

July 9, 2018

Comment Intake
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Docket No. CFPB-2018-0015 (Request for Information Regarding Bureau Financial Education Programs)

Dear Acting Director Mulvaney and Others:

The below-signed consumer protection, civil rights, and housing advocacy organizations appreciate the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) financial education programs. CFPB's consumer financial education programs are a very valuable component of a broader system of consumer financial education and the CFPB should continue its efforts to provide consumers with useful financial information and education. Consumer financial education, however, is just one of several consumer protection tools that are available to the CFPB. The CFPB must continue to utilize the Bureau's other tools, including its enforcement and rulemaking authority, as appropriate, to fully protect consumers in accordance with the CFPB's mission. Our comments include steps the Bureau should take to improve its existing consumer financial education efforts.

I. CFPB's Financial Education Programs Are a Valuable Piece of the Overall Financial Education System

The CFPB's consumer financial education programs are an important piece of the overall consumer financial education system. CFPB takes a generalized approach to financial education by providing materials that are meant to be broadly distributed, such as guides for specific financial decisions (such as *Buying a House*, *Paying for College*, and *Planning for Retirement*). CFPB's financial education materials cover a range of important topics such as mortgages, student loans, debt collection, and credit reporting, and target both the general population and specific groups such as older Americans, service members, and students.

The CFPB's materials are useful to a broad audience and function as an excellent complement to the more individualized financial education that is taught by financial and HUD-approved housing counseling organizations. Financial and HUD-approved housing counseling organizations work one-on-one with consumers and provide individualized guidance based on each consumer's individual circumstances. The different approaches taken by CFPB and financial and HUD-approved housing counseling agencies complement each other perfectly. The CFPB is able to reach a wide audience and provide general financial education on specific topics that is targeted to specific audiences. Meanwhile, financial and HUD-approved counseling agencies are able to address holistically consumers' overall financial well-being. Ideally, as will be addressed more below, CFPB's financial education would also guide those consumers who could benefit from more individualized attention to HUD-approved housing counseling agencies.

II. Financial Education Is Not a Substitute for CFPB's Other Consumer Protection Efforts

While consumer financial education is valuable and necessary to help consumers make informed financial decisions and better understand their financial transactions, financial education is not a substitute for other consumer protection efforts for which CFPB is responsible. Most notably, financial education must never be treated as a substitute for strong regulation of the industries CFPB is charged with overseeing nor for strong enforcement actions against bad actors.

Financial education is a consumer-facing tool. As carried out by CFPB, financial education serves two major purposes: to help consumers better understand complex financial transactions (such as purchasing a home) and to more generally help consumers realize financial success (by, for example, educating consumers on preparing for retirement).

This consumer-facing work is distinct from—not a substitute for—the work CFPB does to regulate the industries it is charged with supervising, or punishing bad actors that fail to follow those regulations. Strong regulation is necessary to protect against dangerous and abusive practices. For example, in the wake of the financial and foreclosure crises, CFPB promulgated strong qualified mortgage regulations that largely prohibit mortgage lenders from selling the types of predatory, abusive, and dangerous loan products that were proven causes of the financial and foreclosure crises. Likewise, strong enforcement is necessary to punish bad actors and to disincentivize improper behavior.

No amount of financial education can prepare consumers for financial success in the absence of strong guard rails, in the form of regulation, and financial education cannot protect consumers against unscrupulous actors in the absence of strong enforcement against those who do not follow the rules.

III. CFPB Financial Education Programs: Successes and Areas for Improvement

CFPB should be applauded for much of its financial education efforts. There are also some areas in which improvements can and should be made.

A. Financial Education Successes

There are number of areas of CFPB's financial education programs that deserve to be recognized for the positive impact they have had for U.S. consumers.

1. CFPB's Multi-Language Glossary of Financial Terms

As advocates who often work on behalf of people with limited English proficiency (LEP), we recognize the fundamental importance of making financial education resources available in languages other than English. To help meet this need, CFPB has created very useful glossaries of financial terms in both Spanish and Chinese. These glossaries are an excellent first step in providing financial education in ways that are accessible to LEP consumers.

CFPB should continue its efforts to provide financial education to LEP consumers, and expand the Bureau's materials and information so that they are available in additional languages commonly spoken by LEP consumers. First, the glossary of financial terms should be made available in additional languages commonly spoken by people with limited English proficiency, starting with the six other languages

currently reflected on the CFPB's website.¹ . Additionally, CFPB should provide more financial education materials in languages other than English. We look forward to working with CFPB staff to expand its offerings of financial education materials in languages other than English.

