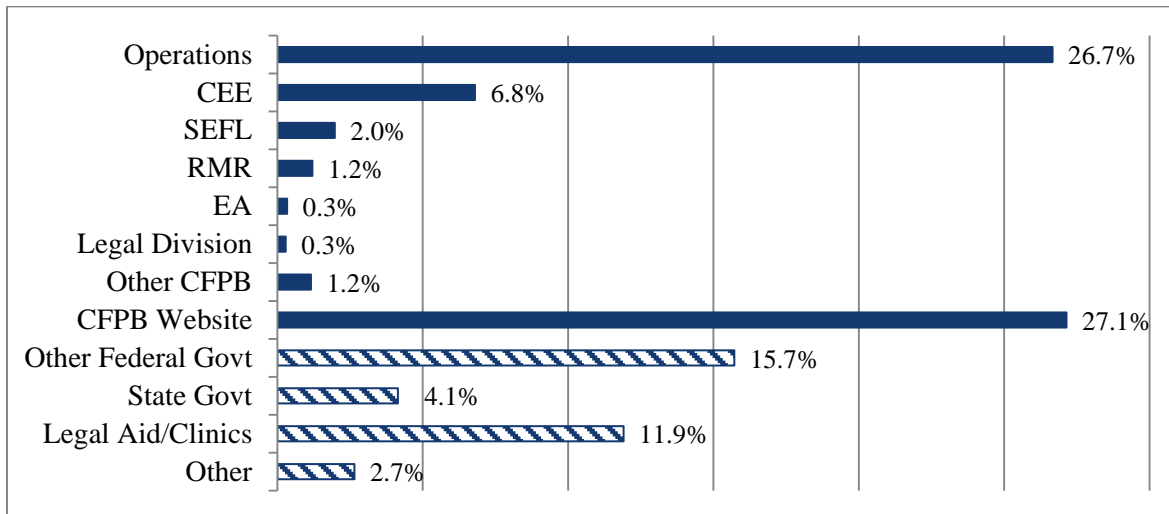
## Providing Useful Resources

The Ombudsman tracks issues raised in inquiries received to highlight trends, provide feedback, and make recommendations to the CFPB. Additionally, through our holistic approach to inquiries, the Ombudsman sometimes provides other resources to further assist the inquirer and we track those resources as well. For example, a consumer may benefit from reviewing informational resources on [consumerfinance.gov](http://consumerfinance.gov), such as the CFPB's new consumer financial product and service specific webpages. As of this writing, the CFPB has published webpages with

resources on auto loans, bank accounts and services, credit reports and scores, debt collection, mortgages, and student loans. We may also suggest that a company official submit a regulatory inquiry via the Office of Regulations [inquiry request form](#), if the official has not tried that avenue.<sup>17</sup> In addition, we ask consumers to contact the Office of Consumer Response if they have not yet submitted a consumer complaint with the CFPB or if their consumer complaint is still in progress. In some circumstances, a resource outside of the CFPB or the federal government might be helpful to the inquirer.

The Ombudsman provided 2,074 resources external to our office to inquirers in FY2017 and the figure below shows the breakdown of these resources.

**FIGURE 8: DESTINATION OF ISSUES RE-DIRECTED TO FURTHER ASSIST THE INQUIRER, FY2017<sup>18</sup>**



<sup>17</sup> The Office of Regulations does not answer questions of regulatory interpretation for consumers and refers consumers to the telephone contact center for assistance, (855) 411-CFPB (2372).

<sup>18</sup> Solid-colored bars represent resources within the CFPB. “Operations” refers to CFPB’s Operations Division, which includes, among resources most commonly provided by the Ombudsman, the Office of Consumer Response. “CEE” refers to CFPB’s Consumer Education and Engagement Division, which includes the Offices of Older Americans, Servicemember Affairs, and Students & Young Consumers. “SEFL” refers to CFPB’s Supervision, Enforcement, and Fair Lending Division. “RMR” refers to CFPB’s Research, Markets, and Regulations Division. “EA” refers to CFPB’s External Affairs Division, which includes the Offices of Communications, Community Affairs, and Financial Institutions and Business Liaison.

As shown in the figure above, in addition to a number of CFPB resources, the Ombudsman also provides inquirers with resources from other parts of the federal government, including ombudsman resources at other federal agencies, links to U.S. Department of Housing and Urban Development housing counselor information, and contact points for the Federal Trade Commission, as well as other federal financial regulators. Resources provided from state government often include attorneys general, consumer protection divisions, and law enforcement.

