

November 2017

# Spotlight on serving limited English proficient consumers

Language access in the consumer financial marketplace

## CFPB research, tools, and resources for financial educators

An essential part of the mission of the Consumer Financial Protection Bureau (CFPB) is to empower consumers to take more control over their financial lives. Since the CFPB opened its doors in 2011, it has worked to improve the financial literacy of consumers in the United States and to ensure access to tools, information, and opportunities for skill-building that can support consumers in managing their finances and working to achieve their own life goals.

The CFPB's principal financial education mandate is set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). The Dodd-Frank Act created the CFPB and mandated the establishment of an Office of Financial Education to "be responsible for developing and implementing initiatives intended to educate and empower consumers to make better informed financial decisions."<sup>1</sup>

To better help consumers make well-informed financial decisions and achieve their own life goals, the CFPB has sought to increase understanding of effective practices in financial education.

The CFPB conducts this research to inform the CFPB's own financial education efforts and to amplify the work of others who have a common interest in improving the financial well-being of consumers.

The CFPB's goal for its financial education activities is to help consumers move toward financial well-being. In the CFPB's definition of financial well-being, consumers:

- have control over day-to-day, month-to-month finances;
- have the capability to absorb a financial shock;
- are on track to meet financial goals; and

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<sup>1</sup> See 12 U.S.C. § 5493(d)(1).

- have the financial freedom to make choices that allow them to enjoy life.

To learn more, visit the CFPB Resources for Financial Educators webpage at [consumerfinance.gov/adult-financial-education](https://consumerfinance.gov/adult-financial-education).

To contact the CFPB regarding this report or financial education in general, send an email to [financialeducation@cfpb.gov](mailto:financialeducation@cfpb.gov).

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# 1. Introduction and executive summary

## 1.1 Background

The CFPB works to ensure a fair, transparent, and reliable consumer financial marketplace. A well-functioning marketplace includes financially capable consumers. Financial education can help consumers make the most of their circumstances and what the consumer financial marketplace has to offer. However, consumers who are Limited English Proficient<sup>2</sup> (LEP) often encounter significant barriers to participating in the consumer financial marketplace, including completing key financial documents, managing bank accounts, resolving problems with financial products, and accessing financial education. Further, a lack of English-language skills can hinder their financial literacy, making it difficult to conduct everyday financial affairs.<sup>3</sup>

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<sup>2</sup> As used in this document, LEP means individuals who do not speak English as their primary language and who have a limited ability to speak, write, read, or understand English.

<sup>3</sup> U.S. Government Accountability Office, GAO-10-518, *Consumer Finance: Factors Affecting the Financial Literacy of Individuals with Limited English Proficiency* (May 2010), available at <http://www.gao.gov/products/GAO-10-518>.

As consumers navigate their financial lives, they face many choices and decisions. A principle of effective financial education is the creation of an environment that empowers consumers to take actions that support their financial goals.<sup>4</sup> This principle can be applied to the creation of a well-functioning financial marketplace that is accessible to all consumers regardless of their primary language.

Financial institutions can play an important role in creating an inclusive environment in the financial marketplace. They are uniquely positioned to support access to financial products and services because of the various touch points they have with consumers, including those with limited English proficiency. Financial transactions can present an opportunity for consumers to build their financial capability and participate in the financial system. Building education into the offering and use of financial products can be an effective strategy for facilitating positive financial outcomes for consumers.<sup>5</sup> Moreover, the effective integration of LEP consumers into the financial marketplace has the potential to create positive benefits for consumers and the financial services industry alike.

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<sup>4</sup> The CFPB released a report in June 2017 entitled *Effective financial education: Five principles and how to use them* (2017), available at [consumerfinance.gov/data-research/research-reports/effective-financial-education-five-principles-and-how-use-them/](https://consumerfinance.gov/data-research/research-reports/effective-financial-education-five-principles-and-how-use-them/). The five principles build on insights marshalled from many fields of study about how people make financial decisions, and on what the CFPB has learned about consumers' experiences in the financial marketplace. The Principles are compiled from research on what drives people to take actions aimed at improving their money situation. The five principles are: (1) know the individuals and families receiving services; (2) provide actionable, relevant, and timely information; (3) improve key financial skills; (4) build on motivation; and (5) make it easy to make good decisions and follow through.

<sup>5</sup> Journal of Financial Counseling and Planning, *Saving for Success: Financial Education and Savings Goal Achievement in Individual Development Accounts* (January 2011), available at <http://files.eric.ed.gov/fulltext/EJ952959.pdf>.

