

May 29, 2018

Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection CFPB  
1700 G Street NW  
Washington, DC 20552

Via email: [FederalRegisterComments@cfpb.gov](mailto:FederalRegisterComments@cfpb.gov)

*RE: Request for Information, CFPB External Engagement/Docket No. CFPB-2018-0005*

Dear Ms. Jackson,

On behalf of the undersigned, we offer the following comment in response to the Request for Information (RFI) regarding the Consumer Financial Protection Bureau's (CFPB) External Engagements.

Congress created the CFPB following widespread abuse of consumers by financial companies that led to the financial crash of 2008. Congress assigned the new agency a singular consumer protection mission and directed it to focus on six key functions: supervising entities for compliance with the law, taking enforcement action to address violations, conducting financial education, addressing consumer complaints, monitoring markets to identify risks to consumers, and issuing rules to implement consumer protection law.<sup>1</sup>

“External engagement”—ongoing, robust communication with external stakeholders—is vital to all of these functions. As organizations attuned to consumer interests, we enthusiastically support such engagement, and especially encourage CFPB conversation with individual consumers. Our organizations and members participate regularly in civic discourse, and we believe strongly in the value of the information that individual consumers and their representatives can provide to the CFPB's policymaking and decision-making processes.

### **The CFPB has built a tradition and culture of robust public engagement.**

From its inception through November, 2017, external engagements have figured as a hallmark of the CFPB. The CFPB has organized 47 meetings of its advisory boards, 33 field hearings, and 15 town halls in more than 40 cities. In addition, the CFPB has thoughtfully and routinely engaged with stakeholders through a range of other important mechanisms. These include meetings with stakeholders, speaking engagements, and conferences. Also, to engage with individual consumers and other stakeholders on a daily basis, the CFPB has established a consumer complaints system, its “Tell your story” website,<sup>2</sup> and social media accounts.<sup>3</sup>

The CFPB's culture of engagement began early. In the first months of the CFPB, Treasury Special Advisor Elizabeth Warren noted: “Members of the CFPB team and I sat in on foreclosure court in Miami,

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<sup>1</sup> 12 USC § 5511(b), (c)

<sup>2</sup> *Your Money. Your Story*. CONSUMER FINANCIAL PROTECTION BUREAU (website visited May 4, 2018) <https://www.consumerfinance.gov/your-story/>

<sup>3</sup> *Consumer Financial Protect, by the numbers*, CONSUMER FINANCIAL PROTECTION CFPB (website visited April 16, 2018) [https://files.consumerfinance.gov/f/documents/201701\\_cfpb\\_CFPB-By-the-Numbers-Factsheet.pdf](https://files.consumerfinance.gov/f/documents/201701_cfpb_CFPB-By-the-Numbers-Factsheet.pdf)

met with victims of predatory lending in San Antonio and the Mission District of San Francisco, and held a roundtable in Columbus, Ohio. We have listened to the diverse voices of the Chicago community at Lakeview Lutheran Church and the concerns of consumer advocates in Little Rock, Arkansas. The stories we have heard from so many people across the country have only deepened our conviction that better consumer financial protection is urgently needed.”<sup>4</sup>

And, as the CFPB has grown, it has continued to engage, regularly and deeply, with the diverse set of stakeholders that care about and are affected by the consumer protection activities it engages in as a function of its mandate.

The CFPB’s organization appropriately reflects the importance of external engagement across many sectors. Its Division of External Affairs includes offices focused on outreach to the nonprofit sector, financial institutions, and other government entities, as well the agency’s advisory groups. The Office of Consumer Response engages with consumers and other stakeholders, through its consumer complaint system. Other offices in the Division of Consumer Education and Engagement have focused on the needs of servicemembers, students and young Americans, older Americans, and economically vulnerable consumers. The Division of Research, Markets, and Regulations conducts additional outreach to various regulated industries. And, pursuant to statutory responsibilities, the Office of the Ombudsman engages the public. In 2017, for example, the Ombudsman held three teleconferences with state banking associations from 20 states. It also held teleconferences with regional consumer groups in the Northeast and West regions.<sup>5</sup>

### **The CFPB must continue this important engagement with external stakeholders**

We believe it is vital for the agency to sustain and extend the external engagement that has been a hallmark of its first six years. Robust external engagement ensures that the CFPB can share information with consumers, industry participants, and the wide range of other entities interested in and affected by the CFPB’s actions. Moreover, external engagement ensures that the CFPB’s policymakers, consumer educators, attorneys, examiners, and other staff have the information they need to understand and appropriately address consumers’ needs and experiences. Any engagement forum, from a one-on-one conversation to a large town-hall meeting to a social media exchange, can provide the CFPB with invaluable information about how the markets for consumer financial products and services operate and the risks that consumers may face, and this information is vital for the CFPB to develop and target its initiatives appropriately.