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## Systemic Reviews – Focus for FY2017

In addition to individual inquiries, the Ombudsman reviews systemic issues that may be affecting consumers or financial entities nationwide, in a particular region, or with a certain process. We decide to review topics as systemic issues to see if we may be able to add value in our role as an independent, impartial, and confidential resource. We consider three questions in reviewing systemic issues: (1) Is the agency fairly applying a process it established? (2) If there is no set process, should we recommend creating one? (3) Does an existing process require a change to provide a fair application of it? The Ombudsman feedback and the recommendations that we provide to the CFPB may be: also suggested by others, but not implemented; ideas shared with the Ombudsman as we explored an issue; or, the Ombudsman's ideas of how to address an issue. The objective is to resolve the issue, but sometimes there are other possible solutions that also may work to reach the same result and we welcome implementation of those ideas.

In FY2017 the Ombudsman reviewed two issues as systemic issues, as described below.

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## Accessibility of CFPB Print Materials

As shared in our FY2016 Annual Report, participants in that year's Ombudsman Forum with broad-based consumer-focused organizations noted the long wait time to obtain accessible CFPB educational materials, specifically in large print and Braille. We studied this issue to determine how we could assist both the CFPB and the public on this topic.

To understand the issue further, we researched the information available to the public to request accessible materials from the CFPB, reviewed such information provided by other agencies, met with the relevant CFPB offices on the topic, consulted on the legal requirements for providing accessible print materials, and reviewed the existing processes for handling such accessibility requests. To address the concerns raised in our Forum, in conjunction with our research, we also facilitated cross-Bureau meetings to discuss the feedback and facilitate a resolution.

In studying this topic, we learned that few offices had received requests for documents in Braille. At the same time, we noticed the CFPB did not provide information on how to request these materials on [consumerfinance.gov](http://consumerfinance.gov). From our research, it also was not clear how to request accessible print formats for [CFPB publications](#) obtained through the [Government Publishing Office](#) based on the GPO's website.<sup>19</sup> We understand that the CFPB fulfilled such accessibility requests, but did not have a standardized process to provide the accessible materials.

Stemming from the cross-Bureau meetings we facilitated, the CFPB added language to the [accessibility webpage](#) of [consumerfinance.gov](http://consumerfinance.gov) to inform the public on how to request educational materials in accessible formats such as large print and Braille. Additionally, more recently, the CFPB designated a central location to standardize the receipt and processing of accessibility requests.

The Ombudsman considers this topic closed.

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<sup>19</sup> The GPO webpage provides information on using assistive technology such as a screen reader.

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## How Non-Consumers Contact the CFPB on the Phone

Since April 2016, in conjunction with the refresh of [consumerfinance.gov](http://consumerfinance.gov), the CFPB has incorporated a series of changes to the telephone entry points for anyone calling the CFPB about something other than an individual consumer finance question or complaint. We observed and shared that some of these changes resulted in some non-consumers not knowing how to obtain by phone CFPB information unrelated to individual consumer finance questions or matters. At the same time, the Ombudsman saw a notable increase in inquiries (as shown in Figure 4 above) which could be attributed to various factors, possibly including these changes.

To study this topic, we requested and received updates from the CFPB about changes in the switchboard, available telephone entry points for non-consumers, and the information available to non-consumers over the phone; reviewed [consumerfinance.gov](http://consumerfinance.gov) for all phone numbers provided; listened to the Interactive Voice Response (IVR) recorded information that is provided to callers; and researched telephone entry points for non-consumers at other federal financial regulatory agencies and other federal agencies. We also provided feedback to the relevant CFPB offices regarding the various changes to the telephone entry points for non-consumers.

For approximately the first five-and-a-half years of its existence, the CFPB had two main telephone numbers. The main switchboard number, (202) 435-7000, answered general CFPB inquiries and directed callers to a CFPB staff person or office. In addition, telephone contact center staff was available through a toll-free number, (855) 411-CFPB (2372), for consumers or people assisting them to submit consumer complaints, ask questions about consumer financial products and services, or provide feedback to the CFPB. In April 2016, in conjunction with the refresh of [consumerfinance.gov](http://consumerfinance.gov), the CFPB removed the switchboard number from the “Contact Us” page on [consumerfinance.gov](http://consumerfinance.gov). Although no longer available on the website, we understand that the CFPB has continued to staff the switchboard phone number as existing CFPB printed materials provided the switchboard phone number and some people already had the phone number. At the beginning of 2017, the CFPB awarded a new telephone contact center contract for the (855) 411-CFPB (2372) toll-free phone number to be staffed by customer service agents called “Consumer Guides.” In June 2017, the CFPB also began staffing the switchboard phone number, (202) 435-7000, with the Consumer Guides.