## 1.2 Report content

This report presents information that the CFPB learned in interviews with a broad spectrum of stakeholders, including representatives from financial institutions of various sizes, trade associations, other federal agencies, and non-profit consumer advocacy groups. In addition, this report includes secondary research on current practices for serving LEP individuals in the financial services industry and on the experience of consumers as reflected through the CFPB's complaint system.

*It is important to note that the practices described in this report are not exhaustive and that this document is not intended to interpret federal consumer financial law or any other statute or rule and should not be construed as a mandate, guidance, or a requirement. The purpose of this report is to share general consumer information and raise awareness about the issues that LEP consumers face when participating in the consumer financial marketplace. It is not intended to provide legal advice or regulatory guidance or serve as a substitute for financial institutions' own legal counsel.*

### 1.2.1 Insights from financial institutions

The CFPB identified several common themes in its interviews with representatives from several financial institutions. The themes are outlined below and further detailed in Section 3.

- **Assessment of language needs.** Many institutions review demographic data about the localities they serve from sources such as the U.S. Census Bureau to determine their potential customers' likely language preferences. Some institutions with a national footprint largely focus their resources on building out capabilities to serve Spanish-speaking consumers, while regional institutions typically align any language-focused resources with local demographics.
- **Centralized point of contact for technical assistance.** Many larger institutions that provide some language services have a central point of contact that provides internal technical assistance to the institution's employees on any language-related initiative. Depending on the institution, some functions of the central point of contact may include: annually reviewing processes and procedures for using non-English languages; evaluating which areas of business would most benefit from LEP services; developing quality control mechanisms; and establishing translation and interpretation policies.



- **Translation and interpretation systems.** Most of the larger institutions that provide language services reported having systems for translation (written) and interpretation (oral) to help ensure consistency and accuracy.<sup>6</sup> Many institutions translate for meaning (rather than word-for-word), use back-translation (which involves taking a translated document and having another party translate it back to English) to validate third-party translations, and use internal or external bilingual glossaries. Some institutions leverage various technological solutions, including those from third-party vendors, to assist with translations and interpretations.
- **Training and support for staff and contractors.** Institutions that provide language services use various methods to ensure that staff and contractors have the necessary language and cultural competencies to serve LEP consumers. Some institutions hire employees with foreign language fluency, cultural competency, or financial expertise. These institutions often require either an internal or external certification for written and verbal competency. Institutions that rely primarily on third-party translators or interpreters often retain some language experts on staff for quality control purposes.
- **Interactions with consumers.** Institutions that provide language services shared a range of approaches to interact with LEP consumers in their preferred language in different settings. Many institutions provide verbal interpretations via phone and offer multiple language settings on their digital services and access points. Most of the institutions reported that their written contracts or agreements were available only in English.

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<sup>6</sup> This paper follows the convention of translation referring to written language and interpretation referring to spoken language.

## 1.2.2 Additional insights

The CFPB identified additional insights from trade associations, federal agencies, and non-profit consumer advocacy groups. These insights are outlined below.

- There is a general understanding that language cannot always be separated from culture, and that offering information in languages other than English does not necessarily mean that all LEP populations will be able to access, understand, or use the information provided.
- In some cases the challenge is not translating materials, but rather ensuring that materials are written at a reading level that is accessible to the average U.S. adult regardless of the language used.
- In many families, children play a role in helping LEP relatives understand legal terms and other highly-specialized terminology, which the children may or may not translate or interpret accurately or fully understand themselves.
- There are no nationally-recognized organizations that offer *financial* interpreter and translator certification.
- In general, the number of certified financial interpreters and translators is low and the availability of translation services with the capacity to handle high volumes of translation work is limited, particularly for languages other than Spanish.
- Using a glossary of terms is helpful to maintain consistency. However, not all financial institutions or other entities use glossaries, and those that use glossaries vary in the translations used. The inconsistency of the translation of terms across the financial services industry and other entities can sometimes cause confusion for consumers.
- To communicate the intended meaning, successful translation and interpretation of financial terms requires language fluency, cultural competency, and financial expertise. For example, technical terms in the U.S. financial system such as “overdraft protection,” “balloon payment,” “401(k)” – may not have equivalent terms in some languages. Even if equivalent terms exist, translations may create more confusion than clarity.

## 2. Background

### 2.1 Language needs

Over 65 million people, or about 21 percent of the U.S. population over the age of five, speak a language other than English at home.<sup>7</sup> Of these, two-fifths have limited proficiency in English.

