ConsumersUnion®

POLICY & ACTION FROM CONSUMER REPORTS

CFPB Fact Sheet for Town Halls and Drop-By Meetings

Talking Points:

Our Priorities:

Maintain an independent and strong Consumer Financial Protection Bureau (CFPB).

- Keep the current funding for the CFPB
    - The CFPB's budget, which comes from the Federal Reserve, should continue to be independent, free from the pressures of special interests who would weaken consumer protections
- Maintain the single directorship for the CFPB
    - A single director allows the CFPB to be nimble and protect consumers from rapidly changing financial system

- Ensure that the CFPB retains its ability to go after crooks and wrong doers
    - The CFPB's enforcement actions have returned nearly $12 billion to ripped off consumers. Nothing should be done to reduce the effectiveness of this cop on the beat

How Members of Congress Can Help Protect Consumers:

- Will you vote against bills to take away the CFPB's independence and effectiveness?
- Will you oppose attempts to block CFPB rules?

CFPB Highlights/Achievements:

Congress established The Consumer Financial Protection Bureau (CFPB) in response to the devastating 2008 financial crisis. It works to uncover and stop unfair, deceptive, and abusive financial practices and to keep the rules governing credit cards, loans, bank accounts, and other financial services up-to-date to ensure consumers are treated fairly.

Since it was launched in 2011, the CFPB has won almost $12 billion in refunds and relief for an estimated 29 million Americans who've been mistreated by financial companies. Some notable achievements by the CFPB for consumers include:

- **Ensuring mortgages are affordable:** The CFPB adopted new rules that aim to prevent the kind of reckless lending practices by banks that led to a record number of Americans losing their homes and triggered the country's deep recession in 2008. The new rules prohibit banks from offering mortgages to borrowers who can't afford to repay them and rein in exorbitant fees and unfair loan payment structures that put homeowners at risk of foreclosure.

- **Stopping abusive banking practices:** Following a year-long investigation, the CFPB ordered Wells Fargo to pay $185 million in refunds and penalties for regularly misusing customers' personal information to open nearly two million fraudulent accounts in their names. The CFPB found that Wells Fargo employees opened the bogus accounts to meet sales targets and earn compensation bonuses offered by the bank.

- **Taking on deceptive credit card marketing:** Since its inception, the CFPB has ordered credit card companies to pay back $3.48 billion to consumers who were defrauded into accepting unnecessary and costly add-on products and services such as debt protection and credit monitoring. Citibank, Bank of America, JPMorgan Chase, and AMEX subsidiaries were required to stop these deceptive practices and pay $100 million in civil penalties in addition to providing refunds to affected customers.

- **Fighting discriminatory auto lending:** The CFPB's joint investigation with the Department of Justice concluded that Ally Financial violated the Equal Credit Opportunity Act by charging minority consumers higher dealer mark-ups for their loans than white consumers with similar credit histories. Ally Financial was ordered to pay $80 million in damages to 235,000 African American, Hispanic, and Asian Pacific Islander borrowers who were unfairly charged higher rates for auto loans based on their race.

- **Providing prepaid card users with strong protections:** In recent years, millions of Americans have relied on prepaid cards to pay their bills and manage their finances, but some cards came with high fees and consumers lacked the legal safeguards to protect their money in the event their card is lost or stolen. In 2016, the CFPB adopted new rules that require prepaid card issuers to provide better fee disclosures and the same strong protections that limit a consumer's financial liability that come with traditional debit and credit cards.

- **Challenging abusive student loan practices:** After an extensive investigation, the CFPB filed suit in January against Navient, the national largest student loan servicer, for providing borrowers inaccurate information, processing payments incorrectly, and failing to take action to address consumer complaints. The CFPB found that Navient violated the law by making it harder for struggling borrowers with federal loans to enroll in more affordable repayment options. As a result, borrowers incurred approximately $4 billion in additional interest charges, a large portion of which the CFPB believes could have been avoided if Navient followed the law.

- **Helping consumers find the best value when sending money abroad:** Consumers living in the U.S. send over $133.5 billion to friends and family living abroad every year through money transfer services like Western Union. Thanks to new rules adopted by the CFPB, these companies are now required to disclose more information about the fees they charge and to help consumers recover their money if it ends up going to the wrong recipient.

- **Protecting consumers from deceptive reverse mortgage ads:** Many seniors have taken out reverse mortgage in recent years to access the equity they have built up in their homes. But reverse mortgages often come with high fees that are poorly disclosed and can be risky, leading to the loss of homes through foreclosure. Last December, the CFPB fined American Advisors Group, Reverse Mortgage Solutions, and Aegean Financial for deceptive advertisements that tricked consumers into believing they could not lose their homes with a reverse mortgage.

- **Combating misleading credit score ads and promotions:** Last December, the CFPB took action against TransUnion and Equifax for deceiving consumers about the usefulness and cost of the credit scores they marketed. The companies were fined $5.5 million and ordered to provide $17.6 million in refunds to consumers for falsely claiming the credit scores they sold are typically used by lenders to make credit decisions and that they were free even though consumers were automatically enrolled in a subscription program and charged a recurring $16 monthly fee.

- **Resolving consumer complaints with financial companies:** In addition to policing the marketplace and enacting new rules to ensure consumers are treated fairly, the CFPB has created an online complaint system that enables the public to report problems they've encountered with financial products and services. The CFPB has helped to resolve nearly one million complaints involving problems consumers have encountered with mortgages, credit cards, car loans, bank accounts, debt collection and a variety of other issues. The complaint database is publicly accessible, which allows consumers to check on the problems others have encountered with different financial companies

- **Helping consumers understand the cost of borrowing:** The CFPB launched its "Know Before You Owe" initiative to help consumers compare borrowing options and understand the true cost of taking out a loan. So far, the effort has produced shopping sheets and other online tools for mortgages, credit cards, student loans, and auto loans that are designed to help consumers make more informed choices and avoid costly surprises when borrowing money.

<u>Drop by your lawmakers' offices</u>

If you can't find a town hall near you, you can always swing by your lawmakers offices near where you live to share your thoughts in person—no appointment necessary! It's best to think ahead of time about your personal connection to the issue you care about and what message you'd like to convey. If you have a personal story, be sure to share it.

<u>Some helpful tips for talking to lawmakers or their staff</u>

Remember, they work for you. Your concerns and personal experiences are important. Here are some general tips for your drop-by:

- Be sure to tell them your name, address, that you voted for them (if you did), and that YOU are their constituent.
- Be calm -- share your concerns or story calmly and as a matter of fact.
- Don't get caught up in the wonkery of an issue. <u>This is about your story</u> -- it's your time to share what has happened to you.
- Make sure you articulate an ask!
- Ask them to take a photo with your group – most members and staffers love the photo op! You can then tweet or share the photo on Facebook and thank your member for the meeting.
- Follow up! Send an email thanking the office, attaching any documents mentioned, providing answers to questions that came up during the meeting and reaffirming your asks.