2. Know Before You Owe

The improvements that were made by CFPB to the *Know Before You Owe* mortgage disclosures to homebuyers are another example of the CFPB's successes in financial education. The improved *Know Before You Owe* disclosure forms replaced those previously required that were often duplicative and confusing. CFPB's new *Know Before You Owe* disclosures, which include a Loan Estimate that is provided by the lender within 3 days after a mortgage application is submitted and a Closing Disclosure that is provided at least 3 days prior to closing, provide consumers clear information and a better understanding of loan costs, monthly payments, risky loan features, and differences between estimated and final loan costs.

Know Before You Owe is an example of the type of financial education at which CFPB excels; providing clear, easy to use and understand tools that help consumers make informed financial decisions. We appreciate CFPB's efforts in this regard and encourage CFPB to continue to pursue similar measures.

B. Financial Education Areas for Improvement

There are also areas in which CFPB can improve its financial education efforts, particularly around how CFPB works with other financial education providers such as HUD-approved housing counseling agencies.

1. CFPB's Financial Education Programs Should Guide Consumers to Additional Financial Education Resources, Such as HUD-Approved Housing Counseling Agencies

As was discussed earlier, CFPB's approach to financial education, which focuses on providing generalized education materials aimed at broad audiences, are an excellent complement to the more personalized financial education that is provided through one-on-one counseling and group education. Particularly with respect to one-on-one counseling, such as that provided by HUD-approved counseling agencies, many of the consumers who benefit from CFPB's generalized financial education programs can benefit from more individualized attention.

All one-on-one counseling that is provided by a HUD-approved counseling agency includes an in-depth look at the household's personal finances, including understanding debt and income, credit score, and household budgeting. Counselors also work with clients to develop a plan to address any areas that are in need of improvement, such as improving credit scores or increasing savings. Not only does this counseling help consumers meet their housing needs, it helps prepare them for long-term financial success.

CFPB's financial education programs should include aggressive efforts to direct consumers who can benefit from more individualized financial education to appropriate resources, especially HUD-approved housing counseling agencies. Whereas financial and housing counseling agencies that are not HUD-approved may not be required to meet any quality or consumer protection standards, HUD-approved

¹ <https://www.consumerfinance.gov/>

housing counseling agencies are well-regulated, including certification and continuing education requirements. This makes HUD-approved counseling agencies (and any other similarly regulated non-profit agencies) the ideal providers of financial counseling and education for those consumers who need more personalized financial education needs.

2. CFPB's Find a Housing Counselor Tool Should Be Searchable by Language

CFPB's online Find a Housing Counselor tool is a significant improvement over the existing HUD tool. Importantly, while the HUD tool provides consumers a list of agencies in the state sorted alphabetically by city, the CFPB tool allows consumers to find the 10 agencies that are located closest to their zip code. This was a valuable improvement that helps consumers more easily identify agencies in their area. However, consumers with limited English proficiency are not able to search by which languages are spoken at the agency, despite the fact that languages spoken is a data field in the directory. Therefore, the CFPB tool may be of limited use to a LEP consumer, since that borrower may only be able to locate ten agencies in their area that do not speak their preferred language. Similarly, having the search tool available in a variety of languages would allow LEP consumers to search for a housing counselor in their preferred language.

To address this, CFPB should add the ability to search the database both by zip code and by languages spoken and provide the tool in different languages.

3. Consumer Relief Payments Made to CFPB Should Be Used to Fund HUD-Approved Housing Counseling

In order to bolster financial education, CFPB should provide funds that it receives in the form of Consumer Relief settlements to HUD-approved housing counseling agencies. New and diverse funding sources are needed to ensure that HUD-approved counseling agencies are able to provide that one-on-one and group education services that are a critical component of a successful financial education regime for American consumers. This funding should be especially focused on preventative counseling and education that will help consumers identify and avoid dangerous financial products and bad actors such as those who are subject to CFPB enforcement actions.

4. CFPB's Financial Education Programs Should Be Expanded to Focus on Additional Populations

CFPB's financial education work currently focuses on the general public; servicemembers; veterans and their families; older Americans; students; and underserved consumers. These audiences and communities are a good starting point for reaching the consumers served by financial and HUD-approved housing counseling organizations and financial capability providers. In addition, the CFPB should consider including the following communities in its financial education work:

- Immigrants;
- Parents and caregivers;
- Information and guides for people who rent a home;
- Students in middle school and high school;
- Information and guides that are specific to communities of color;
- Family members and caregivers of people with mental and physical disabilities.

