

# 2019 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 FY2019 annual report to the Director of the Consumer Financial Protection Bureau, pursuant to the CFPB Ombudsman's Office [Charter](#).

In our unique role as an independent, impartial, and confidential resource, we make connections across people to assist in resolving individual and systemic process issues with the CFPB. This year's report includes examples of the various ways we make and build upon those connections, such as with the cross-section of groups participating in this year's Ombudsman Forums and bringing together CFPB components to address issues.

This year's report describes our new inreach (internal engagement) and outreach initiatives. As in previous years, the [Demonstrating the Ombudsman in Practice](#) section provides short examples from this year that illustrate the various ways in which we can assist on topics, such as clarifying whether the public can submit comments on proposed rules before their publication in the *Federal Register*, offering suggestions on the CFPB's process for handling correspondence addressed to the Director, and providing feedback on the information sent to industry regarding the CFPB's review of financial entities' diversity practices.

In FY2019, we again hosted two Ombudsman Forums: one event with consumer groups in the CFPB's Southeast region and a separate event with advocates for small business, which included consumer groups, industry groups, and small business entities. This year, we added a [Frequently Asked Questions](#) section regarding our Ombudsman Forum program as a resource for participants as well as for other ombudsman offices interested in offering a similar program. In this report, we also discuss our review of our Ombudsman Interactives pilot program, modeled on the Ombudsman Forum, in which we decided to incorporate the Interactives as a regular offering of our office.

The section on individual inquiries received by our office again includes an analysis of our inquiry data over time. We also describe our work on two systemic issues – information provided to consumers on defendant-administered redress and consumer complaints referred to the CFPB from other agencies – and provide updates on issues we previously studied to include: how non-consumers contact the CFPB on the telephone, entities mentioned for a positive purpose in CFPB materials, the submission of information for consumer complaints, and legal disclaimers introducing CFPB webinars.

Going forward, we will continue to make connections across people in our unique role as we advocate for fair process in consumer financial protection to assist all of our stakeholders.

Wendy Kamenshine

Ombudsman

November 15, 2019

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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, consumer or trade groups, and others; highlighted in interactions with groups; or observed by the Ombudsman. This section revisits the ombudsman standards of practice that are foundational to our work, outlines our work process, describes our outreach, and shares how we connect through inreach (or internal engagement) with the CFPB.

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## Ombudsman Professional Standards of Practice

The core standards of ombudsman practice are independence, impartiality, and confidentiality. Taken together, these foundational tenets and the adherence to them enable an ombudsman to advocate for fair process and are essential to all aspects of our work:

**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.

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

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

The Ombudsman uses an array of methods to assist consumers, financial entities, consumer or trade 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 concerns as they develop. This section describes some of the ways that 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 fair process.

A good time to contact the Ombudsman is when an individual or entity: tried the regular avenues within the CFPB for resolution and for some reason those avenues did not work to resolve the process issue; wants to highlight a concern in confidence; is not sure where in the CFPB to obtain an answer; wants to make the Ombudsman aware of an issue already shared with the CFPB that we may be studying; or, would like to suggest that we review a broader process concern.

The Ombudsman's process is the same whether an individual or entity contacts us about a question, concern, or complaint regarding a CFPB process.<sup>2</sup> First, we may ask follow-up questions to further understand the information provided. Depending on what we learn, we may decide to research additional information by: reviewing applicable laws, regulations, policies, and data; contacting other stakeholders to gather further viewpoints; or connecting with the CFPB to gather additional perspectives. See [Appendix 1](#).

After conducting any additional research, we assess what approach would best assist the CFPB and the public and how best to advocate for fair process. 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.

We then use a toolbox of resources to try to informally resolve each issue. Keeping in mind our ombudsman standards of practice, we advocate for fair process rather than for someone's desired outcome, although these sometimes overlap. The circumstances surrounding each inquiry inform the type of resolution tool or tools that we use.

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<sup>2</sup> The Ombudsman does not assist in resolving issues as between consumers and companies.



We may seek to resolve an individual or systemic 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>3</sup> ensure confidentiality of someone's identity,<sup>4</sup> and engage in shuttle diplomacy,<sup>5</sup> among other options. This flexibility and adaptability in our resource set, along with our foundational ombudsman standards of practice, allows us to assist a wide range of stakeholders on various types of issues.

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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 with external stakeholders, or outreach. We adapt our inreach and outreach methods to take into consideration the needs of our new and longstanding internal and external stakeholders. Together with our foundational ombudsman standards of practice, our inreach and outreach efforts enable us to assist consumers, financial entities, consumer or trade groups, and others in resolving process issues with the CFPB by analyzing interrelated information and then using our toolbox of resources to advocate for fair process. *See [Appendix 2](#).*

### 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,

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<sup>3</sup> For example, the Ombudsman participates in some CFPB working groups in an advisory capacity by providing feedback as the CFPB considers initiatives and activities, but the Ombudsman is not part of the decision-making process.

<sup>4</sup> As described above, we will not share an inquirer's 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.

<sup>5</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.

develops, and engages in outreach efforts to convey how we may assist and to be aware of current developments.

In accordance 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 interface with the CFPB, considering how that universe of stakeholders may change. 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. By balancing our outreach, we strive to give as many stakeholders as possible an opportunity to engage with the Ombudsman.

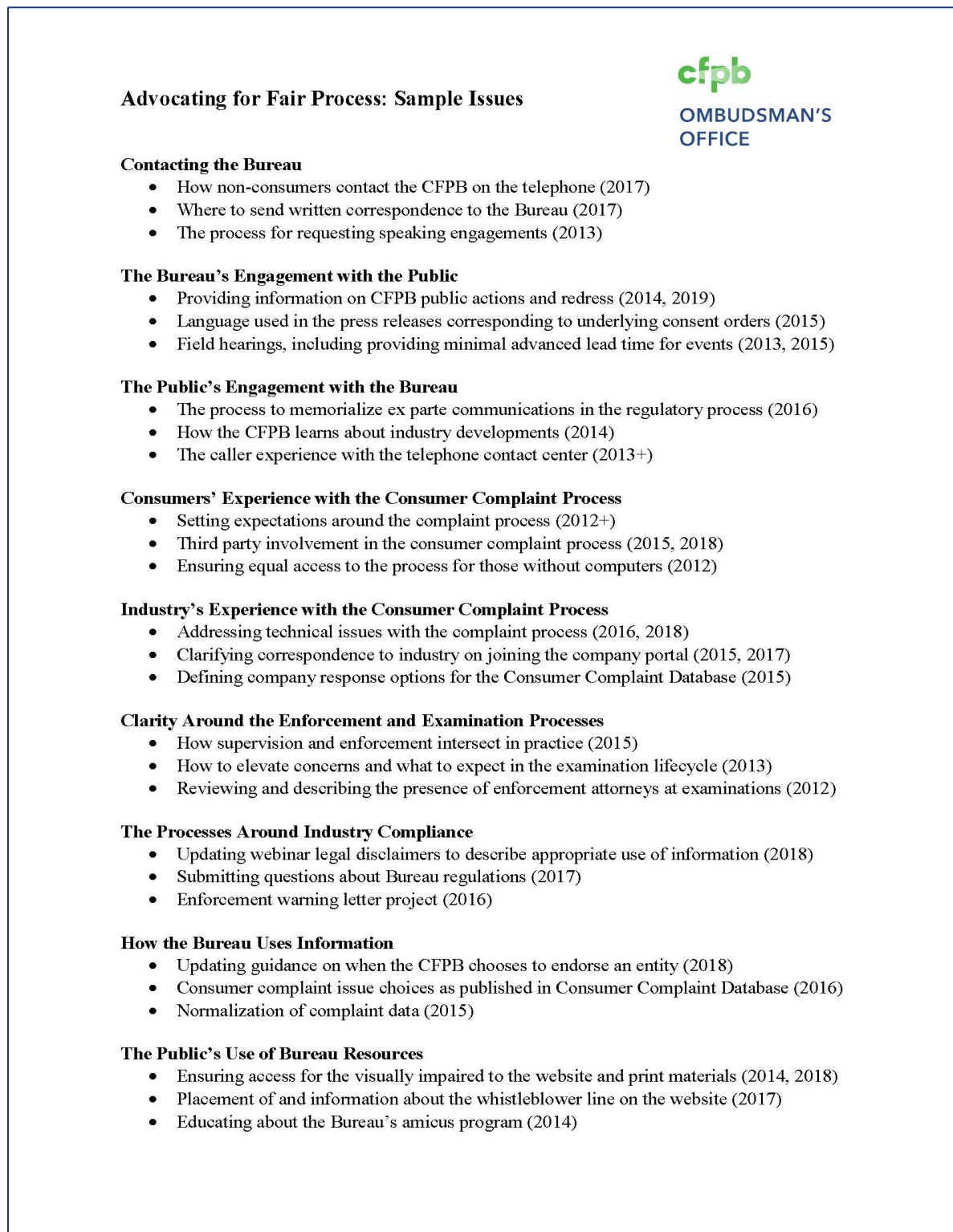
Our outreach includes: in-office introductory and follow-up meetings, teleconferences with groups' memberships, presentations at board meetings, speaking at conferences and smaller gatherings, and informal visits to financial entities' operations. See [Appendix 3](#) and [Figure 4](#). The Ombudsman's 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. Consumer and industry groups as well as financial entities that wish to request an outreach engagement with the Ombudsman may contact our office directly at [CFPBombudsman@cfpb.gov](mailto:CFPBombudsman@cfpb.gov) or (855) 830-7880.

## New and Continuing Outreach Activities in FY2019

This year, we completed several planned outreach activities in accordance with our two-year strategic plan goals and accompanying outreach plan. For example, we continued hosting office hours at groups' conferences and led a webinar hosted by a group to share about our resource with its membership. In addition, we again presented as an independent resource at the orientation for the CFPB's Consumer Advisory Board, Credit Union Advisory Council, and Community Banks Advisory Council to share about our resource.

In FY2019, we also developed a document to provide to our stakeholders, which highlights our work on some broader process topic areas over time, as in the figure below:

**FIGURE 1: ADVOCATING FOR FAIR PROCESS: SAMPLE ISSUES**



Additionally, we continued our outreach teleconference series to connect with a broad range of stakeholders nationwide and to provide information and answer questions about the Ombudsman's Office. As mentioned in our [FY2018 Annual Report](#), p.10, at the beginning of this fiscal year we held teleconference series with consumer groups in the CFPB's Midwest and Southeast regions as well as with law school clinics around the country.

In April 2019, we hosted a teleconference series via webinar with reentry groups that assist incarcerated individuals with rejoining their communities after completion of their sentences. Reentry groups from five states joined us for one of our sessions. In September 2019, we hosted a teleconference series with state credit union associations and individuals from 25 states expressed interest in joining one of our calls in which we provided information and answered questions about our resource.

Additionally, to expand our outreach to the disability community, this year we had our office brochure transcribed into braille and look forward to providing it as we conduct outreach opportunities as well as upon request.

Over time, we also led the effort to complete a federal financial regulatory agency ombudsman resource sheet, in coordination with our ombudsman peers at other agencies. Completed this year, the resource sheet in the figure below describes the role of these ombudsman offices and includes contact information. Each office can provide this document to inquirers who may need the assistance of a different ombudsman resource.

