Joint Advisory Committee Meeting Presentations

May 1, 2020

Consumer Financial Protection Bureau

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Consumer Complaints and COVID-19

Office of Consumer Response | May 1, 2020
Consumer Complaint Database

Complaints are published after the company responds, confirming a commercial relationship with the consumer, or after 15 days, whichever comes first. Learn more

Complaints are not necessarily representative of all consumers' experiences with a financial product or company. Learn more

We don't verify all the allegations in complaint narratives. Learn more

More about the complaint database | How we use complaint data | Technical documentation

Search complaint data (last updated: 4/27/2020)

Search within

- Narratives

Enter your search term(s) Search

Filter results by...

Showing 801,469 matches out of 1,572,771 total complaints
Example of identifying complaints mentioning coronavirus

Search complaint data

- covid OR coronavirus OR pandemic OR (corona AND virus) OR (global AND virus)

Showing 801,467 matches out of 1,572,771 total complaints
Complaints mentioning coronavirus, by product

Percent of total

- Mortgage
- Credit card
- Credit or consumer reporting
- Debt collection
- Checking or savings
- Vehicle loan or lease
- Student loan
- Money transfer or service, virtual currency
- Personal loan
- Prepaid card
- Payday loan
- Title loan
- Credit repair

Complaints received from January 1, 2020 to April 25, 2020.
Complaints mentioning coronavirus compared to YTD

Complaints received from January 1, 2020 to April 25, 2020.

Percent of total

Coronavirus

YTD
Mortgage complaints by issues

Complaints received from January 1, 2020 to April 25, 2020.
Household and Market Impacts of COVID-19

Division of Research, Markets, and Regulations | May 1, 2020
Presentation Overview

- Household Challenges
- Consumer Relief
- Consumer Credit Challenges
- Collection during pandemic
Prior to the pandemic, many households were not prepared to weather an extended period of income drop.

- According to the Bureau’s Making Ends Meet survey (2019):

  52 percent of households would not be able to cover expenses for more than two months if they lost their main source of income by borrowing, using savings, selling assets or seeking help from friends or family.

Results from the survey are preliminary.
When households have trouble paying bills, what do they do?

- According to Making Ends Meet, about 40 percent of households reported having difficulty paying a bill or an expense in the year prior to May 2019.
- Of those that could not pay a bill or an expense:

  - Borrowed, formally or informally: 49 percent
  - Cut back on other expenses: 49 percent
  - Paid another bill late/skipped payment: 34 percent
  - Did not pay for all of this expense: 32 percent
  - Negotiated a lower/delayed payment: 26 percent
  - Increased income: 13 percent

Options are not exclusive.
The Office of Research is monitoring consumer credit impacts of the pandemic with its Consumer Credit Panel.

- Credit inquiries plunged during March for several categories of credit.

For further details see: The Early Effects of the COVID-19 Pandemic on Credit Inquiries, published May 1 at [https://www.consumerfinance.gov/about-us/newsroom/](https://www.consumerfinance.gov/about-us/newsroom/)
Consumer Relief in the Market

- Government Relief
  - Forbearance offered in major markets such as mortgage, student
  - Collection of defaulted federal student loans suspended
  - Credit reporting direction

- Relief offered by industry and firms
  - Deposit account fee waivers and refunds, as well as explicit protection of stimulus relief funds
  - Protection of stimulus relief funds from offset
  - Forbearances, extensions, interest deferrals, being offered across credit products in varying forms
  - Auto servicers offering extensions, suspending vast majority of repossessions
  - Credit card issuers offering payment deferral and reduction or waiver of interest
Forbearance in Mortgage Market

- Nearly 7% of mortgages were in a forbearance plan as of April 19, according to a Mortgage Bankers Association survey.