Spanish is the most common non-English language spoken at home, with approximately 40 million speakers in the U.S.<sup>8</sup> Spanish speakers also comprise the largest share of the LEP population, followed by Chinese, Vietnamese, Korean, and Tagalog speakers. The number and share of LEP speakers of each of these languages is shown in Table 1. These five languages are spoken by more than 78 percent of LEP individuals. While LEP individuals tend to be concentrated in the states with the largest populations, several smaller states including New Jersey, Hawaii, and Nevada have relatively high proportions of residents with limited English

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<sup>7</sup> U.S. Census Bureau, *2016 American Community Survey 1-Year Estimates*, Table B16001: *Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over* (2016), available at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.

<sup>8</sup> *Ibid.*

proficiency.<sup>9</sup> Overall, LEP residents in California, Texas, and New York account for nearly 50 percent of the total LEP population in the United States.

The LEP population overlaps significantly with the immigrant population in the United States. The U.S. Census Bureau collects data on the English-speaking ability of the U.S. foreign-born population, which they define as anyone who is not a U.S. citizen or national at birth.<sup>10</sup> Of the approximately 43 million foreign-born individuals over the age of five living in the U.S., about half have limited English proficiency.<sup>11</sup> Moreover, foreign-born individuals comprise more than 80 percent of the LEP population in the United States.

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<sup>9</sup> U.S. Census Bureau, *2016 American Community Survey 1-Year Estimates, Table B06007: Place of Birth by Language Spoken at Home and Ability to Speak English in the United States* (2016), available at [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_16\\_1YR\\_B06007&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B06007&prodType=table).

<sup>10</sup> U.S. Census Bureau, *2015 Subject Definitions* (2015), available at <https://www.census.gov/programs-surveys/acs/technical-documentation/code-lists.html>.

<sup>11</sup> U.S. Census Bureau, *2016 American Community Survey 1-Year Estimates, Table B16005: Nativity by Language Spoken at Home by Ability to Speak English for the Population 5 Years and Older* (2016), available at [https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS\\_16\\_1YR\\_B16005&prodType=table](https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_16_1YR_B16005&prodType=table).

**TABLE 1:** TOP FIVE MOST COMMONLY SPOKEN LANGUAGES BY LEP INDIVIDUALS IN THE U.S.<sup>12</sup>

Language	Speaker population*	LEP population	Percent of speaker population	Percent of total LEP population
Spanish	40,489,813	16,590,392	41.0%	63.6%
Chinese	3,372,930	1,854,311	55.0%	7.1%
Vietnamese	1,509,993	875,720	58.0%	3.4%
Korean	1,088,788	583,054	53.6%	2.2%
Tagalog	1,701,960	542,749	31.9%	2.1%

\*Number of people who reported speaking a language other than English at home.

## 2.2 Challenges associated with limited English proficiency

LEP consumers often face numerous obstacles to accessing financial products and services. Many of these challenges stem from language access issues. Financial disclosures and written documents are generally not available in LEP consumers' preferred languages, and some financial institutions do not have bilingual employees or access to interpretation services.

### 2.2.1 Language access

Consumers with limited English proficiency face language-based barriers across the financial services industry. The Federal Deposit Insurance Corporation's (FDIC) biennial survey on

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<sup>12</sup> U.S. Census Bureau, *2016 American Community Survey 1-Year Estimates*, Table B16001: *Language Spoken at Home by Ability to Speak English for the Population 5 Years and Over* (2016), available at <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>.

unbanked and underbanked households indicated that households that spoke only Spanish were unbanked (defined as lacking a checking or savings account) at five times the rate of households where Spanish was not the only language spoken.<sup>13</sup> In particular, the 2015 survey found that 31 percent of households that spoke only Spanish were unbanked compared to 6.5 percent of households where Spanish was not the only language spoken. Nearly a third of households that only spoke Spanish were underbanked (defined as having an account at an insured institution but also obtaining financial services and products outside the banking system), compared to one-fifth of households where Spanish was not the only language spoken. The share of households that only spoke Spanish that were underbanked in the 2015 survey increased significantly from the share in the 2013 survey, from 23.7 percent to 29.1 percent.<sup>14</sup> These results show that many Spanish-speaking LEP households continue to face persistent barriers to accessing mainstream financial products.

The CFPB's research on the financial education needs of immigrants, including those with limited English proficiency, further demonstrates the language access issues in the financial marketplace.<sup>15</sup> The CFPB identified the ubiquity of technical terms unique to the U.S. financial system as a key challenge for immigrants. Inconsistency in the translations of such terms was also identified as an issue. Technical terms may not have equivalent terms in some languages, and even if equivalent terms exist, translations may create more confusion than clarity. As a result, successful translation and interpretation of financial terms requires language fluency, cultural competency, and financial expertise.