**FIGURE 2: FEDERAL FINANCIAL OMBUDSMAN RESOURCE SHEET**

Federal Financial Ombudsman Contact Information		
An ombudsman provides an alternate, informal way to resolve issues. Many organizations, both government and private, have an ombudsman, including the following federal agencies:		
	<b>Consumer Financial Protection Bureau (CFPB)</b> <a href="http://www.consumerfinance.gov/ombudsman/">www.consumerfinance.gov/ombudsman/</a>	<a href="mailto:CFPBOmbudsman@cfpb.gov">CFPBOmbudsman@cfpb.gov</a> <b>(855) 830-7880</b>
	<p>The CFPB Ombudsman's Office is an independent, impartial, and confidential resource that assists consumers, financial entities, consumer or trade groups, and others in informally resolving process issues arising from CFPB activities. Contact us if you have not resolved your process issue after connecting with the CFPB directly, or to keep your concerns confidential. We may assist, for example, by: facilitating discussions, brainstorming options, and providing feedback and recommendations to the CFPB.</p>	
	<b>Federal Deposit Insurance Corporation (FDIC)</b> <a href="http://www.fdic.gov/regulations/resources/ombudsman/index.html">www.fdic.gov/regulations/resources/ombudsman/index.html</a>	<a href="mailto:ombudsman@fdic.gov">ombudsman@fdic.gov</a> <b>(877) 275-3342</b>
	<p>The FDIC Office of the Ombudsman is a confidential, neutral and independent source of information and assistance to anyone affected by the FDIC in its regulatory, resolution, receivership, or asset disposition activities. If you have a problem or complaint with the FDIC that is not involved in litigation, arbitration, or mediation, you may contact the Office of the Ombudsman for confidential assistance. Our office will work with other FDIC divisions and offices as a liaison to address your issue.</p>	
	<b>Federal Reserve Board (FRB)</b> <a href="http://www.federalreserve.gov/aboutthefed/ombudsman.html">www.federalreserve.gov/aboutthefed/ombudsman.html</a>	<a href="mailto:Ombudsman@frb.gov">Ombudsman@frb.gov</a> <b>(800) 337-0429</b>
	<p>The Ombudsman's office facilitates the fair and timely resolution of complaints related to the Federal Reserve System's regulatory activities. The Ombudsman serves as an independent, confidential resource for individuals and institutions that are affected by the Federal Reserve System's regulatory and supervisory actions.</p>	
	<b>National Credit Union Administration (NCUA)</b> <a href="http://www.ncua.gov/about/Leadership/Pages/page_omb_bio.aspx">www.ncua.gov/about/Leadership/Pages/page_omb_bio.aspx</a>	<a href="mailto:ombudsman@ncua.gov">ombudsman@ncua.gov</a> <b>(703) 518-1175</b>
	<p>NCUA's Ombudsman reviews consumer complaints and recommends possible solutions. The issues generally result from process concerns. As a consumer, you may choose to bring your concern to the Ombudsman after attempting to obtain resolution from the NCUA Consumer Assistance Center.</p>	
	<b>Office of the Comptroller of the Currency (OCC)</b> <a href="http://www.occ.gov/topics/dispute-resolution/bank-appeals/index-bank-appeals.html">www.occ.gov/topics/dispute-resolution/bank-appeals/index-bank-appeals.html</a>	<a href="mailto:OCCOmbudsman@occ.treas.gov">OCCOmbudsman@occ.treas.gov</a> <b>(202) 649-6800</b>
	<p>The OCC Ombudsman, who reports directly to the Comptroller of the Currency and operates outside of bank supervision, ensures that bankers have access to the appeals process and that appeals are reviewed fairly according to existing standards. The OCC appeals process for national banks and federal savings associations (collectively, banks) provides an independent, fair, and binding means of resolving disputes arising during the supervisory process; helps ensure the most sound supervision decisions possible; and promotes open, continuous communication between banks and the OCC.</p>	
	<b>U.S. Securities and Exchange Commission (SEC)</b> <a href="http://www.sec.gov/ombudsman">www.sec.gov/ombudsman</a>	<a href="mailto:Ombudsman@sec.gov">Ombudsman@sec.gov</a> <b>(877) 732-2001</b>
	<p>The SEC Ombudsman is a confidential, impartial, and independent resource who serves as a liaison to help individual investors – sometimes referred to as retail investors or Main Street investors – resolve problems they may have with the SEC or with the self-regulatory organizations the SEC oversees. The SEC Ombudsman also reviews and recommends policies and procedures to encourage persons to present questions and feedback about the securities laws, and establishes safeguards to maintain the confidentiality of communications between individuals and the SEC Ombudsman.</p>	

In FY2020, we will continue to seek to expand our outreach opportunities and to share about our resource. While an individual, company, group, or other entity may not need to use our resource now, if they are familiar with how we can assist, they can call upon us to assist in the future.

## 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 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 the person 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 CFPB contacts to address process issues, while also giving us the opportunity to maintain awareness about current CFPB activities. In addition, in these meetings we provide feedback on perspectives we are hearing, offer feedback in conjunction with CFPB offices' proposed initiatives, describe updates on our work, and share recommendations. The figure below shows our inreach meetings this year.



**FIGURE 3:** REGULAR INREACH MEETINGS WITH THE CFPB, FY2019

Monthly Meetings	
Director	Office of Consumer Response, cross-office managerial leadership
Deputy Director	Office of Consumer Response, Stakeholder Services
Chief of Staff	Office of Financial Institutions and Business Liaison
Executive Secretary	Office of Intergovernmental Affairs
Office of Strategy – Chief Risk Officer	Office of Legislative Affairs
Operations Division	
Office of Communications	
Bi-monthly Meetings	
Office of Strategy – Chief Strategy Officer	Office of Servicemember Affairs
Disability Program Manager	Office of Supervision Examinations
Office of Community Affairs	Research, Markets, and Regulations Division, Chiefs of Staff
Office of Consumer Response	Office of Public Engagement and Community Liaison
Office for Older Americans	
Quarterly Meetings	
Office of Fair Lending & Equal Opportunity	Office of the Chief Data Officer*
Office of Minority and Women Inclusion	Technology & Innovation, User Research*
Division of Consumer Education & Engagement	Office of Consumer Engagement
Division of Supervision, Enforcement, and Fair Lending	Office of Consumer Response, Investigations
Research, Markets, and Regulations Division	Office of Enforcement
Division of External Affairs	Office of Supervision, Regional Directors
Legal Division	Office of Mortgage Markets
	Office of Advisory Boards and Councils

\* These quarterly meetings are scheduled to begin in FY2020.

Note: The Ombudsman meets with CFPB components not listed in the figure above on an as-needed basis.

## New and Continuing Inreach Activities in FY2019

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. Each year, we seek to add additional, regular inreach meetings and this year was no different as shown in the figure above. We value hearing many different perspectives and, this year, began exploring a regular inreach option with the CFPB Employee Resource Groups<sup>6</sup> as they may be thinking about issues impacting external stakeholders. In FY2019, we also participated in additional CFPB working groups in an advisory capacity to understand further about the CFPB's initiatives in a specific area and provide feedback. Lastly, at the end of the fiscal year, we visited a CFPB telephone contact center, which the CFPB refers to as the "Consumer Resource Center," and had the opportunity to listen to calls with the public as well as conduct a focus group with the customer service agents or Consumer Guides who answer the calls.

In sharing resources, we offered information for the CFPB to learn further about the Ombudsman and the broader ombudsman profession through a series of questions and answers, available on our intranet page. In addition, we gave copies of our brochures to each of the CFPB's four regions to further inform examiners about our resource and for the examiners to provide them to companies during examinations.

In FY2020, we anticipate continuing to develop ways to communicate about our resource and otherwise connect internally with the CFPB.

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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 keeping with our ombudsman professional standard of

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<sup>6</sup> CFPB, "[Office of Minority and Women Inclusion Annual Report to Congress](#)" (Mar. 2019), p. 28.



confidentiality, whether in presentations or writing, we provide examples in a format that gives greater understanding of our work but retains anonymity of the inquirers. The selections below also demonstrate how we tailor the way to best assist in a situation depending on the circumstances.

**Clarifying Whether the Public Can Submit Comments on Proposed Rules Before Publication in the *Federal Register*** – After the CFPB’s press release on a particular rule, the Ombudsman received a few inquiries asking how to submit comments or providing actual comments on the rule, which we redirected to the CFPB for submission. Specifically, on May 7, 2019, the CFPB announced a “Notice of Proposed Rulemaking” to implement the “Fair Debt Collection Practices Act.” The [press release](#) indicated that “[t]he public is invited to submit written comments on the proposed rule,” but there was no information on how to submit comments other than as provided in the rule itself. At the time of the press release, the proposed rule was not yet published in the *Federal Register* and was not yet available on [regulations.gov](#), which is the associated electronic docketing system for public comments. We provided feedback to the CFPB that it is not clear where to provide comments in the timeframe between when the CFPB announces a proposed rule and the publication in the *Federal Register*; a timeframe that we understand may differ by rule length. In addition, we understand that agencies do not initially have an exact date of when the rule will be published in the *Federal Register* and the docket opened on [regulations.gov](#). In this circumstance, the CFPB announced the rule on May 7, 2019, and the *Federal Register* published it on May 21, 2019.<sup>7</sup> We offered suggestions to the CFPB on how to further set expectations for the public during this interim timeframe and understand the CFPB will be providing updates to [consumerfinance.gov](#) to assist the public in the future.

**Providing Information on Company Participation in the Consumer Complaint Process** – This year, we received an inquiry from a company asking how the CFPB processes consumer complaints and whether the technology used for companies to respond is similar to other regulators. The CFPB provides the [Company Portal Boarding Form](#) on [consumerfinance.gov](#) for companies that offer consumer financial products and services to sign up to respond to consumer complaints. To assist the company that contacted us, we shared information from [consumerfinance.gov](#) about the CFPB’s process and offered a CFPB point of contact for the company to ask additional questions about the Company Portal.

**Offering Suggestions on the CFPB’s Process for Handling Correspondence Addressed to the Director** – We also regularly provide feedback to the CFPB as it develops

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<sup>7</sup> “[Debt Collection Practices \(Regulation F\)](#),” 84 Fed. Reg. 23274 (May 21, 2019).

or updates its internal processes. This year, we offered suggestions pertaining to the CFPB's process for handling all correspondence addressed to the Director.<sup>8</sup> Our suggestions included steps the CFPB may take to build on how it acknowledges and responds to such correspondence.

**Assisting Stakeholders with Communications Received** – In FY2019, we continued to hear from inquirers from different stakeholder communities seeking to clarify if information or calls the inquirers received were from the CFPB. We worked with them to understand further about the communications received to assist with resolving the issue or to share appropriate resources on how to safeguard against scams, such as the CFPB's webpage on preventing [Frauds and Scams](#).

**Connecting CFPB Components** – As shown in [Figure 3](#), through our inreach we understand the different work of the CFPB across the divisions and offices as well as know or can locate the subject matter experts in the various areas. As such, in addition to assisting various external stakeholders in finding the right resource at the CFPB or elsewhere, we also connect various internal CFPB components to assist in resolving process issues.

**Assisting Incarcerated Consumers with the Consumer Complaint Process** – Periodically, we receive individual inquiries regarding the CFPB's consumer complaint process from individual consumers who are in the criminal justice system or from people assisting them. In addition to receiving consumer complaints from this group of consumers, the CFPB provides the "[Focus on Reentry](#)," a companion guide which accompanies the "[Your Money, Your Goals](#)" toolkit and "focuses on the needs of people with criminal records." This year, the Ombudsman began considering the identifying information companies have for incarcerated consumers that is displayed in the list of consumer complaints companies have in the CFPB's Company Portal. In addition, we started reviewing how incarcerated consumers may obtain companies' responses to their consumer complaints. These consumers may have limited or no Internet access to review a company response on the CFPB's Consumer Portal, their phone access often requires payment, and the CFPB consumer complaint process does not require companies to send a consumer complaint response by postal mail. Earlier in the year, we held a teleconference series to share further about the Ombudsman with reentry groups, which assist incarcerated individuals in rejoining their communities, and anticipate continuing to consider process issues impacting these consumers.

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<sup>8</sup> In previous years, we received inquiries regarding correspondence addressed to the Director and facilitated discussions around the topic as well as provided feedback to the CFPB. See [FY2014 Annual Report](#), p.7 and [FY2015 Annual Report](#), pp.9-10.

**Offering Feedback on Information Provided to Industry About Assessment of Diversity Practices** – As part of our role, we have the opportunity to provide feedback to the Bureau on information that it plans to share publicly. For example, this year, we provided feedback to the CFPB’s Office of Minority and Women Inclusion (OMWI) regarding information provided to industry on how the CFPB will assess the diversity practices of regulated entities.

**Considering the Information the CFPB Provides During and at the Conclusion of Examinations** – This year, we heard from some industry stakeholders that they anticipated a more positive examination outcome based on communications with the examination team during the course of the onsite portion of the examination than what the CFPB shared at the conclusion of the examination. As described in our [FY2018 Annual Report](#), p.20, industry groups also highlighted this concern in one of our 2018 Ombudsman Forums and, at that time, we shared that the examination teams and Headquarters have regular meetings over the course of examinations. We understand from our research thus far that examiners receive training on many topics, including on communicating with companies during the examination process. Further, we understand that outcomes may vary for different examination types based on a number of factors. We plan to review this topic further in the coming year to see if we can be helpful to the CFPB and the public.

**Facilitating Assistance for the Judiciary** – One stakeholder community we hear from, on occasion, is the judiciary. This year, we received an inquiry from a member of a court who requested information on what to expect from a CFPB consent order. As with all inquiries, we seek to assist with the process concern raised or may refer the individual or entity to a CFPB or other resource to assist.