In conclusion, we must note our strong objection to CFPB’s recent reliance on a burdensome RFI process. The amount of time and attention required to adequately address the CFPB’s numerous RFIs on a multitude of subjects in a very short amount of time has diverted valuable consumer advocacy and third party resources to respond to these requests. The very structure of these RFIs, the nature of many of the questions, and the fact that many focus on processes known mostly to industry actors and their lawyers, favor financial institutions with greater resources at their disposal, and we are gravely concerned about any attempts to weaken consumer protection through this process.

Sincerely,

National Organizations

- Allied Progress
- Americans for Financial Reform
- Cambridge Credit Counseling
- Community Reinvestment Solutions, Inc.
- Consumer Action
- Consumer Credit and Budget Counseling
- Consumer Federation of America
- eHome America
- Guidewell Financial Solutions
- HomeFree-USA
- National Caucus and Center for Community Economic Development
- National Coalition for Asian Pacific American Community Development
- National Community Reinvestment Coalition
- National Consumer Law Center (on behalf of its low income clients)
- National Fair Housing Alliance
- National Housing Resource Center
- National NeighborWorks Association
- Navicore Solutions
- UnidosUS
- U.S. PIRG
- Woodstock Institute

Statewide and Local Organizations

Statewide and Local Organizations	City/Town:	State:
ACT Lawrence	Lawrence	MA
Affordable Housing Partnership of the Capital Region	Albany	NY
AGORA Community Services Corporation	Chicago	IL
Allston Brighton Community Development Corporation	Brighton	MA
Arizona Community Action Association	Phoenix	AZ
Arizona PIRG Education Fund	Phoenix	AZ

Asian Services In Action, Inc.	Akron	OH
Avenue CDC	Houston	TX
BCL of Texas	Dallas & Austin	TX
Blackstone Valley Community Action Program	North Providence	RI
Bridgeport Neighborhood Trust Inc.	Bridgeport	CT
Bucks County Housing Group	Warminster	PA
Buffalo Urban League	Buffalo	NY
Campesinos Sin Fronteras	Somerton	AZ
Catholic Charities Chemung/Schuyler	Elmira	NY
CCCS of Buffalo	Buffalo	NY
Center for Economic Integrity	Tucson	AZ
Center for NYC Neighborhoods	New York	NY
Centre for Homeownership & Economic Development Corporation	Hillsborough	NC
CFORM/Covenant Community Development Corp.	Tupelo	MS
Chautauqua Home Rehabilitation & Improvement Corporation	Mayville	NY
Chestnut Credit Counseling Services	Bloomington	IL
Chicago Urban League	Chicago	IL
Chicanos Por La Causa	Phoenix	AZ
Church Community Housing	Newport	RI
Citizens' Housing and Planning Association	Boston	MA
Clarifi	Philadelphia	PA
Coastal Enterprises Inc.	Brunswick	ME
Consumer Credit Counseling Service of Northern Illinois, Inc.	Woodstock	IL
Desire Community Housing Corporation	New Orleans	LA
Douglas County Housing Partnership	Lone Tree	CO
Durham Regional Financial Center	Durham	NC
Eastside Community Development Corporation	Baltimore	MD
El Centro de la Raza	Seattle	WA
Empire Justice Center	Albany	NY
Empire State Consumer Project	Rochester	NY
Empowering and Strengthening Ohio's People	Cleveland	OH
Fair Housing Council of Northern NJ	Hackensack	NJ
Fair Housing Resource Center, Inc.	Painesville	OH
Family Housing Advisory Services	Omaha	NE
Fifth Ward Community Redevelopment Corporation	Houston	TX
Florida Alliance for Consumer Protection	Tallahassee	FL
Fort Wayne Urban league	Fort Wayne	IN
Four Directions Development Corporation	Orono	ME
Frontier Housing, Inc.	Morehead	KY
Good Neighbor Foundation-Homeownership Center	Franklin	TN
Goldenrule Housing & Community Development Corp., Inc.	Sanford	FL
Greater Kansas City Housing Information Center	Kansas City	MO
Greater Phoenix Urban League	Phoenix	AZ
Green Forest CDC	Decatur	GA
GS Community Ventures	College Park	GA

