

September 13, 2016

The Honorable Jeb Hensarling
Chair, Financial Services Committee
2129 RHOB
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
Financial Services Committee
4340 O'Neill FOB
Washington, D.C. 20515

The Honorable Mick Mulvaney (R-SC)
Financial Services Committee
2129 RHOB
Washington, D.C. 20515

The Honorable Matt Salmon (R-AZ)
2349 RHOB
Washington, D.C. 20515

Opposition to Legislation to Undermine the CFPB Consumer Complaint Database

Dear Member of the House Financial Services Committee:

The undersigned consumer, fair lending, community and privacy organizations write to express our strong opposition to provisions included in the Financial CHOICE Act (H.R. 5983) that would severely undermine the effectiveness of the Consumer Financial Protection Bureau's (CFPB) consumer complaint database. We also oppose two similar standalone bills, H.R. 5491 and H.R. 5413 (the CFPB Data Accountability Act).

The CFPB's public complaint database is a stellar example of a system that holds institutions accountable and should be replicated throughout the federal government. We strongly support public access to the CFPB complaint database, including the anonymized details of individual complaints, which are essential to public understanding of consumers' experiences and ensuring that the CFPB continues to shape its agenda in response to those experiences.

The Financial CHOICE Act, H.R. 5491, and H.R. 5413 would prohibit the CFPB from making "any information about a consumer complaint in such database available to the public without first verifying the accuracy of all facts alleged in the complaint." Such a requirement would make it impossible for the database to achieve its purpose: to foster accountability and transparency, and to fairly resolve consumers' complaints. No complaint system, public or private, can efficiently and effectively verify every complaint. Thwarting timely public disclosure of complaints would discourage consumers from making reports and make it impossible for the public to fully understand consumer complaints. The bill would only serve to destroy the efficacy of the complaint process and diminish the CFPB.

Consumers should continue to be able to hold financial firms accountable for their

unfair, unreasonable, and deceptive practices by reporting them to the CFPB *and* to the public. The CFPB public complaint database is an essential tool that empowers consumers with timely, valuable information to help them make wise financial decisions prior to purchase, and can alert the public to financial wrongs in advance of systemic problems. Nearly one million consumers have reported their unresolved financial disputes to the CFPB, with more than half (59%) of those who have included complaint details choosing to make the narrative portion of their complaints available to the public. Effective use of the CFPB complaint database equips consumers to protect themselves from financial trouble.

Companies can also benefit from the complaint database. In direct contrast to these bills' baseless concerns, public complaint data can inspire companies to compete based on customer service excellence. Some companies have reported improved customer complaint outcomes and improved complaint processes as a direct result of the CFPB complaint process.

The CFPB has shown a deep commitment to safeguarding consumers' personally identifiable information with its strong redaction process and has repeatedly shown fairness in accounting for all sides of an issue before making changes to the complaint process. There is no evidence that disclosure of complaint data has unfairly harmed banks or other financial companies, which have been the subject of consumer complaints in the CFPB database.

We urge you to oppose the Financial CHOICE Act, H.R. 5491, H.R. 5413, and any similar legislation meant to undermine the CFPB's public engagement and create roadblocks to prevent individuals from accessing key information to help them avoid financial harm.

Sincerely,

Americans for Financial Reform

California Reinvestment Coalition

Center for Digital Democracy

Center for NYC Neighborhoods

Center for Responsible Lending

Community Legal Services of Philadelphia

Consumer Action

Consumer Federation of America

Consumers Union

Consumer Watchdog

Empire Justice Center

Main Street Alliance

National Association of Consumer Advocates

National CAPACD

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

National Fair Housing Alliance

Philadelphia Unemployment Project

Privacy Rights Clearinghouse

Privacy Times

Public Citizen

The Institute of College Access & Success

U.S. PIRG

Woodstock Institute

World Privacy Forum

cc. House Financial Services Committee members