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## Ombudsman Forums and Interactives

This next section provides Frequently Asked Questions regarding our Ombudsman Forum program, a summary of the process topics discussed at our two Forums this year, an overview of an Ombudsman Interactive conducted this year, as well as a review of the Interactives pilot program.

## Frequently Asked Questions About the Ombudsman Forum

### **What is an Ombudsman Forum?**

The Ombudsman Forum is 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. In 2016, an Administrative Conference of the United States report on the federal ombudsman recognized our Ombudsman Forum program as one of our “innovations and promising best practices.”<sup>1</sup>

### **What is facilitated discussion and how is it different?**

A facilitated discussion is a flexible process where a trained impartial third party assists in generating a conversation between participants. It differs from a presentation or training in its use of various methods and techniques where participants actively engage around specific topics to communicate concerns and generate options for resolution. For example, the Ombudsman may connect with participants by: creating space for various perspectives to be heard, asking follow-up questions, sharing information, reframing for understanding, testing an assumption, clarifying a concept, considering options, identifying interests, making connections, and utilizing other engagement methods.

### **When did this program begin and what Forums have occurred?**

We began the program in 2015. Since that time, we have hosted eight Forums, including with industry groups, national and regional consumer groups, compliance officers of entities that engage with the CFPB, the associations of state regulators and their regulator members, and with advocates for small business. We have hosted Forums in Washington, D.C., Chicago, IL, Memphis, TN, and Oakland, CA.

### **What are the criteria for hosting a forum?**

As shared in our [FY2018 Annual Report](#), p.26, we may schedule a new Ombudsman Forum with a stakeholder community we met with previously or with a new stakeholder community where: there is a request by the CFPB, particular stakeholder community, or other external stakeholders for the Ombudsman to have such a Forum; or the Ombudsman determines on its own that it may be useful to host a Forum as we provide feedback and make recommendations to the CFPB. For frequency and timing, we also will consider our impartiality professional standard of practice to balance hosting events over time with different stakeholder communities. In addition, hosting additional Forums will be subject to our budget and the availability of resources.

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<sup>1</sup> C. Houk et al., “A Reappraisal – The Nature and Value of Ombudsmen in Federal Agencies” (2016) (Report to the Administrative Conference of the United States) at Part 2, p.101.

### **How do you implement your ombudsman professional standards of practice during a Forum?**

We communicate about the ombudsman professional standards of practice before, during, and after a Forum to describe them as well as to share how they function in practice.

**Independence:** The Ombudsman determines the topics, questions, and methods of facilitation for the Forum. In addition, all communications with prospective participants in anticipation of the event are just with the Ombudsman.

**Impartiality:** As with all of our work, the Ombudsman does not take the side of the CFPB or the side of the participants during the facilitated discussion.

**Confidentiality:** Our Forums are closed to the CFPB, the public, and the press, and we provide the location of the event to registered participants. We do not share who attends and we ask participants not to share that information as well. We also ask participants not to use social media, cell phones, or recording devices so that we can do these events again in the future. We take notes without attribution during the program so that we can recall what participants shared with us.

### **How does the Ombudsman prepare for and communicate about the Forum?**

Communication and preparation for a Forum begins with what we have heard through our ongoing conversations with internal and external stakeholders. We consider what process topics may be of interest to the particular stakeholder community as well as ask the CFPB and the stakeholder community for their topic suggestions. We then provide prospective participants with the topics in advance. In addition, we may offer the opportunity for groups to meet with us for office hours during the day of the Forum to discuss any CFPB process issue.

### **What does the Ombudsman ask of participants?**

We ask that participants share their perspectives on how the process topic impacts their work or the work of their group or entity. We ask that they include relevant examples, suggestions, or recommendations and consider ways to address any concerns presented if they were the CFPB.

### **What happens after the Forum?**

We consider the information we learn at the Forum as we provide feedback and make recommendations to the CFPB. We also provide unattributed feedback to the CFPB from each Forum and summarize it further in our annual reports.



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# Ombudsman Forum: Held in Southeast Region with Regional Consumer Groups

On May 14, 2019, we held an Ombudsman Forum in Memphis, TN, with consumer groups within reasonable travel distance to Memphis. For our all-afternoon event, we invited each group to bring two people. There were participants from seven regional groups, including from Mississippi, Missouri, and Tennessee.<sup>9</sup> The groups included consumer advocates representing a diverse array of consumer interests and groups, such as older Americans, consumer legal providers, financial educators, and the faith community.

The topics included: connecting with the CFPB, current process considerations around innovation and emerging technologies in consumer finance, participation in rulemaking and the comment process as well as other avenues for input, access to and usage of CFPB resources in your region, the consumer complaint process as it intersects with the public Consumer Complaint Database, and new and emerging process topics related to the CFPB in the year 2019 and going forward.

Below is a summary of the feedback and recommendations from Forum participants organized by theme:

**CFPB Activities** – Participants expressed that there is a need for additional clarity about the agency’s activities going forward. They also mentioned that consumers are generally not as familiar with the CFPB.

**Engagement with the CFPB** – Participants shared that the best way for the CFPB to engage with consumer groups is to hold meetings in the regions to discuss issues specific to a certain area. One participant suggested holding one such meeting in each of the CFPB’s four regions. Another participant said holding meetings in different localities within the four regions would be better. For example, there are many different things going on in the Southeast region, for example, the Mississippi Delta may have different issues than what is happening in urban areas.

**Innovation with Humans vs. Technology** – Participants described that discrimination can be built into a system. An individual person evaluating an application for a consumer financial product may use subjective factors to review it. At the same time, a person developing a new, innovative program also can incorporate subjective factors in the program that can have a

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<sup>9</sup> A participant from an eighth group intended to attend the Forum but was unable to join, so provided feedback to us subsequent to the Forum.

discriminatory result. Participants discussed how the CFPB could make industry computer processes fairer to the average person. For example, the CFPB can assist in ensuring that set parameters used for creditworthiness analysis do not have biases included from the outset.

**Consumers and Innovation** – Participants expressed that the CFPB should ensure that innovative ideas do not result in the unbanked or underbanked becoming further behind. They recommended that the CFPB have a list of considerations to review how an innovative program would impact traditionally unbanked or underbanked consumers, including: areas that are geographically diverse, that rural and urban areas could be impacted differently, and that there are different communities of color which could be impacted in different ways. Participants also considered how to bring in people who are traditionally not part of the consumer finance process. They suggested that the CFPB further partner with community groups that serve these populations, such as faith communities, to consider whom to invite into the conversation to incorporate all perspectives.

**Importance of Innovation** – Innovation was top of mind for one participant, but not necessarily for everyone. One person mentioned that in parts of rural Tennessee there still is no access to the Internet. Participants shared that innovation also may not be top of mind for consumers who may be negatively impacted by bad actors in the financial industry. One participant indicated that for faith leaders the most important topic is not innovation, but access to resources that are helpful to consumers.

**Engagement with the Rulemaking Process** – Most of this discussion centered on the need for further clarity around the rulemaking process. Participants offered several recommendations, such as: visually explaining the rulemaking process, including how the CFPB uses or reviews comments; providing a question and answer format to describe the process; describing a general rule implementation timeline; adding a link to [consumerfinance.gov](https://consumerfinance.gov) to existing comments; and framing the rulemaking process in simple terms, for example, “Do you have any experience with \_\_\_\_\_? Comment here,” to encourage consumers to submit comments.

**Changes to CFPB Rules** – At least one participant appreciated the format where the public could comment on a rule in the context of a CFPB public event. Participants expressed concern about changes to CFPB rules and how that may impact consumers’ lives. One participant recommended that it may be helpful to roll out each new rule in the same format and with the same visibility, so the public knows what to expect. Another participant recommended that there be additional clarity around why the agency chooses to reopen a rule.



**Financial Education Resources** – Overall, there was a lot of positive feedback regarding the CFPB’s financial education resources. Participants shared that they appreciated: free shipping and handling to receive these resources; bringing the easy to follow Office for Older Americans’ placemats to presentations with older Americans; using the resources at religious institutions to increase financial literacy; providing consumers with the materials that describe how to do certain things, such as handling debts; covering financial wellness for every age group; and having materials in other languages. In addition, one participant suggested that the CFPB review who was not receiving CFPB materials for further outreach and potential partnering with entities, such as health clinics, religious providers, and resource agencies, such as benefits offices.

**Mobile Friendly Resources** – All participants suggested that an app would be a good resource to add for consumers. They shared that it would be an educational resource and consumers could access it, for example, while waiting at a doctor’s office. They indicated that many consumers have their phones nearby and an app would put the educational materials in one location for ease of access. Consumers also may use an app to track purchases or to work on things that happen over time, such as buying a home.

**Working with Consumers on the Complaint Process** – A participant mentioned that the online process is straightforward. There is some frustration from consumers who submitted consumer complaints over time that they need to resubmit some of the same contact information with each submission. One participant suggested following up with consumers to let them know that an enforcement action is public regarding the company about which the consumer submitted a consumer complaint.

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## Ombudsman Forum: Advocates for Small Business

We also held an Ombudsman Forum on June 18, 2019 in Chicago, IL, with advocates for small business. Each group could bring two people one of whom could be a small business entity. There were participants from 16 groups, including consumer groups and industry groups, as well as individuals from a few small business entities.<sup>10</sup> This is the first Ombudsman Forum in

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<sup>10</sup> Participants from two of the groups joined the discussion in the last session.



which we brought together consumer and industry groups, which gave them an opportunity to problem solve with each other. Below is a summary of the feedback and recommendations from Forum participants, in the order of the discussion:<sup>11</sup>

## Process Considerations Surrounding CFPB's Business Lending Examinations

**Small Business Lending Examinations in Practice** – Participants shared it is difficult to compare the lending practices of small businesses and large banks due to distinctions in their business models and practices, so examination processes may appropriately differ. At the same time, some participants suggested that the CFPB should try to ensure that there is some standardization in the examination processes for the different types of entities that loan to small business, to the extent that is not currently happening, notwithstanding the differences between those entities. Further, as part of the examination protocol, some participants recommended that the CFPB should consider doing matched pair testing to see how lenders treat protected classes when they seek loans/credit.

Also, some participants shared their perception that non-bank lenders are not subject to the same oversight as banks when it comes to using artificial intelligence. One participant indicated that non-bank lenders are growing and using online applications, but it remains unclear how these lenders use technology and algorithms to approve the loans.

**Supervisory Highlights** – Participants shared that the CFPB's [Supervisory Highlights](#) publication is very useful. At the same time, some participants indicated that the resource would benefit from further detail, such as adding additional context. In addition, the CFPB's use of the phrase "one or more entities" when describing an issue makes it difficult to determine if a description is representative of a larger issue. With additional clarity on the pervasiveness of the issue, companies could prioritize resources to address the issues highlighted. Participants also recommended that the CFPB further expand on the issues and related details in [Supervisory](#)

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<sup>11</sup> We planned to facilitate a discussion on process issues surrounding section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. However, at the time of the Ombudsman Forum, there was pending litigation regarding the process surrounding section 1071. As such, we did not include this topic in our Forum as we are an informal resource and litigation is a formal process.

[Highlights](#) to add context and aid the reader’s understanding. In addition, they indicated that it would be helpful to describe any suggested steps to be in compliance on an issue of concern.<sup>12</sup>

**Submitting Small Business Complaints to the CFPB** – Some small business advocates think that the CFPB does not accept complaints about small business loans as that option is not available when submitting a complaint on [consumerfinance.gov](https://consumerfinance.gov). At the same time, some small business owners do submit complaints to the CFPB through the consumer complaint process.<sup>13</sup> The industry participants highlighted there are other regulators that do take these complaints. Some participants recommended that the CFPB clearly state whether the agency accepts small business complaints.<sup>14</sup>

## CFPB Process in Innovation as It Relates to Small Business

**CFPB Innovation Efforts in Relation to Small Business** – Some participants expressed that to the extent there is awareness of CFPB innovation efforts, the focus is mostly on Fintech. Participants suggested that the CFPB should expand its outreach more broadly beyond the Fintech space to create more awareness. Both consumer and industry group participants agreed that companies should have the space to innovate while at the same time preventing consumer harm.

**Considerations Surrounding the No-Action Letter Policy and the Sandbox** – One participant mentioned that small businesses are more aware of state regulations than the CFPB’s.<sup>15</sup> Consumer group participants expressed concern that no-action letters may inhibit the ability to stop consumer harm. At the same time, industry group participants shared that no-action letters allow responsible innovation without permitting egregious violations. Both consumer and industry group participants appeared to agree that supervised entities should be

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<sup>12</sup> The CFPB shares that information contained within Supervisory Highlights may be informed by the need “to preserve the confidentiality of the supervisory process” and “the findings are important for industry and the public to understand regardless of whether an identified practice is widespread.”