Because of the importance of external engagement to CFPB operations, we are troubled by recent indications that a change in leadership has been leading the CFPB away from external engagement with consumers and consumer representatives since he arrived at the agency in late November, 2017. For example, while the CFPB held three public events during the five months through November 2017, the agency has held no public events in the five months since then<sup>6</sup> and cancelled a meeting of the

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<sup>4</sup> *Testimony of Elizabeth Warren before the Committee on Oversight and Government Reform*, Elizabeth Warren, CONSUMER FINANCIAL PROTECTION CFPB (July 14, 2011) <https://www.consumerfinance.gov/about-us/newsroom/testimony-of-elizabeth-warren-before-the-committee-on-oversight-and-government-reform/>

<sup>5</sup> *2017 Annual Report to the Director, CFPB Ombudsman’s Office*, CONSUMER FINANCIAL PROTECTION CFPB (website visited April 23, 2018) [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb\\_ombudsman-office-annual-report\\_fy2017.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_ombudsman-office-annual-report_fy2017.pdf)

<sup>6</sup> Events, Consumer Financial Protection Bureau (website visited May 4, 2018) <https://www.consumerfinance.gov/about-us/events/>

Community Bank Advisory Board,<sup>7</sup> the Credit Union Advisory Council,<sup>8</sup> with other cancellations expected. Moreover, while seeking to direct dramatic policy shifts at the Bureau, Mr. Mulvaney appears to have largely insulated himself from external input. To take March 2018 as an example, according to his calendar, Mr. Mulvaney held only three external meetings during that month. These three meetings were with two government groups and one industry entity: the Chamber of Commerce, the Florida Commissioner of Financial Regulation, and the Small Business Administration Administrator.<sup>9</sup> There are no meetings listed with consumers, or consumer groups. We are aware of only one meeting by Mr. Mulvaney with the broad set of consumer and community based organizations with which we are familiar during his tenure. By contrast, in March 2017, then-CFPB Director Cordray met with 15 consumer, student or faith groups; nine business leaders or trade associations, including the Chamber of Commerce; and 10 government officials, including two members of Congress.<sup>10</sup>

We are especially concerned about signs that the agency seeks to reduce external engagement with individual consumers. We are particularly alarmed that Mr. Mulvaney has indicated that he may restrict public access to the consumer complaint database, a key way that the CFPB engages with members of the public. And while the CFPB's RFI on external engagement notes the agency's expectation that "entities that have engaged with the Bureau are likely to have useful information and perspectives about Bureau engagements," this document makes no mention of individual consumers.<sup>11</sup> More broadly, we are troubled that this RFI along with the others threaten to lead to less consumer protection, not more.

We urge CFPB leadership, as well as staff across all levels of the agency, to dedicate time to engaging directly with consumers and their representatives, as well as other stakeholders. Additionally, we urge the entire staff of the CFPB both to expand the agency's existing engagement practices, and to continue developing and refining ways to analyze and use the information that the CFPB receives through its external engagements.

Additional specific recommendations follow below.

#### **A. Advisory Groups**

The CFPB has established four advisory groups: the Consumer Advisory Board, the Community Bank Advisory Council, the Credit Union Advisory Council, and the Academic Research Council. By February 2018, the CFPB had conducted 47 meetings of its advisory groups, many of which included a public component. Meetings have been publicly announced, live streamed, and followed by summaries on the CFPB website.

We believe in the importance of these meetings both for advising the CFPB and for engaging the members of the public who view the proceedings. The Consumer Advisory Board (CAB), for example

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<sup>7</sup> *(Cancelled) Spring 2018 Community Bank Advisory Council Meeting*, CONSUMER FINANCIAL PROTECTION BUREAU (website visited April 16, 2018) <https://www.consumerfinance.gov/about-us/events/archive-past-events/spring-2018-community-bank-advisory-council-meeting-washington-dc/>

<sup>8</sup> *(Cancelled,) Spring 2018 Credit Union Advisory Council Meeting*, CONSUMER FINANCIAL PROTECTION BUREAU (website visited May 21, 2018) <https://www.consumerfinance.gov/about-us/events/archive-past-events/spring-2018-credit-union-advisory-council-meeting-washington-dc/>