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<sup>13</sup> Federal Deposit Insurance Corporation, *2015 FDIC National Survey of Unbanked and Underbanked Households* (2016), available at <https://www.fdic.gov/householdsurvey/>.

<sup>14</sup> The report noted that the increase in the underbanked share of households that spoke only Spanish between 2013 and 2015 was statistically significant at the 10 percent confidence level.

<sup>15</sup> CFPB, *Financial education programs serving immigrant populations* (2016), available at [consumerfinance.gov/about-us/blog/immigrants-facing-unique-financial-challenges/](https://consumerfinance.gov/about-us/blog/immigrants-facing-unique-financial-challenges/).

The CFPB's report on the financial education needs of immigrants also identified that children often play a role in helping LEP relatives understand legal terms and other highly-specialized terminology.<sup>16</sup> However, children might not translate or interpret accurately, or fully understand the complex financial or legal concepts themselves.

In addition to the research reviewed above, the CFPB accepts consumer complaints about financial products and services and has received complaints from consumers that express common themes associated with limited English proficiency. In many of these complaints, consumers described a lack of translated material. Others noted a lack of interpretation services. Complaints about translation and interpretation services also tended to describe confusion and misunderstanding. In many complaints, consumers reported that they did not understand the terms of a financial product or service due to a language barrier. These observations illustrate the challenges that some consumers face when attempting to participate in the consumer financial marketplace.

## 2.2.2 Financial literacy

In addition to language access issues, LEP consumers frequently face unique barriers to strengthening their financial capability. The Government Accountability Office (GAO) studied the extent to which limited English proficiency creates barriers to developing the knowledge and skills necessary for effective money management in the U.S. financial system.<sup>17</sup> The GAO interviewed staff at financial institutions, federal agencies, and community and advocacy organizations that work with LEP individuals. It found that limited proficiency in English hindered LEP consumers' ability to communicate with English-speaking staff, initiate financial transactions, and access financial tools and educational materials. The GAO has specifically reported that LEP individuals have difficulty completing key financial documents such as

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<sup>16</sup> GAO 2010.

<sup>17</sup> *Ibid.*

applications and contracts; managing bank accounts, including writing checks and tracking withdrawals and deposits; asking questions about and resolving problems with financial products and services; and accessing financial education materials.

The GAO also found that having limited English proficiency exacerbates the challenges that many consumers, including proficient English speakers, confront with complex financial products. Citing two of its previous reports, the GAO in 2010 noted that credit card disclosures were often written above the eighth-grade reading level, which, at that time, the GAO identified as the average reading level of about half the U.S. adult population.<sup>18</sup> Similarly, the GAO identified eleventh-grade reading level as the average difficulty of disclosures for alternative mortgage products.<sup>19</sup> Focus groups conducted by the GAO<sup>20</sup> and a report by Lutheran Immigration and Refugee Service<sup>21</sup> indicated it can take up to five years of regular communication and practice in English for an individual who lacks English proficiency to acquire the advanced literacy skills necessary to understand complex written communication.

The relationship between English proficiency and financial literacy is especially apparent in the mortgage market. According to focus groups conducted on behalf of Freddie Mac and Fannie Mae, Spanish-speaking and Vietnamese-speaking LEP mortgage borrowers often do not

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<sup>18</sup> *Ibid.*

<sup>19</sup> U.S. Government Accountability Office, GAO-06-1021, *Impact on Defaults Remains Unclear, but Disclosure of Risks to Borrowers Could Be Improved* (September 2006), available at <http://www.gao.gov/products/GAO-06-1021>.

<sup>20</sup> GAO 2010.

<sup>21</sup> Lutheran Immigration and Refugee Service, *Financial Literacy for Newcomers: Weaving Immigrant Needs into Financial Education* (2006), available at [www.higheradvantage.org/wp-content/uploads/2012/05/rw\\_financial\\_literacy.pdf](http://www.higheradvantage.org/wp-content/uploads/2012/05/rw_financial_literacy.pdf).



understand English documents and often misinterpreted the English documents.<sup>22</sup> A report by the California Reinvestment Coalition that analyzed Home Affordable Modification Program (HAMP) data and survey data from housing counselors also found that LEP borrowers had an especially difficult time navigating the complex mortgage loss mitigation process.<sup>23</sup>

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<sup>22</sup> Freddie Mac and Fannie Mae, *Language Access for Limited English Proficiency Borrowers: Final Report (2017)*, available at <https://www.fhfa.gov/PolicyProgramsResearch/Policy/Documents/Borrower-Language-Access-Final-Report-June-2017.pdf>.