Haven Neighborhood Services	Los Angeles	CA
Heartland Alliance for Human Needs & Human Rights	Chicago	IL
Holmes Unlimited, LLC	Wichita Falls	TX
HOME, Inc.	Des Moines	IA
HomeOwnership Center, Inc.	Elkins	WV
Home Ownership Resource Center of Lee County, Inc.	Fort Myers	FL
Homes on the Hill, CDC	Columbus	OH
HomesFund	Durango	CO
HomeSmart NY	New York	NY
HomeSource East Tennessee	Knoxville	TN
Horizons, A Family Service Alliance	Cedar Rapids	IA
Housing Action Illinois	Chicago	IL
Housing Assistance Program of Essex County, Inc.	Elizabethtown	NY
Housing Channel	Fort Worth	TX
Housing Options & Planning Enterprises, Inc.	Oxon Hill	MD
Housing Partnership	Dover	NJ
Housing Resources of Western Colorado	Grand Junction	CO
Inland Fair Housing and Mediation Board	Ontario	CA
Jersey Counselling & Housing Development, Inc.	Camden	NJ
Kennebec Valley Community Action Program	Waterville	ME
La Casa de Don Pedro	Newark	NJ
La Fuerza Unida	Glen Cove	NY
Latino Economic Development Center	Washington	DC
Lawrence CommunityWorks, Inc.	Lawrence	MA
Legal Services NYC	New York	NY
Lifelines Counseling Services	Mobile	AL
LifeStyles of Maryland Foundation, Inc.	La Plata	MD
Little Haiti Housing Association, Inc. d.b.a HACDC	Miami	FL
Long Island Housing Services, Inc.	Bohemia	NY
Lorain County Urban League	Elyria	OH
Louisville Urban League	Louisville	KY
Margert Community Corporation	Far Rockaway	NY
Massachusetts Affordable Housing Alliance	Dorchester	MA
Massachusetts Association of CDCs	Boston	MA
Merrimack Valley Housing Partnership	Lowell	MA
Minneapolis Urban League	Minneapolis	MN
Mobilization for Justice, Inc.	New York	NY
Monroe Union County CDC	Monroe	NC
Montana Organizing Project	Billings	MT
Montebello Housing Development Corporation	Montebello	CA
Morningstar Urban Development, Inc.	Decatur	GA
National Council on Agricultural Life & Labor Research Fund, Inc. (NCALL)	Dover	DE
North Carolina Housing Coalition	Raleigh	NC
Neighborhood Economic Development Corporation	Springfield	OR

Neighborhood House, Inc.	Wilmington	DE
Neighborhood Housing Services of Chicago	Chicago	IL
Neighborhood Housing Services of Greater Cleveland	Cleveland	OH
Neighborhood Housing Services of Staten Island	Staten Island	NY
Neighborhood Nonprofit Housing Corporation	Logan	UT
Neighborhood Housing Services of the Inland Empire	San Bernardino	CA
	Rancho	
Neighborhood Partnership Housing Services, Inc.	Cucamonga	CA
NeighborWorks Salt Lake	Salt Lake city	UT
NeighborWorks Southern New Hampshire	Manchester	NH
Neighborhood of Affordable Housing	East Boston	MA
Nevada Partners	North Las Vegas	NV
New Economics for Women	Los Angeles	CA
New Jersey Citizen Action	Trenton	NJ
New Level CDC	Nashville	TN
New York Mortgage Coalition	New York	NY
New Yorkers for Responsible Lending (NYRL)	Albany	NY
Newtown Community Development Corporation	Tempe	AZ
Northwest Side Housing Center	Chicago	IL
Opportunities Credit Union	Winooski	VT
Our Casas Resident Council, Inc.	San Antonio	TX
Parkview Services	Shoreline	WA
Pro Home, Inc.	Taunton	MA
Rockaway Development & Revitalization Corporation	Far Rockaway	NY
Safeguard Credit Counseling	Northport	NY
Sconiers Homeless Preventive Organization, Inc.	Riverdale	GA
Shalom Center for T.R.E.E. of Life	Los Angeles	CA
South Carolina Appleseed Legal Justice Center	Columbia	SC
South Suburban Housing Center	Homewood	IL
Take Charge America, Inc.	Phoenix	AZ
Tennessee Citizen Action	Nashville	TN
Texas Legal Services Center	Austin	TX
The Development Corporation	Baltimore	MD
The Fair Housing Council of Riverside County	Riverside	CA
The HomeOwnership Center	Dayton	OH
Trinity Empowerment Consortium	Palmetto	FL
U SNAP BAC NON PROFIT HOUSING CORP.	Detroit	MI
Urban League of Greater Pittsburgh	Pittsburgh	PA
Urban League of Metropolitan Seattle	Seattle	WA
Urban League of San Diego County	San Diego	CA
Urban League of Union County	Elizabeth	NJ
Ventura County Community Development Corporation	Oxnard	CA
Vermont Affordable Housing Coalition	Burlington	VT
Virginia Citizens Consumer Council	Elliston	VA
Willamette Neighborhood Housings Services	Corvallis	OR

Working In Neighborhoods
WSOS Community Action Commission

Cincinnati OH
Fremont OH