To find the main number to call the CFPB, the “Contact Us” webpage on [consumerfinance.gov](https://consumerfinance.gov) provides (855) 411-CFPB (2372) and states that “[w]hether you have questions about the CFPB or about a consumer financial product or service, or you want to submit a complaint, start here. We’ll point you in the right direction.” The CFPB also has this phone number as a header at the top of every page of [consumerfinance.gov](https://consumerfinance.gov).

On [consumerfinance.gov](https://consumerfinance.gov), the CFPB does provide some public-facing phone numbers for functions that are unrelated to a particular consumer finance matter. For example, there is a phone number for industry whistleblower complaints, another to file an accommodation request, and phone numbers to reach a CFPB spokesperson. However, if a caller’s need is not covered by one of those few specific functions provided on the website, the (855) 411-CFPB (2372) phone number is the main avenue provided on the website to obtain assistance.

At the same time, as of this writing, when callers dial (855) 411-CFPB (2372), the IVR recorded information includes information addressed only to consumers. Specifically, the IVR shares about the creation of the agency, indicates that callers can submit a consumer complaint and what to expect from that process, and states that the caller can receive information on consumer financial products and services. If the caller then selects “1” for English, the IVR states that if the caller has an existing consumer complaint number, it is helpful to have any associated documents ready when next connected to a Consumer Guide. With no instructions for non-consumers to select a choice for further assistance and an indication that assistance will be from a “Consumer Guide,” non-consumers must choose to stay on the phone line to determine if assistance is available at this phone number. At first, the Consumer Guides at the telephone contact center did not have the full set of information for non-consumer callers who were calling about something other than a consumer financial question or complaint. We understand that after a few months the Consumer Guides then had available such information to share with non-consumers.

As part of our study, we also reviewed the information provided to non-consumers by other federal agencies. Of the six other agencies we reviewed, five of them provided two separate phone numbers on their website, one for consumers and another for general information. One of the agencies had one main phone number on its website that had both consumer and non-consumer information in the IVR.

As the Bureau implemented the changes described above, we highlighted the importance of the CFPB providing a direct avenue for non-consumers to access the CFPB via telephone. We also

recommended that the Bureau provide a way for non-consumers to know when calling the CFPB that information is available to answer their questions. Similar to other agencies, the CFPB could add a separate phone number on [consumerfinance.gov](http://consumerfinance.gov), as before, even if staffed by the same team, or include additional recorded messaging through the IVR on the main phone number, (855) 411-CFPB (2372), to inform callers that other information is available.

We understand that the CFPB is researching possible ways to share the telephone entry point with non-consumers and the Ombudsman will share further updates in our next report.

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## Systemic Reviews – Updates on Previous Reviews

This section provides updates on previous reviews.

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### CFPB Proposed Rules: The Memorialization of Ex Parte Communications

In FY2016, some groups shared with the Ombudsman an inability to locate documented ex parte communications concerning proposed rules or noticed that the documentation of such communications was publicly available in noticeably varying timeframes on [regulations.gov](http://regulations.gov). We decided to study the issue further to see if we could be of assistance to both the CFPB and the public.

The Bureau defines an ex parte presentation as: “any written or oral communication by any person outside the CFPB to any decision-making personnel that imparts information or argument directed to the merits or outcome of a rulemaking proceeding.”<sup>20</sup> The CFPB notes that the requirements for memorializing or documenting ex parte communications exist “to foster fairness and transparency” in the rulemaking process.<sup>21</sup> The CFPB requires that disclosure be made for both oral and written ex parte communications by the external party making the communication, with a timing requirement, or, alternatively, by the relevant CFPB staff. Such memorialized communications are published later on [regulations.gov](https://www.regulations.gov).

To study this topic, we reviewed the CFPB’s first ex parte policy in [CFPB Bulletin 11-3](#), the process to memorialize communications at the CFPB, and any internal guidance for memorializing ex parte communications; met with the relevant CFPB offices involved in memorializing ex parte communications; sought additional feedback from outside stakeholders; and analyzed the ex parte documentation posted on [regulations.gov](https://www.regulations.gov) over a specified timeframe.