<sup>23</sup> California Reinvestment Coalition and Urban Strategies Council, *Race to the Bottom: An Analysis of HAMP Loan Modification Outcomes by Race and Ethnicity for California (2011)*, available at <http://www.calreinvest.org/news/race-to-the-bottom-an-analysis-of-hamp-loan-modification-outcomes-by-race-and-ethnicity-for-california>.

### 3. Industry interviews: Common themes

While LEP communities often face challenges in the marketplace, there are many financial service industry entities that serve them.

To prepare this report, the CFPB conducted unstructured interviews with representatives from a number of financial institutions of various sizes and trade associations in April 2017. The CFPB then summarized what it heard from these entities about how they interact with LEP consumers. The practices described below were drawn from these conversations and the CFPB's broader understanding of the market. The list of practices is not intended to be comprehensive or representative of industry practices as a whole.

While the CFPB believes that gathering and sharing information about providing financial products and services to LEP consumers is important, the practices described in this document are for informational purposes and do not constitute an endorsement of specific practices by the CFPB. Moreover, we recognize that language services may not be available in many circumstances. Whether a financial institution decides to provide services in languages other than English and the extent of those services throughout the product lifecycle may depend on many considerations, including the institution's particular circumstances.

*It is important to note that the practices described in this report are not exhaustive and that this document is not intended to interpret federal consumer financial law or any other statute or rule and should not be construed as a mandate, guidance, or a requirement. The purpose of this report is to share general consumer information and raise awareness about the issues that LEP consumers face when participating in the consumer financial marketplace. It is not intended to provide legal advice or regulatory guidance or serve as a substitute for financial institutions' own legal counsel.*

## 3.1 Assessment of language needs

Many institutions review demographic data from the U.S. Census Bureau on the localities they serve to determine their potential customers' likely language preferences. Some institutions request their customers' language preferences to inform communications with customers. In fact, the Federal Housing Finance Agency recently announced the addition of a language preference question to the Uniform Residential Loan Application (URLA), to assist lenders in identifying the language preference of mortgage applicants who choose to provide that information.

Institutions with a national footprint largely focus their language access resources on building out their capacity to serve Spanish-speaking consumers, including hiring bilingual agents and providing in-language servicing for particular product lines. Many cited national demographics as the reason for this choice. These institutions generally provide some services in languages other than English or Spanish through third-party language line interpreters. To align any language-focused resources with local demographics, some institutions with a regional focus provide certain support in Spanish, Chinese, and several other languages.

Those institutions with whom the CFPB spoke also noted that they pay close attention to the demographics and language preferences around current and planned branch locations. For example, some institutions hire branch personnel with specific language and cultural competencies.

Some institutions specifically highlighted their efforts to have the language capabilities of their employee base reflect the diversity of their customer base and to develop products and services with that customer base in mind. For example, one institution mentioned that 80 percent of its branch staff is bilingual. This institution provides forms to consumers in English, but offers translations online in Chinese and Spanish.

## 3.2 Centralized point of contact for technical assistance

Many of the larger institutions that provide language services indicated they have a central point of contact for technical assistance to help the institution's employees address any matters

related to language. While this central group or office may have a variety of functions across institutions, commonalities include providing subject matter expertise on relevant laws and regulations and developing translation and interpretation frameworks and processes.

The central point of contact is often used to discuss, document, and evaluate policies on a regular basis for any business lines that provide products and services in one or more non-English languages. This group or office may also conduct annual reviews for improving and refining relevant processes and procedures.

At some larger institutions, this central point of contact may also provide assistance to the institution as it evaluates which areas of its business would most benefit from LEP services. This could include the products and the stage in those products' lifecycles where language services might provide the greatest value for LEP consumers.

Depending on the institution, this central point of contact may develop quality control mechanisms for interpretation and/or translation. For example, the point of contact may conduct quality assurance testing and monitoring of customer assistance provided in languages other than English.

Across the larger institutions that use a central point of contact, this group or office generally establishes translation and interpretation policies, including legal review of written documents (if available); manages glossaries of financial terms; establishes methods to validate translation; and provides vetting of third-party providers, among other functions.

### 3.3 Translation and interpretation systems

Most of the large financial institutions that provide language services have systems to ensure consistency and accuracy of translation and interpretation. The institutions with such systems have established protocols to ensure that translations are accurate, culturally appropriate, and

at the proper reading comprehension level for the intended audience. In addition, many of these institutions either have developed or use publicly-available bilingual glossaries to ensure that terms, including technical financial terms, are translated appropriately and consistently.