<sup>13</sup> We understand that the company in receipt of the complaint is able to alert the CFPB with an administrative response if the company receives a complaint about a business product or service that should be forwarded to another regulator.

<sup>14</sup> Consumer complaints inform the work of the CFPB, including examinations. See CFPB webpage, “How we use complaint data;” [consumerfinance.gov/complaint/data-use/](https://consumerfinance.gov/complaint/data-use/).

<sup>15</sup> On September 10, 2019, the CFPB announced three new policies regarding innovation. See CFPB webpage, “CFPB Issues Policies to Facilitate Compliance and Promote Innovation;” [consumerfinance.gov/about-us/newsroom/bureau-issues-policies-facilitate-compliance-promote-innovation/](https://consumerfinance.gov/about-us/newsroom/bureau-issues-policies-facilitate-compliance-promote-innovation/).

able to engage in the innovation space, but there should not be a blanket product release as non-supervised entities may then enter the space and perhaps create problems for consumers. Some participants recommended more coordination across state and federal regulators to ensure the no-action letter safe-harbor extends across jurisdictions.<sup>16</sup>

**Innovation Outreach and Engagement with Small Business** – Participants encouraged the [CFPB's Office of Innovation](#) to offer early feedback to businesses, so they do not use resources on products or services that the CFPB may not support. A participant said the CFPB should advertise outreach events to all stakeholders, to include consumer groups and industry, and that non-industry groups should be encouraged to enter the discussion. Participants requested varied use of outreach options, including webinars, teleconferences, town halls, and events within local communities, as well as available and consistent points of contact at the CFPB in this topic area.

**Support for Small Business** – We asked participants to identify a simple, small, tangible way the CFPB could be supportive of small business as the CFPB considers developments in innovation. Some responses included: supply simple, clear, and non-technical jargon to explain process and products, and provide that information available in all commonly used languages; foster increased regulatory clarity; use more person-to-person contact and engagement to discuss developments in innovation; allow trade associations to participate in the no action letter policy; consider how small business owners' needs are changing along with consumer preferences; increase outreach to small businesses to publicize the avenues to innovation; and ensure rules, including consumer protection rules that cover consumer products that small businesses use, do not inhibit the development of new products.

## Considering the Small Business Regulatory Enforcement Fairness Act (SBREFA) Process

To add value to the CFPB's current project to update the SBREFA process, we gave participants an opportunity to offer how they would design the process. First, we set out the SBREFA's legal requirements and identified four themes stemming from the 2018 "Request for Information"

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<sup>16</sup> On September 10, 2019, the CFPB announced the American Consumer Financial Innovation Network with state regulators, which is "a network to enhance coordination among federal and state regulators to facilitate financial innovation." CFPB webpage, "CFPB and State Regulators Launch American Consumer Financial Innovation Network;" [consumerfinance.gov/about-us/newsroom/bureau-state-regulators-launch-american-consumer-financial-innovation-network/](https://consumerfinance.gov/about-us/newsroom/bureau-state-regulators-launch-american-consumer-financial-innovation-network/).

that contained SBREFA comments.<sup>17</sup> Participants worked together to provide feedback and recommendations on SBREFA accounting for each of the four themes, as below:

**Understanding Small Entities** – Participants shared that the CFPB can better inform its work by ensuring greater diversity among its small entity representatives (SERs) and varying its approach to SER selection by SBREFA topic. Participants stated that the CFPB should engage in targeted outreach to achieve better SER diversity, for example, by conducting outreach to various chambers of commerce as well as to industry associations. Participants also expressed that the CFPB should seek a wide range of perspectives from small businesses to capture multiple viewpoints to include small businesses that are providers as well as consumers of consumer financial products and services.

**Transparency and Inclusiveness** – Some participants shared concerns around the different types of SER representation, while other participants expressed an interest in the selection factors used to choose SERs. Participants suggested that the CFPB select from a broad spectrum of SERs for a more complete representation of all stakeholder groups, such as consumer groups, small businesses, and industry and other groups. Participants also recommended that the CFPB publicly share its selection criteria for SERs. Some participants expressed that the CFPB did not address SERs' feedback in past panel reports and recommended that SERs and the public have the opportunity to provide additional feedback on the draft panel report, prior to its final release.

**The Process of Gathering Information and Data** – Participants noted the CFPB should collect relevant information about selected SERs, such as number of transactions, amount of revenue, number of employees, demographics of owner, geographic locations of business offices, and services provided. For the submission itself, some participants highlighted that SERs may require more time to gather and review information submitted to the panel, if they have to do extensive data collection. They also suggested the CFPB use information and data from surveys completed by other agencies as well as develop a peer review process for data collection, surveys, and reports. In addition, they recommended the CFPB coordinate data collection efforts with other relevant federal and state agencies to avoid duplication. In addition, some participants recommended the CFPB continue to ensure data confidentiality generally as well as the confidentiality of proprietary information, specifically in the SBREFA process.

**Time Provided** – Participants mentioned that the time SERs receive to evaluate the issues and collect data surrounding the proposed rulemaking is challenging, particularly for the smallest of entities. Participants recommended the CFPB base the time on what the CFPB requests and that

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<sup>17</sup> [“Request for Information Regarding Bureau Rulemaking Processes,”](#) 83 Fed. Reg. 10437, 10438 (Mar. 9, 2018).

more time between convening the SBREFA panel and the SERs' submission deadlines would be beneficial. They recommended the CFPB involve SERs at the early stages of the rulemaking process to best use the time to consider the issues. Additionally, they recommended that the CFPB release the SBREFA outline of the rule proposal via email, blog, and press release well in advance of convening the panel. Some participants suggested that the CFPB could better engage SERs who have limited time for panel participation by considering one or two topics at a time for comment and recommendation. In addition, they recommended that the CFPB consider alternative formats to those it currently offers, such as using templates or worksheets to facilitate SER responses, as well as offering online responses to reduce SERs' travel costs. Finally, for meetings, they recommended using video technology as well as the CFPB's or other agencies' regional offices.

## Tools for Small Business: CFPB Small Entity Compliance Guides and Other Resources

For this topic, we used another facilitation method to learn what the CFPB should start, stop, and continue doing regarding [small entity compliance guides](#). Nearly all of the suggestions pertained to what the CFPB should start doing, such as: provide a list of Frequently Asked Questions (FAQs), which are more informal than official commentary; consider ways to put the information in plain language; create a shorter version of the guides with basic, essential information that cross-references information in the longer guides; create multiple entry points for engagement with the material, for example, a podcast or interview with FAQs; provide examples and/or case studies for small entities; and coordinate with consumer groups and industry groups that assist small business entities to develop the guides. Participants also indicated that the CFPB should stop including the disclaimers currently used in these guides as small entities think they cannot then rely upon the information included.<sup>18</sup>

## The Engagement of Minority and Women Owned Businesses with the CFPB

**Office of Minority and Women Inclusion (OMWI) Engagement with Small Businesses** – Participants were less aware of the current OMWI outreach efforts and procurement opportunities, to include the availability of certain information on [consumerfinance.gov](#). They considered ways in which OMWI could make this information more available to minority and women owned businesses, such as meeting with small businesses at

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<sup>18</sup> In FY2018, the Ombudsman's Office provided the CFPB with recommendations to address this same issue in conjunction with the CFPB's webinars. See [Systemic Reviews - Updates on Previous Reviews](#) section below.

state run small business development centers or by connecting with local minority chambers of commerce. They also suggested that the CFPB should participate in small business events to share about the work of OMWI and use regional offices to host local small business focused groups.

### **Increasing Minority and Women Owned (Small) Business Participation in CFPB**

**Contracts** – One participant encouraged the CFPB to gather standardized information on why minority and women owned businesses may not be applying for CFPB contracts. Participants offered several options to increase participation in CFPB contracts, such as connecting with community development financial institution associations and networks to share about procurement opportunities or connecting past participants in CFPB contracts with those businesses that are interested in fulfilling such contracts to share their experiences. To encourage minority and women owned businesses to apply, participants suggested the CFPB could further show the need and interest in these groups by sharing case studies, examples of past contracts, and how CFPB procurement options compare to other agencies. Lastly, participants suggested that the CFPB increase incentives for larger businesses to include minority and women owned businesses in their contractual applications and offerings to the CFPB.

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## Ombudsman Interactives

To enhance our existing outreach program, we continually seek to adopt new and creative approaches to our external stakeholder engagement, as described above. In FY2017, the Ombudsman launched Ombudsman Interactives as a pilot program to create a new avenue to further inform our work as we provide feedback and make recommendations to the CFPB.

Modeled after the Ombudsman Forums, the Ombudsman Interactives is a facilitated discussion held onsite in a closed-door session for attendees at a consumer, trade, or other group's conference. The discussions give participants an opportunity to confidentially provide feedback on several process topics and offer their recommended solutions. We select topics for discussion in advance based on process issues previously shared with the Ombudsman by the convening groups or the CFPB. Interactives are available by request on a first-come, first-served basis and are subject to the Ombudsman's budget and availability.

This year, we held an Ombudsman Interactive at a group's conference and facilitated discussion on two topics: "CFPB Resources and Educational Materials on Financial Education" and

“Connecting in and Engaging with the CFPB.” Following the event, we provided unattributed feedback to the CFPB to include: possible areas to partner with the Bureau, how participants use CFPB educational materials, and considerations for how the CFPB communicates about one topic area on [consumerfinance.gov](https://consumerfinance.gov).

As anticipated in last year’s annual report, prior to integrating the Interactives program as a regular Ombudsman outreach offering, this year we studied the pilot’s impact to determine whether we were achieving the program goals. The objective of the Interactives program is for the Ombudsman to connect offsite at the request of a convening group or set of groups to hear further about process issues that consumers, financial entities, and others may be experiencing with the CFPB to further inform our work.

To determine whether to continue, update, or discontinue the Interactives pilot program, we reviewed studies for program evaluation. We then identified which type of evaluation to use and decided to use a process evaluation based upon our goals in assessing the pilot. Next, we adapted a model of program evaluation to review the Interactives pilot.<sup>19</sup> In using this tool to generally guide our review, we: identified available resources to evaluate the program; developed a model with inputs, outputs, and outcomes components; created questions for our office to answer based on the model; and analyzed our observations for analysis and understanding as to whether we are achieving the program’s goals.

**Inputs:** From our review, we confirmed that the Interactives pilot works well when the Ombudsman’s Office has sufficient time, staffing, and preparation for the event. With this review, we also determined that consumer, trade, and other groups may benefit from additional information about the Interactives.

**Outputs:** In general, with additional preparation and planning, the Ombudsman’s Office could hold more Interactives programs at groups’ conferences. The program is open to all groups that engage with the CFPB, but, thus far, more industry groups have requested our Interactive program to be included in their conferences.

**Outcomes:** Overall, we have received positive feedback about the Interactives program, with some participants or hosts requesting another such program after participating in or hosting an event. The Interactives have informed our work in highlighting new issues or confirming issues

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<sup>19</sup> Zint, Michaela, “Planning and Implementing an EE Evaluation,” MEERA My Environmental Education Evaluation Resource Assistant, <http://meera.snre.umich.edu/planning-and-implementing-ee-evaluation> (accessed on Nov. 13, 2019).

we previously have heard, which is useful as we provide feedback and make recommendations to the CFPB. Some Interactives participants also have requested assistance on individual inquiries.

In conclusion, we determined that the Ombudsman's Office will incorporate the Interactives program as a regular offering. At the same time, we will incorporate a few changes, such as setting a date by when we need to confirm our participation at a group's conference and providing a handout describing what outreach we offer for groups' conferences, to include the Interactives program, as shown in the figure below.



**FIGURE 4:** OUTREACH OPPORTUNITIES AT CONSUMER, INDUSTRY, AND OTHER GROUPS' CONFERENCES

**OMBUDSMAN'S  
OFFICE**

## Outreach Opportunities at Consumer, Industry, and Other Groups' Conferences

### Speaking Engagements

The Ombudsman's Office is available to present at conferences to share about our resource, our latest work, and how we can assist groups as well as their members.

### Ombudsman Interactives

In an Ombudsman Interactive, conference participants join us for a one hour minimum session to discuss process issues from their CFPB interactions. We coordinate with conference organizers on information shared about the session prior to the conference, the duration of the session, process topics for discussion, and the on-site check-in process for the session.