<sup>9</sup> *Leadership calendar, Mick Mulvaney, March 2018*, CONSUMER FINANCIAL PROTECTION BUREAU (March 2018) [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb\\_mick-mulvaney-calendar\\_03-2018.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_mick-mulvaney-calendar_03-2018.pdf)

<sup>10</sup> *Leadership calendar, Richard Cordray, March 2017*, CONSUMER FINANCIAL PROTECTION BUREAU (March 2017) [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/Director\\_Richard\\_Cordray\\_March\\_2017\\_Calendar.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/Director_Richard_Cordray_March_2017_Calendar.pdf)

<sup>11</sup> *Request for Information, CFPB External Engagements*, 83 Fed. Reg. 8247, 8248 (Feb. 26, 2018)

provides market intelligence and expertise, and appropriately, its members bring a wide range of expertise to the CFPB. Its members include the director of Texas Applesseed, a public interest nonprofit dedicated to promoting social and economic justice, a legal aid attorney from Florida, a Boston law professor, a retired PNC Bank executive, and many others.<sup>12</sup> CAB Chairperson Ann Baddour, writes that “we have been able to offer new insights to the CFPB and ensure the agency work remains relevant in the face of evolving community experiences and market practices.”<sup>13</sup>

We recommend that the CFPB increase the frequency of their meetings, and convene meetings for each advisory group at least three times per year to ensure that conversations and dialogue can address the most current and pressing issues. Further, we strongly support the continued transparency of the advisory group meetings. Meetings should continue to be advertised and summarized publicly, and broadcast in full whenever possible. Additionally, we recommend that at least one of these meetings for each of these groups take place outside of Washington.

Finally, though we recognize the value that industry representatives can bring to the CAB and its advisory mission, we recommend that a majority of the CAB be composed of individual consumers, consumer advocates, scholars, or others whose work focuses on protecting consumers.<sup>14</sup> As a body charged with advising the CFPB on its consumer protection functions, the CAB should be led by and consist of members whose work is focused on consumer protection. Further, the CFPB already sustains two industry-based advisory boards related to community banks and credit unions.

## **B. Field Hearings, Town Halls, and Roundtables**

Through February 2018, the CFPB had held field hearings or town halls in 38 cities.<sup>15</sup> Each focused on a designated topic and engaged members of the public through public attendance and discussion and the showing of a live video that is later available on the CFPB’s website.<sup>16</sup>

We strongly support and encourage further use of town halls, field hearings and roundtables to engage the public. We particularly urge the CFPB to maintain the transparency of these mechanisms, to continue including senior CFPB staff, including associate directors, in these events, and to continue holding them in locations across the country to provide a diverse range of consumers and other interested members of the public to attend and participate in person.

We also support the CFPB’s focus on key issues that are before the agency in these meetings. One town hall meeting in 2012 focused on issues affecting military personnel, and included “26 representatives from such organizations as the Military Officers Association of America (MOAA), the Veterans of

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<sup>12</sup> *Consumer Advisory Board, member biographies*, CONSUMER FINANCIAL PROTECTION CFPB, (September 2017) [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb\\_CAB-Biographies\\_2017-2018.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_CAB-Biographies_2017-2018.pdf)

<sup>13</sup> *Annual Report Consumer Advisory Board*, CONSUMER FINANCIAL PROTECTION CFPB (2017) [https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb\\_cab-annual-report\\_fy2017.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/cfpb_cab-annual-report_fy2017.pdf)

<sup>14</sup> We note this has been a strength of the CFPB in the past, contrasting with certain advisory boards associated with other financial regulators. For example, at the Commodity Futures Trading Commission, the Energy and Environmental Markets Committee contains only one public advocate; the balance represent commercial interests, with one professor funded by industry. *Energy and Environmental Markets Advisory Committee*, COMMODITY FUTURES TRADING COMMISSION (February 17, 2016) [https://www.cftc.gov/About/CFTCCcommittees/EnergyEnvironmentalMarketsAdvisory/emac\\_members.html](https://www.cftc.gov/About/CFTCCcommittees/EnergyEnvironmentalMarketsAdvisory/emac_members.html)

<sup>15</sup> *Consumer Financial Protect, by the numbers*, CONSUMER FINANCIAL PROTECTION CFPB (website visited April 16, 2018) [https://files.consumerfinance.gov/f/documents/201701\\_cfpb\\_CFPB-By-the-Numbers-Factsheet.pdf](https://files.consumerfinance.gov/f/documents/201701_cfpb_CFPB-By-the-Numbers-Factsheet.pdf)