In reviewing the posted documentation, we observed that there was not a consistent format used to post the information, although there was a template available to CFPB staff. Additionally, we observed that documents were posted in varying timeframes after the communication, from one day to approximately five months, which we learned was not related to any process delays at the [regulations.gov](https://www.regulations.gov) resource. We also noted examples of communications made prior to publication of the proposed rule that were included in the docket as ex parte communications, although not required by the Bureau’s policy.

In FY2017, the Ombudsman recommended that the CFPB standardize the agency’s process for memorializing ex parte communications regarding proposed rules. We facilitated cross-Bureau meetings on this topic and provided feedback for the CFPB’s consideration.

In April 2017, the Bureau updated its ex parte policy and published the new policy in the [Federal Register](#). Procedural updates to the policy provide that external parties are no longer responsible for sending ex parte communications both to the Bureau and posting them to

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<sup>20</sup> “[Policy on Ex Parte Presentations in Rulemaking Proceedings](#),” 82 Fed. Reg. 18687, 18689 (Apr. 21, 2017).

<sup>21</sup> *Id.* at 18687.



[regulations.gov](https://www.regulations.gov). Under the revised policy, external stakeholders are only required to send the communications directly to the Bureau so that Bureau staff post to the public docket on [regulations.gov](https://www.regulations.gov). Additionally, the updated policy also extends the time period for external stakeholders to memorialize the communications, changing the required response time from three to 10 business days. Moreover, the revised policy states that the Bureau’s staff should make “reasonable efforts” to post the information on [regulations.gov](https://www.regulations.gov) “within a reasonable period of time before publication of the final rule.”<sup>22</sup>

A few months later, the Bureau implemented our recommendation by developing agency procedures to accompany the new policy for memorializing ex parte communications. The procedures provide information for the Bureau regarding the intake and review of both oral and written communications as well as posting on [regulations.gov](https://www.regulations.gov). They also provide information on who will be responsible for memorializing and posting the communication. In addition, there is information on the format to be used and what should be included in the memorialized communication.

The Ombudsman considers this recommendation closed.

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## The Public Consumer Complaint Database: Analyzing Consumer Issue Selections

Last year, some groups expressed concern to the Ombudsman about the specificity of options available to consumers to identify the issue with a company when submitting consumer complaints and, in turn, the data then available for analysis in the public Consumer Complaint Database. When submitting a consumer complaint to the CFPB at [consumerfinance.gov/complaint/](https://consumerfinance.gov/complaint/), for example, consumers identify the issue with a company by choosing from a selection of different issues, and, for some financial products, sub-issues. The

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<sup>22</sup> *Id.* at 18690.

CFPB then makes this information, along with other non-confidential data, available in the Database on [consumerfinance.gov](http://consumerfinance.gov).

To further review this issue, the Ombudsman discussed these concerns with the relevant CFPB offices, stakeholders representing consumer and industry perspectives, and at our Ombudsman Forum in June 2016. In addition, the Ombudsman independently researched the issue and sub-issue options provided to consumers at the initiation of a consumer complaint across all products.

The feedback we received from a few groups was that it was difficult to analyze the data based on the issue and sub-issue categorization. Further, from our research, we observed the varying number and specificity of issue categorization options provided to consumers depending on the product underlying the complaint.

We provided feedback to the Office of Consumer Response regarding the need for additional sub-issues for some product issue areas and shared concerns about the noticeable differentiation across products in the specification of issues/sub-issues which Database users have for their analyses. As described further in our [FY2016 Annual Report](#) (pp. 30-35), for credit cards, for example, users of the Database had 30 specific issues from which to choose, whereas checking accounts had five issue categories without the ability to select a specific sub-issue. This year, the CFPB provided enhancements to its consumer complaint process and, as part of that effort, launched the next iteration of its consumer complaint form. The updated form provides issues and sub-issues for nearly all products except for the mortgage product for consumers to select, as relevant, and the public Database then reflects those issues and sub-issues.