Conference attendees register ahead of time with the conference organizers in order to participate in the Ombudsman Interactives session. In keeping with our ombudsman professional standards of practice of independence, impartiality, and confidentiality, the Ombudsman Interactives are closed to the press, the public, and CFPB staff. During the Ombudsman Interactives, after a short introduction about our resource, we facilitate a participatory discussion with conference attendees and provide an opportunity for them to offer feedback and generate ideas for solutions. After the Forum, we share attendees' feedback and recommendations, without attribution, with the CFPB. Ombudsman Interactives are available by request on a first-come, first-served basis and are subject to the Ombudsman's Office's budget and availability.

### Office Hours

We are available for office hours during the entire conference or just part of a conference. Individuals or small groups of individuals can sign up to meet with members of our team during this timeframe to learn more about our resource or to discuss particular issues of concern. Generally, it is helpful to have office hours in a separate space at a conference to the extent someone wishes to raise a concern in confidence. We coordinate with conference organizers ahead of time on how to share about the availability of office hours with conference participants and to arrange a suitable space.

### Table Information

Our team also is available to staff a table to answer questions about our resource and discuss how we may assist. At the table, our materials are available for conference attendees to take with them and we may have other visuals that demonstrate our role.

### Contact Us

To request one of these outreach opportunities, please email us at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or call (855) 830-7880.

The CFPB Ombudsman's Office provides an independent, impartial, and confidential resource to informally assist individuals, companies, consumer and trade groups, and others in resolving issues with the CFPB.

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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 FY2019, the changes in those inquiries received over time, as well as our holistic approach to assisting each inquirer.

In FY2019, we received a total of 1,233 inquiries,<sup>20</sup> compared with 1,385 in FY2018.<sup>21</sup> The figure below shows the change in the number of inquiries to the Ombudsman for the last five years, since we launched our Mid-year Updates in 2015, reporting on our mid-year inquiry numbers.

**FIGURE 5: INQUIRIES TO THE OMBUDSMAN'S OFFICE<sup>22</sup>**

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>Oct-Mar</b>	550	541	820	680	581
<b>Apr-Sept</b>	616	871	790	705	652
<b>TOTAL</b>	<b>1,166</b>	<b>1,412</b>	<b>1,610</b>	<b>1,385</b>	<b>1,233</b>

Individuals who contacted the Ombudsman on their own behalf accounted for 1,096 inquiries in FY2019.<sup>23</sup> We also receive inquiries from: attorneys, representatives, and third parties; parties not authorized to receive information concerning a consumer complaint; financial entities;

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<sup>20</sup> Inquiries do not include Ombudsman outreach and the broader issues received in connection with such outreach.

<sup>21</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. Consequently, some totals may not equal 100 percent.

<sup>22</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>23</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 CFPB resource for direct assistance.

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 FY2019 again mostly held steady compared with the last few years.

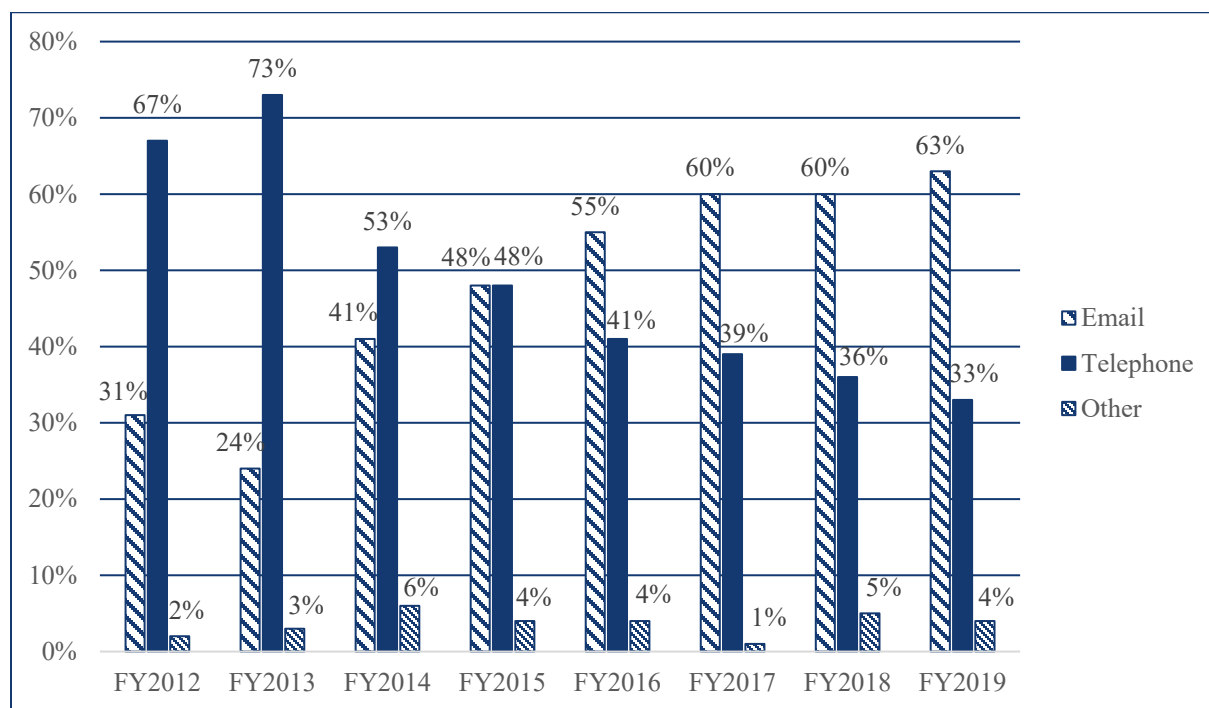
**FIGURE 6:** TYPE OF INQUIRIES RECEIVED BY THE OMBUDSMAN

	<b>FY2015</b>	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>
<b>Questions</b>	53%	50%	55%	58%	60%
<b>Complaints</b>	24%	26%	27%	26%	26%
<b>Courtesy Copies to the Ombudsman</b>	11%	12%	11%	11%	10%
<b>Topics of Concern</b>	9%	9%	4%	3%	2%
<b>Feedback on CFPB and Non-CFPB Topics</b>	2%	3%	3%	3%	2%

In FY2019, the public could 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 received letters sent by postal mail. As shown in the figure below, in the last few years the Ombudsman has received approximately the same percentage of contacts by email and a decreasing percentage of contacts by phone.

At the beginning of FY2020, on October 1, 2019, we stopped publicizing our fax number. At the same time, we still will be able to receive faxed communications like the CFPB, which stopped publicizing its fax number in FY2018.

**FIGURE 7: HOW INQUIRERS FIRST CONTACT THE OMBUDSMAN**

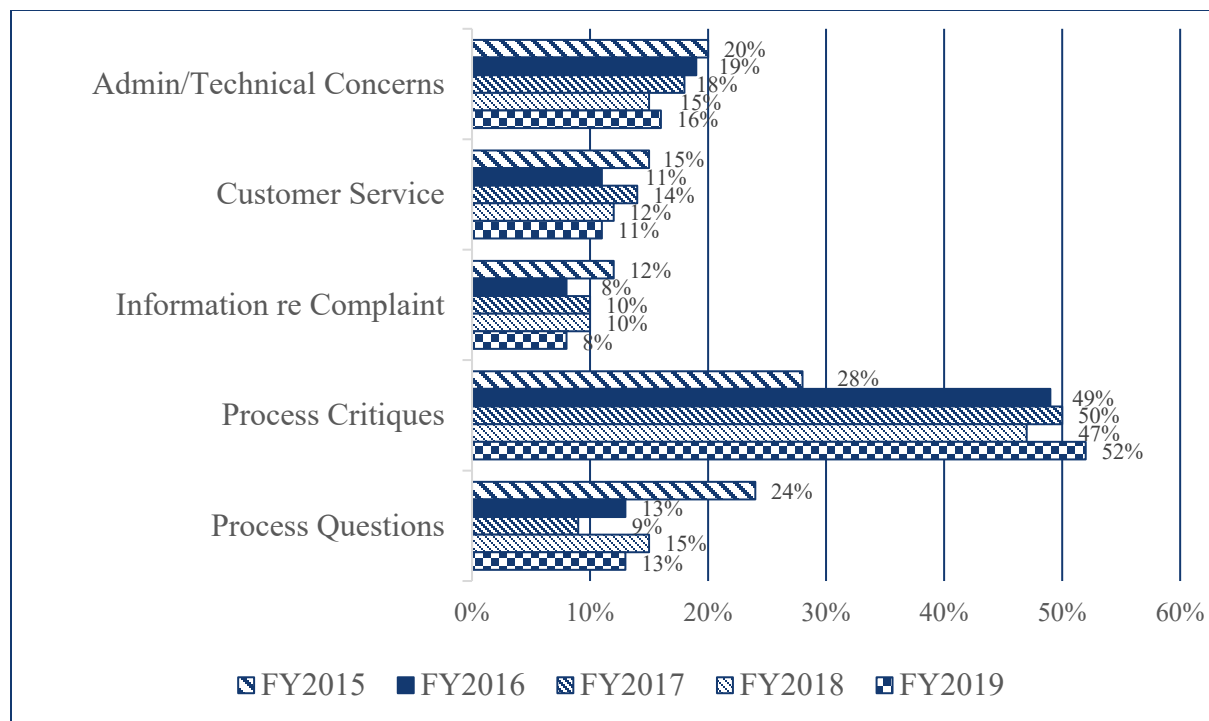


This year, inquirers contacted the Ombudsman from 49 states, Washington, D.C., Guam, Puerto Rico, as well as from other countries. In addition, in FY2019, web users from all 50 states viewed the Ombudsman webpage at [consumerfinance.gov/ombudsman](https://consumerfinance.gov/ombudsman) at some point during the year.

## Individual Inquiries About the Consumer Complaint Process

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

**FIGURE 8: INDIVIDUAL INQUIRIES ABOUT THE CONSUMER COMPLAINT PROCESS<sup>24</sup>**



In the last four years, approximately 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.

“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. As shared elsewhere in the report, consumers contacted the Ombudsman regarding the process of another agency referring their consumer complaints to the CFPB. In addition, we also continued to hear about the CFPB’s referral of consumer complaints to other federal agencies. As in prior years, “Administrative or Technical Concerns” most commonly included concerns relating to the consumer’s user experience with the CFPB Consumer Portal on [consumerfinance.gov](https://consumerfinance.gov) and related technical concerns. “Customer Service” relates to communications or interpersonal issues when interacting with the CFPB. Finally, the category “Information re Complaint” includes instances where the inquirer wanted additional information about the inquirer’s

<sup>24</sup> This figure provides a comparison based on how we have reported these data since FY2015.

particular consumer complaint submitted to the CFPB, such as whether the CFPB closed the complaint.

For product type, credit products, a category including credit cards and non-mortgage lending such as student loans, were the financial product most commonly underpinning consumer complaint-related inquiries to the Ombudsman this year. Credit products (24 percent) were followed by mortgages (23 percent), deposit products (15 percent), credit reporting (13 percent), identity theft, which includes alleged fraud and embezzlement (9 percent), debt collection (7 percent), and methods of payment (3 percent), a category including money transfers and debit cards. Other products underpinned approximately six percent of the inquiries.