Regarding translations, several interviewees indicated their preference for “transcreation” which is translating for meaning, rather than word-for-word.<sup>24</sup> For some institutions, the practice of back-translation is a way to validate third-party translations. Back-translation involves taking a translated document and having another party translate it back to English to confirm the accuracy of the translated document. Some institutions noted limitations of using back-translation, citing that necessary context can sometimes be lost.

Some larger institutions also use technology to assist with translation consistency, such as translation memories, which store previously-translated text and can ensure that the specific terms are appropriately and consistently translated based on an established glossary of terms. These institutions indicated that, over time, using translation memories can lead to long-term cost efficiencies. Some institutions also noted that while technology has increased the ease with which translated documents can be produced, it is still important to have certified professionals provide quality reviews.

Regarding interpretations, some institutions have established internal standards for oral support to LEP consumers, such as having certified interpreters and a glossary of terms for verbal consistency, among others. Many institutions also noted that they contract with a third-party vendor to provide interpretation for other languages. For languages other than Spanish, most assistance is provided via third-party interpreters.

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<sup>24</sup> While most dictionaries have not yet added the word “transcreation,” the term is used to describe the process of developing materials that are culturally relevant. The goal of “transcreation” is to translate from a source language to a target language while maintaining the original intent and context. See The ATA Chronicle, *Culturally Capable Translations: The Essential Role of Culture in Translation Quality Processes* (2007), available at [http://www.atanet.org/chronicle-online/wp-content/uploads/3603\\_20\\_nataly\\_kelly\\_darci\\_graves\\_rocio\\_txabarriaga.pdf](http://www.atanet.org/chronicle-online/wp-content/uploads/3603_20_nataly_kelly_darci_graves_rocio_txabarriaga.pdf).

While interpretation and translation certification programs are generally available, the CFPB learned that the number of certified professionals, particularly for languages other than Spanish is low. Some of the institutions indicated that there are no nationally-recognized organizations that manage interpreter and translator certification with a specialty in financial terms. By comparison, the healthcare industry has language assistance through nationally-certified interpreters in several languages.<sup>25</sup>

## 3.4 Training and support for staff and contractors

Some institutions hire employees who possess foreign language fluency, cultural competency, or financial expertise. These employees may serve as an internal voice for the organization on language-related activities. These employees are also often trained to ensure that other staff are able to communicate effectively to LEP customers about the financial products and services offered by the institution.

A subset of institutions providing language services require that anyone communicating in a language other than English is either externally- or internally-certified on both written and verbal competency. Other institutions have an in-depth interview process for candidates who may provide bilingual services. Some institutions that hire bilingual agents use scripts in specific languages to facilitate conversations with customers.

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<sup>25</sup> Certified Languages International, *Input for FHFA: Improving Language Access in Mortgage Lending and Servicing* (2017).

## 3.5 Interactions with consumers

For institutions that provide language services, the CFPB found a range of approaches to interacting with LEP consumers in their preferred language in different settings.

Many institutions expressed awareness of the connection between language and culture, and recognized the importance of cultural competency in providing information to LEP populations. Separately, institutions cited concerns about maintaining the confidentiality and security of customer information when choosing a third-party language service provider. They also indicated that the pool of translation and interpretation companies that can fulfill requirements for confidentiality, customer security, and scale is small.

For some institutions, if a consumer indicates a preference for Spanish on an application in a particular line of business (e.g., credit cards), all future communications will be conducted in Spanish, as available. These communications include onboarding, servicing, and customer management. One institution indicated that Spanish-serviced accounts have high levels of customer satisfaction.

### 3.5.1 Digital settings, such as ATMs, websites, and mobile applications

Many institutions that provide language services allow customers to choose a language preference at an ATM, on their websites, or on their mobile apps, and save that preference for subsequent use. Some use disclosures and other forms of messaging to inform customers and set expectations when some pages of the website are not available in the preferred language.

The level at which institutions offer translated versions of their websites varies. Some institutions offer a fully translated website, while others offer translated versions of some portions of their website. For example, some institutions have a Spanish option for secure sites that are accessible for existing customers to view their account information. One institution indicated that it offers translations online in Chinese as well as in Spanish.

### 3.5.2 Verbal interactions, such as in-person or over the phone

Most institutions that provide language services offer some level of oral support via bilingual staff, a third-party phone interpreter service, or both.

For institutions that use a third-party phone interpreter service, staff provide flyers in other languages to the LEP customer to explain that he or she will receive language support through an interpreter or from a call center.

Some institutions have a dedicated number for Spanish speakers to call or sophisticated routing systems to ensure that LEP customers reach a bilingual agent or language line.

### 3.5.3 Written documents

Some institutions that offer language services provide customers with translations of certain documents in languages other than English, including monthly statements, privacy notices, or other correspondence. Most of the institutions the CFPB spoke to indicated that they provide contracts only in English.