% of Servicing Portfolio Volume in Forbearance by Investor Type over Time

Source: MBA’s Weekly Forbearance and Call Volume Survey, as of 4/19/20
Consumer Credit Challenges

- **Servicing**
  - High volume of requests, long wait times
  - Operational difficulty of implementing relief
  - Liquidity management

- **Origination**
  - Traditional sales channels closed or have gone virtual
  - Obtaining required loan documentation difficult
  - Adjusting credit standards
Collection Activities During the Crisis

- **States’ actions on collections (as of 4/24):**
  - DC, MA, and NV are restricting collections activity
  - CA, IN, MA, NY, and NC are halting the collection of medical and/or student debt owed to the state
  - 10 States and DC have issued guidance prohibiting garnishment of CARES stimulus funds
- **Industry has also taken voluntary actions**
The Impact of the COVID-19 Pandemic on Special Populations

Desmond Brown

May 1, 2020
Commitment to supporting consumers

The CFPB is committed to providing consumers with up-to-date information and resources to protect and manage their finances during this difficult time and as the situation evolves.
How the CFPB is supporting consumers

Gather input

Develop and/or repurpose content

Analyze information
Content topics and themes

- Protect yourself financially
- Submit a complaint if you are having a problem with a financial product or service
- Protecting your credit
- Tips for financial caregivers
- Dealing with debt: Tips to help ease the impact
- Student loan repayment
- Be aware of scams
- Mortgage relief options
- A guide to COVID-19 economic stimulus relief

For a full list of topics visit: consumerfinance.gov/coronavirus
consumerfinance.gov/coronavirus
a hub for critical content

- Central hub on consumerfinance.gov
- Resources in English, Spanish, Traditional Chinese, Simplified Chinese, Korean, Vietnamese, and Tagalog
CARES Act Mortgage Forbearance
General and Special Population Resources
Mortgage relief options under the CARES Act

Steps to take:

1. Figure out who services your mortgage. This is who you need to contact.
2. Figure out if your mortgage is federally backed.

If your mortgage is:

- **Federally-backed**: Call your servicer and let them know your situation immediately. Ask them what “forbearance” or “hardship” options may be available.

- **NOT federally-backed**: You still may have relief options through your mortgage servicer or from your state.

Guide to coronavirus mortgage relief options:
consumerfinance.gov/coronavirus
Economic Impact Payments (EIPs)

The CARES Act authorized Economic Impact Payments to majority of Americans.

- For most people:
  - EIPs are based on your income and tax filing status
  - EIPs will automatically be deposited directly into your bank account or sent to you by check
  - The status of your EIP can be viewed online with the IRS “Get My Payment Tool”:

- For Social Security, SSEB, SSDI, Railroad Retirement or veterans disability beneficiaries who do not need to file taxes, you’ll receive your EIP the same way you receive your benefits

- Non-filers will need to take action to receive their EIP by submitting information on the IRS “Non Filers Enter Payment Info” portal:

Read CFPB’s guide to COVID-19 economic stimulus relief and FAQs:
consumerfinance.gov/coronavirus
Avoiding Scams

Common coronavirus-specific scams:
- Scams offering COVID-19 vaccine, cure, air filters, testing
- Fake coronavirus-related charity scams
- “Person in need” scams
- Scams targeting your Social Security benefits
- Scammers are offering help with errands, and running off with your money

Addressing Fraud and Scams
- Best defense is to say NO
- Report scams to the Federal Trade Commission at ftc.gov/coronavirus

For more resources visit: consumerfinance.gov/coronavirus
Student loan repayment options under the CARES Act

- If your loan is held by the federal government, your loan payments are postponed with no interest until September 30, 2020.
- For other kinds of student loans, contact your student loan servicer to find out more about your options.

What you need to know about student loans and the coronavirus pandemic: consumerfinance.gov/coronavirus
Managing debt and credit

Dealing with Debt

- **Know your rights.** The Fair Debt Collection Practices Act says that a debt collector is not allowed to use unfair practices in trying to collect a debt.

- **Settling your debt.** Consider all of your options, including working with:
  - a nonprofit credit counselor
  - negotiating directly with the creditor or debt collector yourself.

Protecting your Credit

- **Routinely check your reports.** Monitor your credit report and dispute inaccurate information.

- **COVID-19 accommodations.** The CARES Act places special requirements on companies that report your payment information to credit reporting companies.

Thank you!

For more information visit: consumerfinance.gov/coronavirus