<sup>16</sup> Field hearings are available to view as archived videos on the CFPB's website at <https://www.consumerfinance.gov/about-us/events/archive-past-events/>

Foreign Wars (VFW), Iraq and Afghanistan Veterans of America (IAVA), the National Military Family Association (NMFA), and others as we talked about how the CFPB works to protect servicemembers, veterans, and military families.”<sup>17</sup> Another town hall in 2011 in Maine focused on elder abuse, where “there are an estimated 14,000 incidents of elder abuse annually in Maine and at least 84 percent go unreported.”<sup>18</sup> A field hearing in 2017 in Los Angeles focused on small business lending and featured testimony from the US Chamber of Commerce, a director of Union Bank, the owner of Plum Restaurants, community advocates, and others.<sup>19</sup> A field hearing in 2012 focused on payday lending included consumer and industry panels.<sup>20</sup> Town halls and field hearings play an important role in giving consumers a direct opportunity to talk to the CFPB about their most important issues and should be held as often as possible to allow the CFPB to hear directly from consumers as it decides how to handle pertinent issues.

### C. Consumer Complaints, Stories, and Additional Engagement Venues

Other engagement mechanisms are also critical to the CFPB’s ability to understand, react to, and inform consumers and other key stakeholders. We especially support the CFPB’s direct engagement with consumers through its complaint tool and other mechanisms.

The CFPB’s consumer complaint tool is an invaluable way for the CFPB to engage with the public.<sup>21</sup> Since its inception, the CFPB has collected more than 1 million consumer complaints.<sup>22</sup> Those complaints allow consumers to obtain tailored help. They also provide important information to the CFPB and to the public, as the CFPB publishes complaint data that can help other consumers learn about consumer financial products and potential risks.

Equally important are the CFPB’s other day-to-day engagement mechanisms. The CFPB website allows consumers to tell “their stories,” explaining: “We want to hear about your experiences with money and financial services, good and bad. The CFPB is listening.”<sup>23</sup> Like individual complaints, these consumer stories can help inform the CFPB about key issues in the marketplace, and areas that may warrant further research. Through social media, the CFPB can promote and explain other engagement opportunities.<sup>24</sup>

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<sup>17</sup> Holly Petraeus, *Making new partners at our first VSO-MSO town hall*, CONSUMER FINANCIAL PROTECTION CFPB (March 19, 2012) <https://www.consumerfinance.gov/about-us/blog/making-new-partners-at-our-first-vso-mso-town-hall/>

<sup>18</sup> Skip Humphrey, *Older Americans Need to be Armed Against Financial Fraud*, CONSUMER FINANCIAL PROTECTION CFPB (Dec. 10, 2011) <https://www.consumerfinance.gov/about-us/newsroom/older-americans-need-to-be-armed-against-financial-fraud/>

<sup>19</sup> *Field hearing on small business lending in Los Angeles*, CONSUMER FINANCIAL PROTECTION CFPB, (May 10, 2017) <https://www.consumerfinance.gov/about-us/events/archive-past-events/field-hearing-about-small-business-lending-los-angeles-ca/>

<sup>20</sup> *CFPB Convenes Field Hearing In Birmingham, Alabama On Payday Lending*, CONSUMER FINANCIAL PROTECTION CFPB (Jan 18, 2012) <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-cfpb-convenes-field-hearing-in-birmingham-alabama-on-payday-lending/>

<sup>21</sup> *Consumer Complaint Data Base*, CONSUMER FINANCIAL PROTECTION CFPB (website visited April 26, 2018) <https://www.consumerfinance.gov/data-research/consumer-complaints/>

<sup>22</sup> *Consumer Complaint Data Base*, CONSUMER FINANCIAL PROTECTION CFPB (website visited April 26, 2018) <https://www.consumerfinance.gov/data-research/consumer-complaints/>

<sup>23</sup> *Your Money. Your Story*. CONSUMER FINANCIAL PROTECTION BUREAU (website visited May 4, 2018) <https://www.consumerfinance.gov/your-story/>

<sup>24</sup> For example, a Facebook posting explained that after opening remarks from a senior CFPB official, “we’ll get right to the most important part of this event: a community panel and an open mic session. We’ll listen to and learn from community members’ experiences with student loans, credit cards, mortgages, and other consumer financial

Small group meetings, attendance at conferences, and other opportunities to meet and speak with consumers, consumer advocates, scholars, and industry and government entities are also critical ways for CFPB staff to engage with key stakeholders and should be widely encouraged.