## Individual Inquiries from Industry

As in past years, the industry-related individual inquiries the Ombudsman received in FY2019 related to a broad array of topics. For example, we received inquiries pertaining to the examination process. Namely, inquirers shared feedback regarding how they receive communications from CFPB staff about examination outcomes. In another example, we received inquiries relating to the process for elevating questions relevant to pending or closed enforcement actions, such as how inquirers could elevate questions or concerns within the CFPB. In addition, we received an inquiry from a company experiencing challenges with the required credit card agreement submission on [consumerfinance.gov](https://consumerfinance.gov). Similar to inquiries received in past years, we also received questions surrounding the process that an inquirer may use to report information that may be helpful to a possible CFPB enforcement proceeding. 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 assist the inquirer and we track those resources. For example, a consumer may benefit from reviewing informational resources on [consumerfinance.gov](https://consumerfinance.gov), such as the CFPB's webpage with resources particular to [Disaster Preparedness](#). We also may 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>25</sup> In addition, we ask consumers to contact the Office of Consumer Response if they have not yet

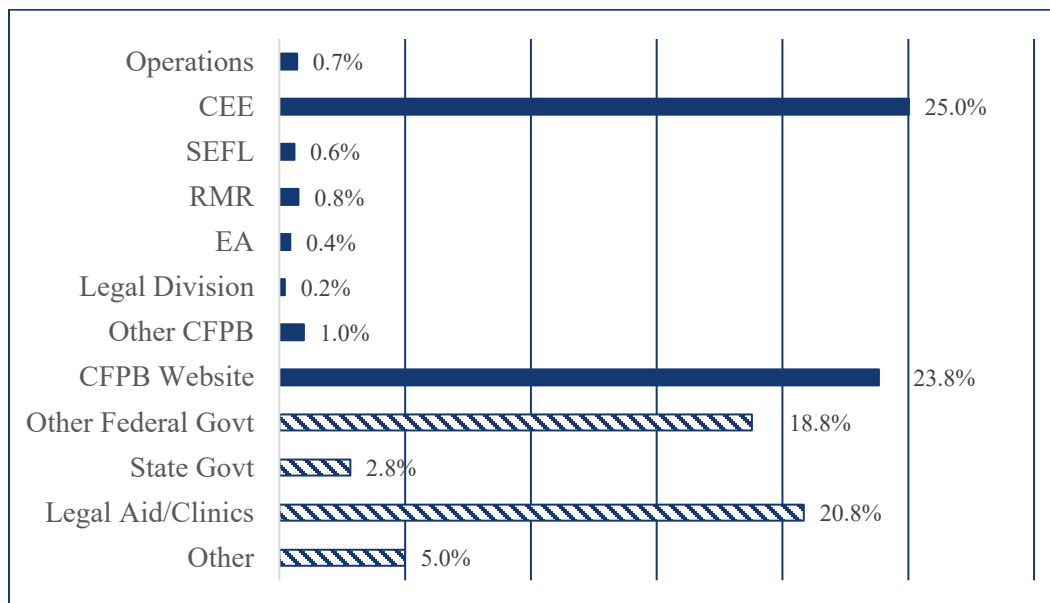
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<sup>25</sup> The Office of Regulations does not answer questions of regulatory interpretation for consumers and refers consumers to the telephone contact center for assistance, (855) 411-2372.

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. For example, we connect inquirers with our points of contact at other government agencies to share ombudsman or other conflict resolution resources that may be available to assist.

The Ombudsman provided 1,842 resources external to our office to inquirers in FY2019 and the figure below shows the breakdown of these resources.

**FIGURE 9:** DESTINATION OF ISSUES RE-DIRECTED TO FURTHER ASSIST THE INQUIRER, FY2019<sup>26</sup>



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](#), the [Eldercare Locator](#) from the Administration on Aging, 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.

<sup>26</sup> Solid-colored bars represent resources within the CFPB. “Operations” refers to the Operations Division. “CEE” refers to the Consumer Education and Engagement Division, including the Office of Consumer Response. “SEFL” refers to the Supervision, Enforcement, and Fair Lending Division. “RMR” refers to the Research, Markets, and Regulations Division. “EA” refers to the External Affairs Division.

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# Systemic Reviews – Focus for FY2019

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 FY2019, the Ombudsman reviewed two issues as systemic issues, as described below.

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## Consumer Complaints Referred to the CFPB from Other Agencies

When a federal financial regulatory agency receives a consumer complaint, the agency may determine that the complaint belongs with another federal agency. However, each agency's referral process for those complaints may differ, particularly in terms of what information the other agency shares with the consumer. The receipt of referrals from other agencies is what the CFPB designates as the inbound referral process. Over time, the Ombudsman's Office has received inquiries from individuals who were unaware that the CFPB would send their entire complaint to the company, including any accompanying documents, when another agency referred the complaint to the CFPB. We decided to study this topic to assist both the CFPB and the public.



For this study, we reviewed the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010<sup>27</sup> the [Consumer Response System of Records Notice](#), the [CFPB Privacy Policy](#), and the [Consumer Response Privacy Impact Assessment](#). In addition, we connected with the relevant CFPB offices to learn more about the inbound referral process. We also reviewed the privacy policies and consumer complaint procedures of the other federal financial regulatory agencies as well as samples of the letters consumers receive when those regulators refer consumer complaints to the CFPB. At the same time, we connected with ombudsman offices at the other federal financial regulatory agencies for additional insights.

All consumer complaints submitted to the CFPB, including inbound referrals, follow the same process. The CFPB shares that its consumer complaint process is designed to obtain a response from the company.<sup>28</sup> The CFPB confirms the completeness of the information in the consumer complaint and then almost immediately forwards it to the company for a response. We understand that the CFPB does not investigate all individual complaints or serve as an individual's advocate. At the same time, the consumer complaints do inform the CFPB's examination of the companies and enforcement of the consumer financial protection laws as further described on [consumerfinance.gov](#).

The CFPB provides information about privacy when consumers submit a consumer complaint directly to the CFPB. This information is less clear if another agency refers the complaint to the CFPB.

We understand that the agencies decided some time ago not to describe each other's consumer complaint processes in referral letters sent to consumers. To communicate about the referral, some agencies provide information about another agency's overall mission or use generalized terms for complaint handling that are not applicable to all agencies. For example, more than one federal regulator shares that it will forward the complaint to another agency that will "investigate" the issue. Others reference that, when referred, the receiving agency will have it "for action" or "for handling." These descriptions may offer different expectations about the individual consumer complaint process than what the CFPB affords the consumer.

To increase transparency in the consumer complaint referral process, we recommended that the CFPB:

1. Include information about the inbound referral process on [consumerfinance.gov](#).

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<sup>27</sup> 12 U.S.C. § 5493(b)(3).

<sup>28</sup> See CFPB webpage, "Learn how the complaint process works;" [consumerfinance.gov/complaint/process/](#).

2. Consider providing information for the consumer about how the CFPB's privacy policy applies to inbound referrals.

In addition, there is an opportunity for the federal financial regulatory agencies to increase clarity in the interagency complaint referral process. As such, at the next opportunity to review and provide feedback on other agencies' referral letters, and other places where agencies reference the CFPB in conjunction with the consumer complaint process, we recommended that the CFPB:

1. Request other agencies remove language that says the receiving agency will investigate the consumer complaint or take certain action when referring a consumer to the CFPB and
2. Provide language about the CFPB's consumer complaint process for agencies to use in their referral letters and other places where agencies reference the CFPB in conjunction with that process.

To follow up on our recommendations, in September, the CFPB added language to the description of the consumer complaint process on [consumerfinance.gov](https://consumerfinance.gov) to reflect the inbound referral process. Specifically, it states: "[y]ou submit a complaint about an issue you have with a company about a consumer financial product or service, *or another government agency forwards your complaint to us.*"<sup>29</sup> (emphasis supplied).

We will provide any additional updates on this review in our next report.

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## Information Provided to Consumers on Defendant-Administered Redress

CFPB public actions can have monetary or other types of relief for consumers. When the CFPB publicizes these actions, consumers look to the Bureau for additional information, especially regarding eligibility for relief.<sup>30</sup>

Over time, the Ombudsman's Office has received inquiries specifically related to defendant-administered redress. In 2018, some consumers contacted our office seeking information on

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<sup>29</sup> *Id.*

<sup>30</sup> The Ombudsman previously studied how the CFPB provides information about its public actions to consumers and made recommendations, which the Bureau implemented. See [FY2014 Annual Report](#), pp.13-15.

their eligibility for a redress payment. Other consumers sought redress information about the case itself, such as a current point of contact for the settlement administrator. For example, in 2018, a consumer contacted us for assistance where the CFPB's website [consumerfinance.gov](https://consumerfinance.gov) listed the settlement administrator's telephone number and a link to the website, but they were no longer working. We later learned that redress for that case was no longer available as of 2016. We decided to review the information provided on defendant-administered redress as well as how consumers can determine whether the redress still is available.

For our research, we consulted [consumerfinance.gov](https://consumerfinance.gov) as well as the websites of other federal financial regulators to understand what consumers may find when researching redress resulting from enforcement actions. In addition, we reviewed the information used by the CFPB's telephone contact center to respond to consumers' redress inquiries. We also met with the relevant CFPB offices as well as the Bureau's telephone contact center.

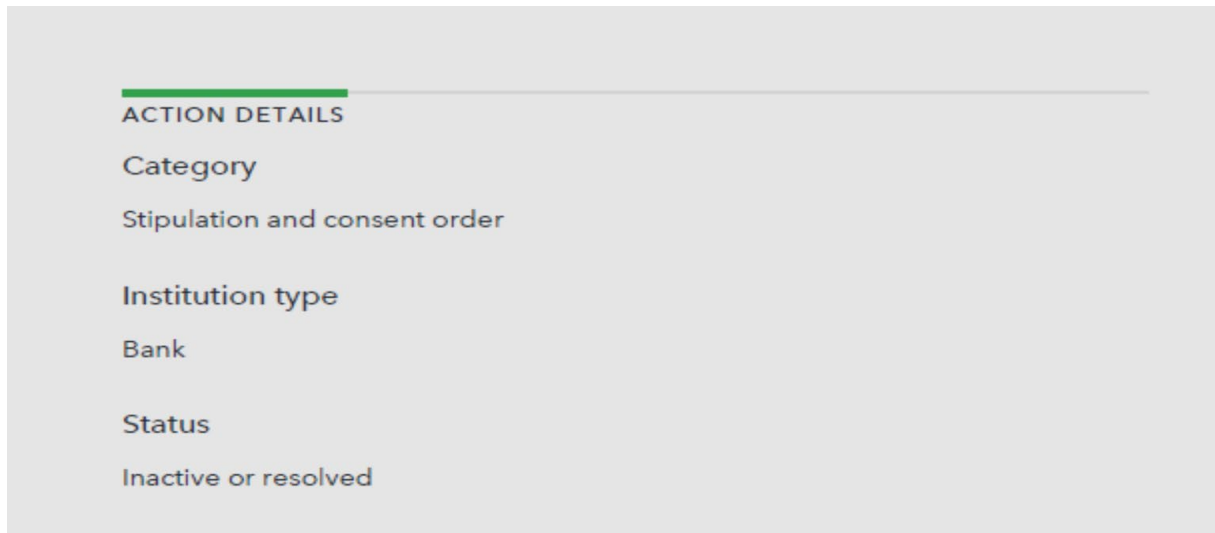
## Website Resources

From our research, we observed that there are primarily two locations on [consumerfinance.gov](https://consumerfinance.gov) for information about redress, [Payments to Harmed Consumers](#) and the [Enforcement](#) webpages. The [Payments to Harmed Consumers](#) webpage provides a brief explanation of three redress sources: Defendant-administered, Bureau-administered, and victim payments from the Civil Penalty Fund. What follows is a case-by-case listing of individual Civil Penalty Fund and Bureau-administered redress cases. The individual links for each Bureau-administered case provide a one-page information sheet that lists the defendant's name, case background, links to the CFPB's press release, the court or administrative consent order, victim compensation dates, the vendor utilized to administer victim payments on behalf of the CFPB, and the status of the case. Moreover, where the case indicates that the matter is closed, the CFPB also provides information as to when the redress period ended and whom consumers may contact should they have additional questions. At the same time, for defendant-administered redress, the CFPB does not list individual cases on that webpage, but instead the description provides that "[f]or questions related to payments in a case with defendant-administered redress, please contact the defendant company directly." In addition, the [Payments to Harmed Consumers](#) webpage does not have a link to the [Enforcement](#) webpage.

We also observed that the [Enforcement](#) webpage appears to provide information on all CFPB enforcement actions and does include a link to the [Payments to Harmed Consumers](#) webpage. On the [Enforcement](#) webpage under [Browse all enforcement actions](#) there is a brief description of the enforcement matter, links to "Related Documents," such as stipulations, consent orders, and judgments, as well as links to the CFPB's press release(s) related to each matter. At the time

of our research, and as shown in the figure below, under the “Action Details” header for each case the CFPB provided information, such as “Category,” “Institution Type,” and “Status.” For the “Status” field, there were entries, such as “Active,” “Inactive,” “Resolved,” or “Inactive or resolved.”

**FIGURE 10:** SAMPLE EXCERPTED SCREENSHOT



From the consumer’s vantage point, the terms under “Status” do not clarify whether a company still is administering the redress. At the same time, we understand that consumers are not the focus audience for the [Enforcement](#) webpage. We also understand that the Office of Enforcement is reviewing the disposition of the “Status” heading and the information it contains.

Further, and as of this writing, for consumers who search on the Consumer Tools tab on [consumerfinance.gov](#) seeking information on consumer financial product and services, there is limited information about CFPB enforcement actions. There are no links to the [Payments to Harmed Consumers](#) or [Enforcement](#) webpages and there do not appear to be links to all of the relevant enforcement cases for the particular consumer financial product.