As anticipated, this year, the CFPB further considered whether to provide additional selection options for the mortgage product, but determined that further parsing out the mortgage selection options would not be beneficial to the consumer or the Database user. Based on our recommendation that the CFPB describe why the mortgage selection options should not be parsed further, Consumer Response offered this information in its public materials: “Reflecting the complexity and interrelated nature of mortgages and mortgage issues, consumers are not asked to provide further specificity by selecting a sub-issue. This ensures the reliability of

mortgage complaint data that we collect from consumers and share in reports and through the Consumer Complaint Database.”<sup>23</sup>

The Ombudsman considers this study closed.

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## Going Forward

This year, we developed our third set of strategic plan goals to help guide us for the next two years. In our first two sets of goals, we focused on narrower areas as we established and further refined the operations of the Ombudsman’s Office. As the office matures operationally, we set out a broader set of goals to cover all of our activities, as described in the figure below.

**FIGURE 9:** OMBUDSMAN STRATEGIC GOALS

Address individual and systemic process issues with the CFPB from consumers, financial entities, consumer or trade groups, or any other inquirer using existing and new, innovative ombudsman tools
Optimize resources to effectively assist the CFPB and the public
Connect to internal and external stakeholders in innovative ways that maximize opportunities for informally assisting in resolving process issues with the CFPB
Expand education about the Ombudsman’s Office and further our ongoing engagement with stakeholders through inreach and outreach initiatives
Optimize ways to convey feedback and perspectives via oral and written deliverables to internal and external stakeholders
Maintain expert level ombudsman skills and expand office knowledge base
Further demonstrate leadership in ombudsman practice and profession

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<sup>23</sup> “[CFPB Monthly Complaint Report](#)” (Jan. 2017, vol. 19) pp. 11-12.

As part of meeting these strategic goals, we plan to continue to build on our Ombudsman Forum program as one of the ways we maximize opportunities to assist in resolving process issues with the CFPB. To date, we have hosted Ombudsman Forums with industry groups, broad-based national and regional consumer-focused organizations, compliance officers of companies that engage with the CFPB, and the associations of state regulators and their members. In the next few years, we anticipate hosting events with consumer groups in each of the CFPB's four regions, as well as another industry group event. We also plan to develop criteria to determine the frequency and timing with which to meet each type of stakeholder as well as how to decide which new Forums we may host with other stakeholders.

In addition, our Ombudsman Interactives pilot program will continue in FY2018. As further described earlier in this report, the Interactives are available by request on a first-come, first-served basis and subject to the Ombudsman's budget and availability. As with the Forums, the Interactives further inform our work as we provide feedback and recommendations to the CFPB.

In FY2018, we also plan to continue with our teleconference series to further share about the Ombudsman's Office. At a minimum, we plan to host outreach opportunities for regional consumer groups in the Midwest and Southeast regions in FY2018 and anticipate hosting a series of teleconferences with law school clinics nationwide that assist consumers. At the same time, we anticipate developing a new brochure for the office to update how we share about our work. Finally, this next year we also will be exploring new formats and technologies as we continue to expand education about our office.

As always, we look forward to hearing your suggestions, at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or (855) 830-7880, on how we can assist both the people who reach us for assistance and the CFPB.



**OMBUDSMAN'S  
OFFICE**



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[consumerfinance.gov/ombudsman](http://consumerfinance.gov/ombudsman)

**Why is there a CFPB Ombudsman?** An ombudsman provides an alternate, informal way to resolve issues. Many organizations, both government and private, have an ombudsman. The CFPB Ombudsman's Office was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which created the CFPB.

**Independence** We are outside of the CFPB's business lines, reporting to the Deputy Director with access to the Director, which ensures our independence at the CFPB.

**Impartiality** We do not advocate for one side, but instead for a fair process.

**Confidentiality** We have put safeguards in place to preserve confidentiality. We will not share your identifying information outside the Ombudsman's Office unless you tell us we can. We also may have to share it if there is: a threat of imminent risk of serious harm; you have raised an issue of government fraud, waste, or abuse; or if required by law.

**Why should I contact the Ombudsman?** We can assist in informally resolving process issues by: facilitating discussions, brainstorming and evaluating options and resources, sharing independent analyses, offering an impartial perspective, ensuring confidentiality of someone's identity, engaging in shuttle diplomacy, and providing recommendations, among other options.

**When should I contact the Ombudsman?** Try us, when you have not had success with existing CFPB processes to address your process concerns, or because you want to keep your concerns confidential. You are welcome to contact the Ombudsman at any time, but we ask you to try the existing CFPB avenues for resolution first.

**Can we meet again?** Stakeholders who previously connected with our office are welcome to re-connect to share further feedback.