The CFPB's efforts to engage with consumers in languages other than English help ensure that the CFPB can understand and react to the full range of consumer experiences and should be continued and expanded.<sup>25</sup>

We urge the CFPB to continue to promote and expand these mechanisms for engagement. In particular, we recommend:

- 1) Continued engagement with a diverse set of stakeholders. Through meetings, conferences, and other venues, the CFPB should engage with consumers and consumer groups that represent the full range of consumer experiences. The experiences and needs of low-income consumers may differ from those of higher-income consumers, for example. Similarly, consumers with bank accounts likely have different concerns from those without bank accounts, as do those consumers who are frequent internet users and those who are not. It is important that the CFPB engage with and understand the experiences of all these sets of consumers.
- 2) Continued development of mechanisms to reach a diverse set of stakeholders. To reach a wide and diverse range of consumers, the CFPB should continue to promote and develop its consumer complaint tools, its "Tell Your Story" website, its other technology-based tools, and its language-access initiatives. This promotion and development should include making all of the CFPB's tools easily available on the CFPB's website. For example, the "Tell Your Story" website and other tools should be under the "Consumer Tools" menu. To increase the CFPB's reach, we recommend media releases directed to regional and community media, including local newspapers that may notice upcoming public events at no cost. The CFPB should also continue exploring partnerships with community groups to organize and promote events. Similarly, the CFPB should explore or continue exploring partnerships with other federal, local and state agencies (such as courts and libraries) to inform consumers and other stakeholders about engagement opportunities.
- 3) Explore new mechanisms to engage with individual consumers. For example, the CFPB could organize "listening sessions," which would allow consumers to engage in open ended discussions about financial services concerns with senior CFPB staff. The CFPB has some experience with events like these in the industry context. Through "Project Catalyst," the CFPB has held four or five "office hours" annually in San Francisco, New York, and Austin, Texas to connect with financial technology practitioners.<sup>26</sup> Similar opportunities for consumers could yield valuable insight and help consumers better understand how the CFPB works for them.<sup>27</sup>

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products and services." *CFPB Town Hall Event in Minneapolis*, FACEBOOK (website visited April 16, 2018)

<https://www.facebook.com/events/1022158967808354/>

<sup>25</sup> *CFPB in Your Language*, CONSUMER FINANCIAL PROTECTION BUREAU (website visited May 4, 2018)

<https://www.consumerfinance.gov/language/>.

<sup>26</sup> CFPB Annual Report 2017, Consumer Financial Protection Bureau (2017)

[https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201706\\_cfpb\\_Semi-Annual-Report.pdf](https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201706_cfpb_Semi-Annual-Report.pdf)

<sup>27</sup> We are concerned with rebranding the CFPB as a "bureau", which will frustrate the efforts to date to establish a public face.

In addition to structures and strategies, the CFPB must nurture a culture that promotes public engagement with consumers. Moreover, the lessons learned and information gathered from public engagement, especially with consumers, should drive policy decisions at the agency. Already, financial firms retain lobbyists with ample access to all federal agencies, including the CFPB. The CFPB must work diligently to hear from those without generous sponsorship from industry.

It is essential that the CFPB maintain a policy and procedure for external engagements, such as a minimum number of roundtables, advisory board meetings, and/or teleconferences. It is equally important to take public engagement seriously. Many of the engagements structures now in place didn't exist when the CFPB began operations, or were not identified in the statute, but emanated from that initial culture of engagement. Public engagement has been and should remain a hallmark of the CFPB. Congress created this agency to protect consumers, and this consumer protection mandate requires a pro-active posture of public engagement.

Sincerely,

Allied Progress

Americans for Financial Reform

Atlanta Legal Aid Society, Inc

California Reinvestment Coalition

Center for Responsible Lending

Consumer Action

Consumer Advocacy & Protection Society (CAPS)

Consumer Federation of America

Demos

Housing and Economic Rights Advocates

Interfaith Center on Corporate Responsibility

Jacksonville Area Legal Aid, Inc.

Main Street Alliance

Mississippi Center for Justice

NAACP

National Association of Consumer Advocates

National Consumers League

National Consumer Law Center (on behalf of its low-income clients)

Public Citizen

Public Justice Center

Public Law Center

Tennessee Citizen Action

Tzedek DC

US PIRG

Virginia Organizing