Additionally, we reviewed the websites of the prudential regulators, to include the [Office of the Comptroller of the Currency](#), [Federal Deposit Insurance Corporation](#), [Federal Reserve](#), and [National Credit Union Administration](#), to compare the types of redress information that may be available to consumers. There were news releases concerning a company’s agreement to make restitution, but we did not locate details regarding the period of redress or points of contact for

affected consumers. However, while the prudential regulators' focus is on safety and soundness, the CFPB's focus is on consumer harm.

We also reviewed the Federal Trade Commission's [Enforcement](#) webpage, which has a [listing](#) of recent cases that resulted in refunds to consumers. In addition, and similar to the information on the CFPB's [Payments to Harmed Consumers](#) webpage for Bureau-administered redress, for each case listed the FTC provides brief background information, check information, and contact information for the refund administrator, but no information as to the expiration of the refund period.

## Telephone Contact Center Resources

The CFPB's telephone contact center is where consumers may call to inquire about information that the Bureau has on defendant-administered redress. The customer service agents or Consumer Guides, who provide assistance on consumer financial questions or complaints regarding company actions, have a summary document of CFPB enforcement actions to answer questions regarding redress matters. It provides the defendant's name, type of compensation, the third-party administrator's name, the status of the matter, and applicable contact information. However, this information lists Bureau-administered redress cases and the Civil Penalty Fund, with just a few defendant-administered redress cases. The Consumer Guides also have information on individual enforcement actions, but this information is not always up-to-date.

We understand that Consumer Guides could better assist consumers if they had information comparable to Bureau-administered redress for all of the defendant-administered redress cases. At the time of our research, the Division of Supervision, Enforcement, and Fair Lending had not designated a single point of contact to ensure that the Office of Consumer Response received up-to-date information on new enforcement actions as well as updates on previous enforcement matters to share with consumers who call the CFPB.

## Recommendations

To provide additional information to consumers on enforcement actions, particularly regarding defendant-administered redress, we recommended that the CFPB:

- Provide more information on [consumerfinance.gov](https://consumerfinance.gov) and to the telephone contact center regarding defendant-administered redress to include some, if not all, of the information provided for Bureau-administered redress; and

To provide readily available information for consumers on all enforcement actions, we recommended that the CFPB:

- Make additional enforcement action information available to consumers where they seek information on [consumerfinance.gov](https://consumerfinance.gov) and
- Designate a single point of contact to regularize the sharing of enforcement case information and updates with Consumer Response

We understand that the Office of Enforcement reviewed the “Status” heading and accompanying status types for all public actions on the [Enforcement](#) webpage on [consumerfinance.gov](https://consumerfinance.gov). This review resulted in Enforcement’s implementation of three new status types now used for public actions: “Post Order/Post Judgment,” “Expired/Terminated/Dismissed” and “Pending Litigation.” We understand that Enforcement plans to further update the webpage with definitions for these statuses.

In addition, in August 2019, Enforcement provided Consumer Response with a single point of contact from whom that office now receives up-to-date information to respond to consumers’ questions.

The Ombudsman considers this review closed.

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## Systemic Reviews – Updates on Previous Reviews

This section provides an update on one of our FY2017 reviews as well as updates on all of our reviews from FY2018.

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

Beginning in April 2016, in conjunction with the then refresh of [consumerfinance.gov](https://consumerfinance.gov), the CFPB 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, referred to in this section as non-consumers. Non-consumers may include, for example, Congressional staffers, consumer and trade group representatives, financial entity personnel, researchers, job applicants, or entities seeking to do business with the CFPB. In FY2017, we observed and shared that the telephone entry point changes resulted in some non-consumers not knowing how to obtain by phone CFPB information unrelated to individual consumer finance questions or matters.<sup>31</sup>

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](https://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 agencies, including financial regulatory 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: a main switchboard number and a toll-free number 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, the CFPB removed the switchboard number from [consumerfinance.gov](https://consumerfinance.gov) leaving one main number to call the CFPB, (855) 411-2372, which we understand also provides switchboard information. The “[Contact Us](https://consumerfinance.gov/contact-us)” webpage on [consumerfinance.gov](https://consumerfinance.gov) provides the toll-free number 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.”<sup>32</sup> The CFPB also has this phone number included in the header at the top of every page of [consumerfinance.gov](https://consumerfinance.gov).

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<sup>31</sup> See [FY2017 Annual Report](#), pp.35-37.

<sup>32</sup> On October 22, 2019, the CFPB added a list of contact email addresses for Bureau offices and resources on its [Contact Us](#) webpage.

At the same time, to date, when callers dial (855) 411-2372, 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 customer service agents or Consumer Guides. With no instructions for non-consumers to select a choice for further assistance and an indication that assistance will be from someone called a Consumer Guide, non-consumers must choose to stay on the phone line to determine if assistance is available at this phone number.

As the CFPB implemented the changes described above, the Ombudsman highlighted the importance of the CFPB providing a direct avenue for non-consumers to access the CFPB via telephone. We also recommended that the CFPB provide a way for non-consumers to know when calling the agency that information is available to answer their questions. Similar to other agencies, the CFPB could add a separate phone number on [consumerfinance.gov](https://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) 411-2372, to inform callers that other information is available.

As described in our last annual report, p.42, the CFPB planned to implement IVR changes to assist non-consumers in conjunction with updating the agency’s name references on that system. The CFPB ultimately decided not to update the name references at the Bureau and did not update the IVR with non-consumer information. In FY2020, we understand that the CFPB plans to update the IVR to inform callers that other information is available via that number.

We will provide an update in our next report.

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## Entities Mentioned for a Positive Purpose in CFPB Materials

The CFPB provides information and tools to consumers, including on [consumerfinance.gov](https://consumerfinance.gov), to assist them in making financial decisions. Last year, the Ombudsman received a question about a CFPB blog post that recommended one group to consumers for a certain kind of assistance.



In our initial research, we did not identify an existing CFPB process for naming entities in blogs, social media, and print materials for a positive purpose, and decided to study this topic to see if we could be helpful to the CFPB and the public. For our additional research, we reviewed the relevant laws as well as the internal policies and practices on this topic. We also connected with various CFPB offices to understand this topic further in practice.

After further review, we learned that the CFPB had internal guidance on this topic. We understand that the CFPB generally prefers to avoid endorsements or anything that would seem to appear to be an endorsement. At the same time, there was less awareness about the guidance on this topic across the CFPB and the guidance was not widely available. In addition, we observed that when the CFPB considered naming an entity for a positive purpose in public materials, there was not a standardized process to review inclusion of that specific information.

To address a few additional elements for such guidance, and to increase awareness of the guidance by which the CFPB positively names entities, the Ombudsman recommended that the CFPB: supplement the guidance as it relates to the commercial impact in naming one entity; incorporate review of agency risk into the analysis; and make internal guidance about the endorsement of entities more widely available to CFPB staff. In addition, to standardize the review process, the Ombudsman recommended an update to the internal review process in circumstances when a document may positively name an entity in public materials.

This year, the CFPB updated internal guidance to include information as it relates to commercial impact in naming one entity and incorporated review of agency risk into the overall analysis. The internal guidance notates these updates and the entire guidance document itself is now more widely available to CFPB staff.

The Ombudsman considers this review closed.

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## Submission of Information for Consumer Complaints

Consumers, and those who assist them, submit consumer complaints on an array of financial products and services to obtain the CFPB's assistance in getting a response from the company.

This section provides an update on our FY2018 review regarding the submission of information for consumer complaints, specifically on obtaining consumer complaint responses.<sup>33</sup>

Last year, some individuals contacted the Ombudsman after the company about which they submitted a consumer complaint determined that they, or those people who assisted them, were unauthorized to receive the substantive company response. Consumer groups that participated in our September Ombudsman Forum in FY2018 expressed similar concerns. Based on the examples provided to our office, it appeared that there was no consistent, regular avenue within the consumer complaint process for individuals or third parties to remedy their authorization status with the company to obtain the substantive company response. Some individuals also shared that they did not understand the information the CFPB provided regarding unauthorized third parties.

To study this issue further, we reviewed: possible pathways for individuals to provide authorization information using the consumer complaint process, the written information the CFPB provides regarding authorization for third parties, and the information that the CFPB's telephone contact center shares with third parties.

We reviewed the steps that the CFPB takes after receipt of a consumer complaint. Overall, the consumer and the third party do not have the same access to the consumer complaint information. Should a consumer wish to include a third party on a consumer complaint, the consumer must contact the CFPB to do so.

Companies will confirm whether the consumer authorized any other party to receive information about the consumer's account or loan. Moreover, companies have different requirements for another party to become authorized to view a consumer's account to protect personal information. The CFPB will close the consumer complaint where a company alerts the CFPB that an individual is unauthorized to receive a substantive response. Once the CFPB closes the consumer complaint, there are no documents the individual can submit to reopen that complaint for further review.

To clarify how individuals can use the CFPB's consumer complaint process to provide the necessary authorization documents the company requires, we recommended that the Bureau: provide the telephone contact center with information to answer questions about the unauthorized third party, provide additional information to the individual on what it means to

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<sup>33</sup> The other part of this FY2018 review addressed the disposition for new complaint information received by fax or mail. As discussed in last year's report, pp.35-37, the Office of Consumer Response updated the internal documentation for the decision process for when a consumer complaint submitted by fax or mail would be added to an existing complaint or used to create a new complaint.

be unauthorized, inform consumers that the CFPB will not reopen a closed complaint with new authorization information added, and share that consumers may submit authorizing information the company requires in a new consumer complaint to be sent to the company.

The Office of Consumer Response recently updated the correspondence sent to consumers when a company identifies a complaint that includes an unauthorized third party. Consumers have the option to submit a new consumer complaint without the third party included, or they can include signed, written authorization for the company to determine whether it can provide a response to the third party.

We also understand that Consumer Response updated the Company Portal to provide companies with a Portal option to attach the substantive response that the company provided directly to the consumer, when a complaint includes a third party to which the company cannot respond. If the company selects this option, Consumer Response notifies the consumer that the company responded directly to the consumer and provides the consumer with a valid contact phone number for the company. At the same time, Consumer Response will not provide details of the company's response to the consumer or third party directly through the consumer complaint process.

The Ombudsman considers this review closed.

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## Legal Disclaimers Introducing CFPB Webinars

At one of our 2017 Ombudsman Forums, compliance officers of entities that engage with the CFPB highlighted that Bureau webinars give a general legal disclaimer in the beginning, such that the information provided is not as useful as it perhaps it could be. We decided to research this topic to determine how we could be helpful to both the CFPB and the public.

For this research, we reviewed: [consumerfinance.gov](https://consumerfinance.gov) for the disclaimer language used, particularly in connection with CFPB webinars or appearing on webpages identified as guidance or containing guidance; instructions to CFPB staff on the use of disclaimers for guidance, presentations, and other purposes; and samples of disclaimers on the websites of other federal agencies, including financial regulatory agencies. We also facilitated cross-Bureau meetings with the relevant CFPB offices to further discuss our research and provide feedback.

From our research, we noted that the principal use of CFPB disclaimers appears to be for materials that offer plain-language explanations or summaries of regulatory requirements and consumer information. We also observed that users of [consumerfinance.gov](https://consumerfinance.gov) have differing needs for the information they seek and, therefore, differing expectations about the level of detail offered. However, at the time of our research, CFPB disclaimers did not address the differing needs of different users.

In addition, we observed that CFPB disclaimers sometimes use the word “guidance” in a way that is not clear about the usefulness of the accompanying information to different audiences. Elsewhere, the CFPB modified the word “guidance” on the website using different adjectives, such as regulatory, informal, unofficial, official, or interpretive, which possibly contributed to confusion about the extent to which a user relied upon the information. In addition, some CFPB disclaimers stated that “only the rule and its Official Interpretations can provide complete and definitive information regarding requirements.” However, such disclaimers typically were not accompanied by information about where to find official interpretations. Lastly, we noted that the spoken disclaimers in CFPB webinars sometimes differed from the printed disclaimers appearing on webinar slides. As such, the user would need to watch the slides and listen to the speaker to learn about all the disclaimer elements, which also may be inconsistent with accessibility requirements for persons with disabilities.<sup>34</sup>

To achieve greater clarity and potential value to users of [consumerfinance.gov](https://consumerfinance.gov), we recommended that the CFPB: update disclaimer language in a way that recognizes the different levels of intended use and users of the information; review the different phrases in use on the website to refer to “guidance,” to help users determine which CFPB materials can be used for the users’ intended purposes; clarify where users can find “official interpretations” of CFPB rules; and seek uniformity of webinar disclaimer content among displays of written text, spoken text, and captions accompanying spoken text.