## 4. Conclusion

Entities in the financial industry serve consumers with limited English proficiency using a variety of approaches. The CFPB is sharing common themes and resources gathered from various stakeholders in order to provide an overview of some of the current practices for serving LEP consumers. Interviews with financial institutions of various sizes, nonprofit organizations, and government agencies, in addition to secondary research, informed the common themes identified by the CFPB.

The CFPB encourages the financial services industry to continue to explore ways to expand, innovate, and improve the service it provides to consumers with limited English proficiency. The CFPB also looks forward to learning more about how the industry is serving the LEP population and welcomes financial institutions to engage further with the CFPB on this topic.

## APPENDIX A: LEP RESOURCES

# Federal interagency LEP website

- *Language Map App*: An interactive mapping tool that helps users find out the concentration of and languages spoken by LEP individuals in a community, available at <https://www.lep.gov/maps/>.
- *Before You Hire - Ask Yourself: What Are My Project's Language Needs?*: A workflow chart for making language service hiring decisions, available at <https://www.lep.gov/resources/resources.html>.
- *Hiring the Right Telephonic Interpretation Vendor*: A process flow for finding a high-quality telephone interpretation vendor, available at <https://www.lep.gov/resources/resources.html>.
- *Working with Telephone Interpreters*: A tool for planning, placing, and troubleshooting phone-calls with telephone interpreters, available at <https://www.lep.gov/resources/resources.html>.
- *What Does It Mean to Be a Certified Linguist?*: A resource outlining the qualifications for a certified interpreter or translator, available at <https://www.lep.gov/resources/resources.html>.
- *Building an Effective Staff Language Service Program*: A publication for recruiting, hiring, assessing, and retaining staff linguists, available at <https://www.justice.gov/crt/file/923341/download>.

# Bilingual glossaries

- *CFPB glossaries*: English-Spanish financial terms and English-Chinese financial terms. In 2015, the CFPB published its glossaries of financial terms translated from English into Spanish and Chinese as a resource tool. Stakeholders that may be interested in using this tool include, but are certainly not limited to, financial educators, government agencies, financial service providers, and other organizations serving LEP consumers. The glossary of terms is not a mandate, guidance, or a requirement. The English-Spanish glossary is available at [https://www.consumerfinance.gov/documents/5542/cfpb\\_adult-fin-ed\\_spanish-style-guide-glossary.pdf](https://www.consumerfinance.gov/documents/5542/cfpb_adult-fin-ed_spanish-style-guide-glossary.pdf), and the English-Chinese glossary is available at [https://www.consumerfinance.gov/documents/5540/cfpb\\_adult-fin-ed\\_chinese-style-guide-glossary.pdf](https://www.consumerfinance.gov/documents/5540/cfpb_adult-fin-ed_chinese-style-guide-glossary.pdf).
- *Housing and Urban Development glossary*: Spanish-English dictionary. The dictionary is available at [https://portal.hud.gov/idc/groups/public/documents/hudgov\\_html/main\\_terms\\_span.html](https://portal.hud.gov/idc/groups/public/documents/hudgov_html/main_terms_span.html).

# Forms and disclosures

- Fannie Mae and Freddie Mac provide lenders with Spanish translations of a loan application, loan estimate, verification forms, closing disclosures, and a sample adverse action notice. The translations provided by Fannie Mae can be found at <https://www.fanniemae.com/singlefamily/spanish-resources-for-lenders> and <https://www.fanniemae.com/singlefamily/spanish-resources-for-servicers>. The

translations provided by Freddie Mac can be found at <http://www.freddiemac.com/uniform/spanish.html>.

- A few of the CFPB's major rules address language access by, in accordance with pre-existing law, permitting required disclosures to be provided in a language other than English, as long as the disclosures are also made available in English.<sup>26</sup> A few other CFPB rules provide more specific guidance about facilitating access for LEP consumers to markets for consumer financial products and services and helping ensure that such markets are fair, transparent, and competitive. For example, the CFPB's TILA-RESPA Integrated Disclosure (TRID) Rule explicitly permits creditors to translate certain mortgage disclosures into languages other than English and provides consumer-tested Spanish language translations of those mortgage disclosures.<sup>27</sup> Pursuant to the Dodd-Frank Act, the CFPB's Remittance Transfer Rule provides that certain advertising, soliciting, or marketing of remittance transfer services in a foreign language triggers the requirement to provide remittance disclosures in that language.<sup>28</sup> The CFPB's Prepaid Rule similarly provides that principally using a foreign language to, among other things, advertise, solicit, or market a prepaid account may trigger a requirement to provide certain disclosures in that language.<sup>29</sup>
- The Dodd-Frank Act amended the Real Estate Settlement Procedures Act (RESPA) to, among other things, provide that the Director shall "prepare the [home buying information] booklet in various languages and cultural styles, as the Director determines

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<sup>26</sup> See, e.g., 12 C.F.R §§ 1002.4(e) (Regulation B), 1005.4(a)(2) (Regulation E), 1024.32(a)(2) (Regulation X), and 1026.27 (Regulation Z). Most Bureau regulations may be found at <https://www.consumerfinance.gov/eregulations/>.

<sup>27</sup> See 12 C.F.R. §§ 1026.37(o)(5)(ii), 1026.38(t)(5)(viii), and App. H-28.

<sup>28</sup> See 12 C.F.R. § 1005.31(g).

<sup>29</sup> See 81 FR 83934, 84334 (Nov. 22, 2016) (to be codified at 12 C.F.R. § 1005.18(b)(9)); see also 82 FR 18975 (Apr. 25, 2017).

to be appropriate, so that the booklet is understandable and accessible to homebuyers of different ethnic and cultural backgrounds.”<sup>30</sup>

## Financial education resources

- *Ask CFPB*: An interactive online tool that gives consumers answers to questions about financial products and services, including credit cards, mortgages, student loans, bank accounts, credit reports, payday loans, and debt collection. Ask CFPB is available in Spanish at [consumerfinance.gov/es/obtener-respuestas/](https://consumerfinance.gov/es/obtener-respuestas/).
- *CFPB brochures*: The CFPB has created a range of publications for consumers that provide straightforward information about money management and other financial issues. These publications include brochures about accounts, credit, money management, mortgages, and other topics. The CFPB makes many of these resources available in English and Spanish as well as many of them in eight other languages. The CFPB provides them for download or free bulk ordering at [pueblo.gpo.gov/CFPBPubs/CFPBPubs.php](https://pueblo.gpo.gov/CFPBPubs/CFPBPubs.php).
- *CFPB en Español*: CFPB en Español provides Spanish-speaking consumers a central point of access to the CFPB’s most-used consumer resources that are translated into Spanish. This page offers:
  - Ask CFPB en Español.

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<sup>30</sup> See 12 U.S.C. § 2604(a).

- A consumer complaints page that highlights the complaint process and the phone number consumers can call to submit a complaint in Spanish.
- An About Us page with Spanish-language videos and introductory content about how the CFPB works to protect consumers.
- A home page that offers details on the CFPB’s resources for consumers in search of a mortgage and those who already own a home. CFPB en Español can be found at [consumerfinance.gov/es/](https://consumerfinance.gov/es/).
- *Your Home Loan Toolkit*: The Dodd-Frank Act amended the Real Estate Settlement Procedures Act (RESPA) to, among other things, provide that the Director shall “prepare the [home buying information] booklet in various languages and cultural styles, as the Director determines to be appropriate, so that the booklet is understandable and accessible to homebuyers of different ethnic and cultural backgrounds.” To support this mandate, the toolkit is available in Spanish and guides consumers through the process of shopping for a mortgage and buying a home. The Spanish guide can be found at [files.consumerfinance.gov/f/201507\\_cfpb\\_your-home-loan-toolkit-web-spanish.pdf](https://files.consumerfinance.gov/f/201507_cfpb_your-home-loan-toolkit-web-spanish.pdf).
- *Remittances*: The CFPB’s first substantive rule provides important consumer protections to users of international money transfers, or remittances. The CFPB developed materials to educate consumers about the protections for remittance transfers. These materials are available in English, Spanish, Haitian Créole, Chinese, and Tagalog and include fact sheets, flyers, posters, and brochures. The CFPB provides them for download or free bulk ordering at [pueblo.gpo.gov/CFPBpubs/CFPBpubs.php](https://pueblo.gpo.gov/CFPBpubs/CFPBpubs.php).
- *Financial Education Programs Serving Immigrant Populations Field Scan*: The Office of Financial Education conducted a field scan of programs, practices, and initiatives that serve immigrant populations to help inform the CFPB’s financial education initiatives and to raise visibility about the financial education challenges that many immigrants face. The field scan outlines promising financial education strategies that financial education providers can use to better serve immigrants who seek their services and are part of their communities. The ultimate goal is to help consumers achieve their own financial goals. The field scan was released in summer 2016 and can be found at [consumerfinance.gov/data-research/research-reports/financial-education-programs-serving-immigrant-populations/](https://consumerfinance.gov/data-research/research-reports/financial-education-programs-serving-immigrant-populations/).