The CFPB has begun to implement these recommendations. We understand that the CFPB is in the process of evaluating how it communicates the role of regulatory implementation materials to users of those materials. In addition, the CFPB updated its regulatory implementation and guidance webpages to reference the Official Interpretation in the relevant section of each rule on the [Bureau’s Interactive Regulations webpage](#). The CFPB also placed these links at the top of each webpage to increase visibility and accessibility. Additionally, the CFPB standardized and implemented a spoken and written webinar disclaimer for Bureau produced regulatory webinars

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<sup>34</sup> “[Section 508](#)” of “[The Rehabilitation Act of 1973, as amended in 1998](#),” 29 U.S.C. §794d.

to ensure the uniformity of webinar disclaimer content among displays of written text, spoken text, and captions that accompany spoken text.

The Ombudsman considers this review closed.

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## Going Forward

This year, we developed our fourth set of strategic plan goals to help guide us for the next two years, as described in the figure below:

**FIGURE 11:** OMBUDSMAN STRATEGIC GOALS, FY2020-FY2021

Review and evaluate individual and systemic process issues with the CFPB to assist in resolving them by using existing and new, innovative ombudsman tools
Further optimize resources to effectively assist the CFPB and the public, including adding technological efficiencies
Maximize opportunities for informally assisting in resolving process issues with the CFPB by expanding methods used in inreach and outreach
Expand education and understanding about the CFPB Ombudsman's Office and how the office assists
Optimize how the CFPB Ombudsman's Office communicates about process issues through various oral and written deliverables
Build upon engagement and our understanding of various stakeholders' interests through additional, regularized contact
Continue demonstrating leadership in ombudsman practice and profession

In FY2017, we anticipated hosting Ombudsman Forums with consumer groups in each of the CFPB's four regions in the subsequent few years. Thus far, we have hosted such Forums in the West region in Oakland, CA, and the Southeast region in Memphis, TN. In FY2020, we anticipate hosting at least one Forum with consumer groups in either the Midwest or Northeast regions. In addition, we are exploring hosting Ombudsman Forums in FY2020 with other

stakeholder communities, as set out in our criteria for future Ombudsman Forums ([FY2018 Annual Report](#), p.26). As with our previous Forums, these events inform our work further as we provide feedback and recommendations to the CFPB.

As described earlier in the report, this year we reviewed our [Ombudsman Interactives](#) pilot program and determined that we will incorporate the program as a regular offering of the Ombudsman's Office with a few changes to be implemented in FY2020. The Interactives are available by request on a first-come, first-served basis and subject to the Ombudsman's budget and availability.

Lastly, in keeping with one of our strategic goals about expanding education and understanding about our office, next year we also plan to host some intergovernmental outreach opportunities to increase awareness about our resource with that stakeholder community.

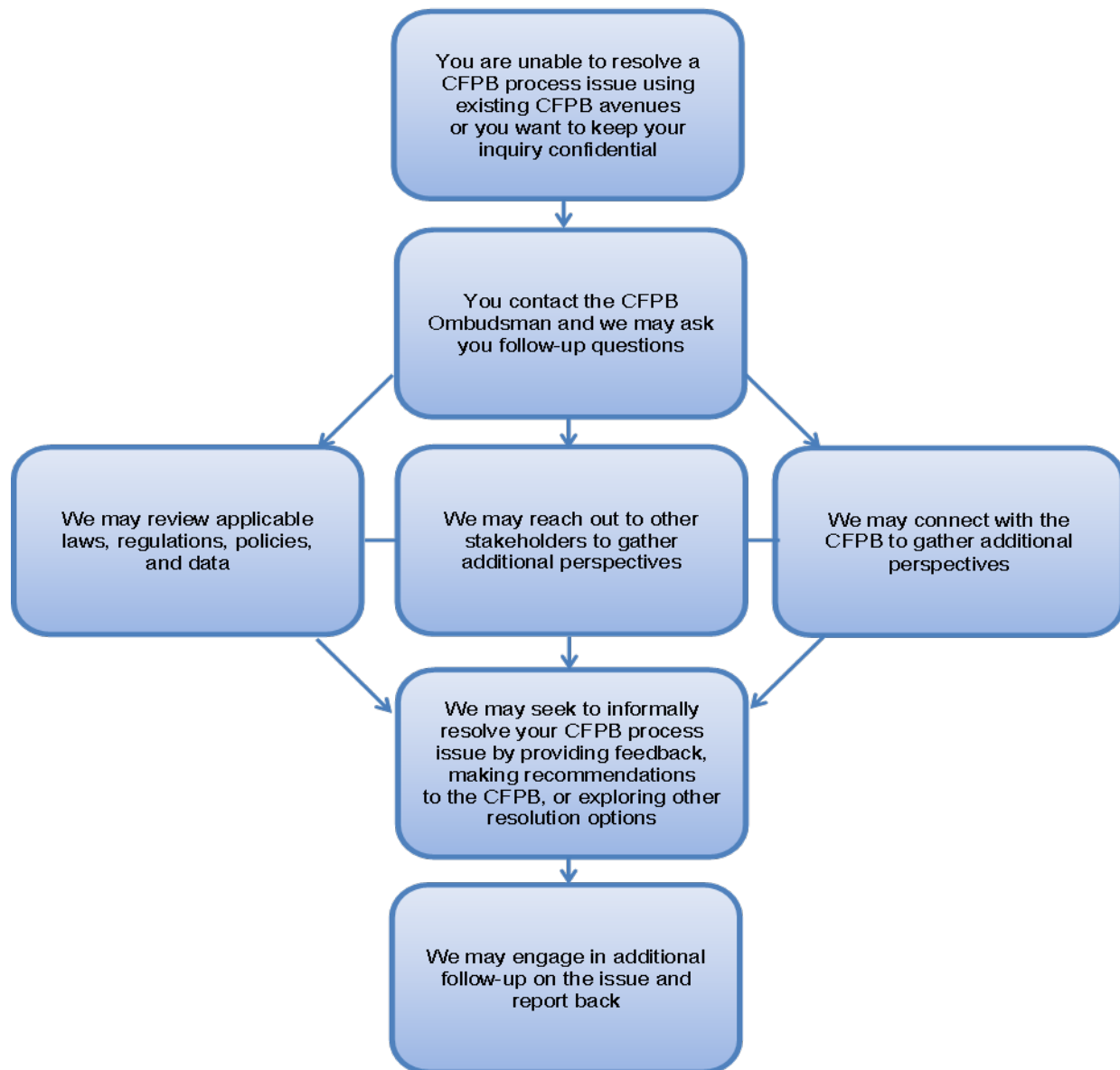
As always, we look forward to hearing your suggestions, at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or (855) 830-7880, on how we can assist both the people who reach us for assistance and the CFPB.

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# Appendix

The Appendix includes figures and information included in our previous annual reports, for ease of reference.

## Appendix 1: When to Contact Us and What to Expect When You Do

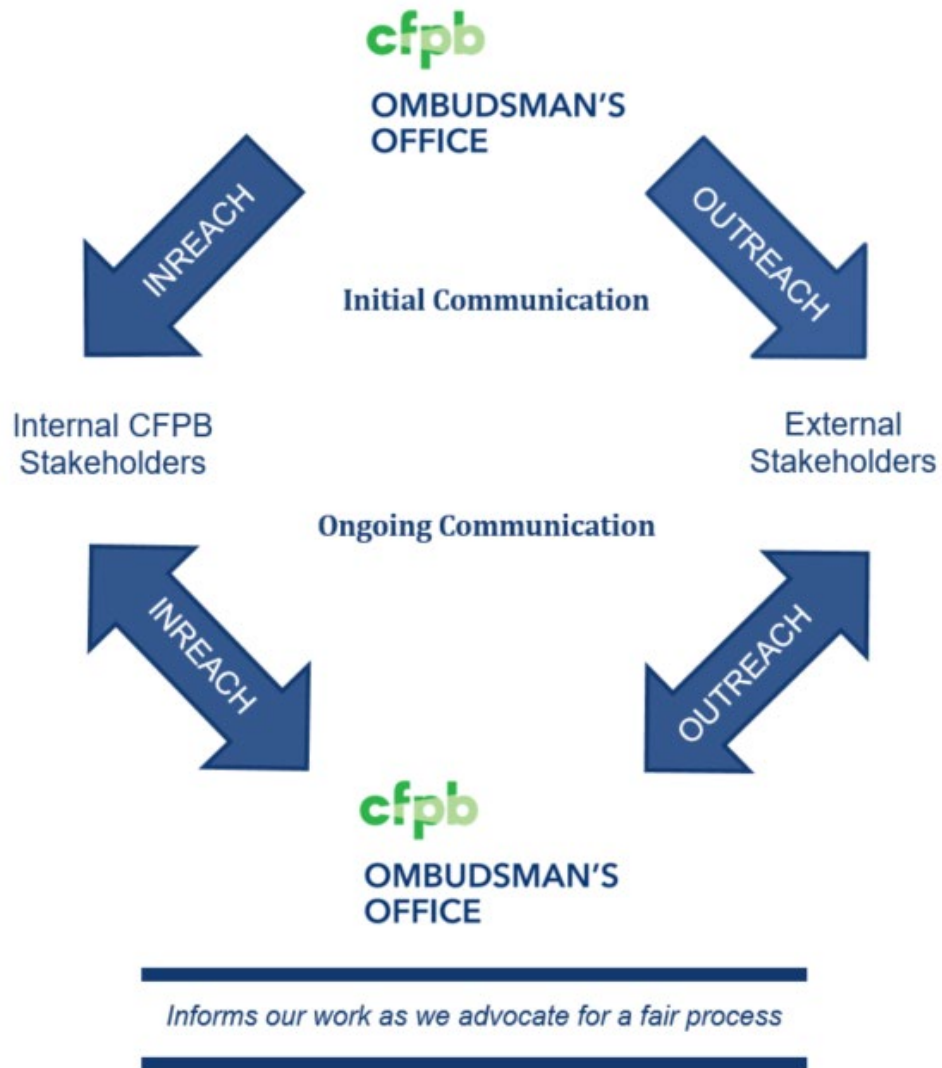


The Ombudsman does not:


- 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



## Appendix 2: The Ombudsman's Inreach and Outreach Process



## Appendix 3: Double-Sided Brochure Insert

<h3>How We Can Assist</h3> <ul style="list-style-type: none"><li>Brainstorm and evaluate options and resources</li><li>Clarify expectations of CFPB processes</li><li>Conduct studies on broader issues</li><li>Describe available options</li><li>Engage in shuttle diplomacy</li><li>Explore options for managing and resolving issues</li><li>Facilitate discussions</li><li>Function as an early warning mechanism</li><li>Give an impartial perspective</li><li>Listen to all sides</li><li>Make recommendations</li><li>Offer feedback</li><li>Provide conflict and problem resolution coaching</li><li>Provide suggested resources in/outside the CFPB</li><li>Serve as an independent advisor</li><li>Share independent analyses</li><li><i>Any other creative idea....</i></li></ul>	<h2>Advocating for fair process</h2> 
<h3>How We Connect with Our Stakeholders</h3> <ul style="list-style-type: none"><li>Conduct webinars</li><li>Speak at conferences</li><li>Offer Ombudsman's Office webpage link for a group's website</li><li>Make informal visits to financial entities' operations</li><li>Hold introductory meetings with groups</li><li>Participate in teleconferences with a group's membership</li><li>Meet with boards of directors</li><li>Share our brochures, annual reports, and other materials</li><li>Provide an overview paragraph for a group's newsletter describing our role</li><li>Record an audio segment for a group to share with its membership</li><li>Offer recurring meetings to connect with groups</li><li><i>Your creative idea here....</i></li></ul> <p><i>To schedule an outreach opportunity, contact us at: 855.630.7880 (toll-free) <a href="mailto:CFPBombudsman@cfpb.gov">CFPBombudsman@cfpb.gov</a></i></p> <p>September 2016</p>	<h2>consumerfinance.gov/ombudsman</h2>

## Appendix 4: Information Sheet



**OMBUDSMAN'S  
OFFICE**



(855) 830-7880 (Toll-free)  
(202) 435-9835 (TTY)



(202) 435-7888 (Fax)



[CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov)



[consumerfinance.gov/ombudsman](https://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 Bureau.

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<b>Independence</b>	We are outside of the Bureau's business lines, reporting to the Deputy Director with access to the Director, which ensures our independence at the Bureau.
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<b>Impartiality</b>	We do not advocate for one side, but instead for a fair process.
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<b>Confidentiality</b>	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.
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**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 Bureau 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 Bureau avenues for resolution first.

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