Resource inventory for financial educators

CFPB Financial Education Exchange

Consumer Financial Protection Bureau

May 2017

Resource inventory

Are you a financial educator? Do you help consumers take charge of their financial lives? The Consumer Financial Protection Bureau (CFPB) is here to help you help the people you serve.

The CFPB Financial Educators Exchange (CFPB FinEx) provides financial educators with the latest news and research on consumer financial behavior and effective practices. The CFPB FinEx also connects financial educators to each other for support and sharing best practices.

Sign up to receive the latest news and invitations to webinars at consumerfinance.gov/adult-financial-education, or send email to CFPB_FinEx@cfpb.gov. As part of CFPB FinEx, we hold virtual learning opportunities for financial educators like you. We also encourage you to share what you've learned from using our tools — and from your own work — with us and your peers by signing up for the CFPB Financial Education Exchange.

Reports, resources, and tools for financial educators

Below is an inventory of CFPB materials that you can use for free. Scan the titles and short descriptions, then follow the links for more information. The materials fall into four groups:

1. **Understanding the financial education field and practices** — Keep up with the financial education field and with promising and effective practices
2. **Understanding consumers** — Gain insights into consumer behaviors, motivations, perceptions, and attitudes, including challenges consumers face in the financial marketplace.
3. **Tools for financial educators** — Explore training materials and toolkits designed to improve your effectiveness and service to clients.
4. **Tools for consumers** — Help your clients with easy-to-digest Web tools and guides tailored to their needs.

1. Understanding the financial education field and practices

Resources on the financial education field, and what financial education practices are promising and effective.

1.1 Research reports

For many of these reports, you can jump to a brief summary of key points at the end of the document, and read the full report online.

Financial Coaching: A Strategy to Improve Financial Well-Being

This report describes the results of a rigorous evaluation of financial coaching, which found that financial coaching resulted in improvements in money management, objective financial health metrics, and subjective feelings of financial confidence. (Published in 2016).

View full report at https://www.consumerfinance.gov/documents/1291/102016_cfpb_Financial_Coaching_Strategy_to_Improve_Financial_Well-Being.pdf

Implementing Financial Coaching: Implications for Practitioners

This report shares insights into how to implement financial coaching. (Published in 2016).

View full report at
https://www.consumerfinance.gov/documents/1293/102016_cfpb_Implementing_Financial_Coaching_Implications_for_Practitioners.pdf

Financial Education Programs Serving Immigrant Populations

This report discusses the findings of a field scan looking at promising financial education programs that serve immigrant populations. (Published in 2016).

View full report at
https://www.consumerfinance.gov/documents/653/20160714_cfpb_report_fined_immigrant_May_20_2016_FINAL.pdf

Increasing saving at tax time and promising practices for the field

Tax time can offer an opportunity to set some money aside for goals or a rainy day. This report identifies ten promising practices that may help tax preparation programs be more successful at informing consumers about their tax-time saving options. (Published in 2015).

Read key takeaways in *Appendix A.*
View full report at: http://files.consumerfinance.gov/f/201509_cfpb_increasing-saving-at-tax-time-and-promising-practices-for-the-field.pdf

Empowering low income and economically vulnerable consumers: Report on a national convening

The low-income and economically vulnerable population includes as many as 100 million people, many of whom are un-banked, under-banked, or have thin or no credit files. These consumers are diverse in culture, geography, stage of life, and financial status. In 2012, the Office of Financial Empowerment hosted a forum to examine the unique consumer financial product and service needs of low-income and economically vulnerable consumers. This report captures the reflections and insights of attendees and describes some of the strategies the Bureau is pursuing to address the issues identified. (Published in 2013).

Read key takeaways in *Appendix B.*

View full report at: http://files.consumerfinance.gov/f/201311_cfpb_report_empowering-economically-vulnerable-consumers.pdf

Leveraging technology to empower mortgage consumers at closing (Findings from the e-closing pilot)

This report shares the results of a pilot program where the CFPB explored changes that can help consumers better navigate the closing process by accessing and signing their closing documents in different ways. Specifically, we examined what would happen if there was more technology involved in the mortgage closing process, with documents being delivered electronically earlier together with online tools and resources. (Published in 2015).

Read key takeaways in *Appendix C.*
View full report at: http://files.consumerfinance.gov/f/201508_cfpb_leveraging-technology-to-empower-mortgage-consumers-at-closing.pdf

Feedback from the Financial Education Field

Report that summarizes what we heard through listening sessions and a public comment process about effective financial practices and challenges facing the financial education field. (Published in 2013).

Read key takeaways in *Appendix D.*
View full report at: http://files.consumerfinance.gov/f/201305_cfpb_OFE-request-for-information-report.pdf

Navigating the Market: A comparison of spending on financial education and financial marketing

This report provides an estimate of the amounts spent in the U.S. on financial education and on the marketing of certain types of financial products. (Published in 2013).

Read key takeaways in *Appendix E.*
View full report at http://files.consumerfinance.gov/f/201311_cfpb_navigating-the-market-final.pdf

Rigorous evaluation of financial capability strategies: Why, when, and how

Report that summarizes a roundtable discussion with researchers, practitioners, and funders who have conducted or supported randomized controlled trials in the field of financial capability. (Published in 2014).

Read key takeaways in *Appendix F.*
View full report at http://files.consumerfinance.gov/f/201401_cfpb_report_rigorous-evaluation-financial-capability.pdf

Transforming the Financial Lives of a Generation of Young Americans

Report that contains policy recommendations for supporting the financial education and capability of American youth. (Published in 2013).

Read key takeaways in *Appendix G.*
View full report at: http://files.consumerfinance.gov/f/201304_cfpb_OFE-Policy-White-Paper-Final.pdf

Financial Wellness at Work

Report that contains case studies designed to educate employers about practices that can improve employees' financial health and increase worker productivity. (Published in 2014).

Read key takeaways in *Appendix H.*
View full report at: http://files.consumerfinance.gov/f/201408_cfpb_report_financial-wellness-at-work.pdf

Building financial capability in youth employment programs

Report that includes information on integrating financial education into youth employment programs, establishing partnerships with employers, and identifying effective strategies to collaborate with financial institutions. (Published in 2014).

Read key takeaways in *Appendix I*.

View full report at: http://files.consumerfinance.gov/f/201408_cfpb_report_financial-capability-in-youth-employment-programs.pdf

2. Understanding consumers

Resources that provide insights into consumer behaviors, motivations, perceptions, and attitudes, including data about the challenges facing consumers in the financial products and services marketplace.

2.1 Research reports

Consumer Insights on Managing Spending

This report summarizes CFPB research on helping consumers manage their spending by getting real-time spending feedback at the point of purchase.

The power of light-touch financial education: A demonstration with credit card revolvers

This report shares findings from focus groups with consumers about financial rules of thumb. Many consumers faced difficulties in acting on rules of thumb, and were interested in customizing “financial rules to live by” for their own situations.

Consumer Voices on Rules to Live By

This report shares findings from focus groups with consumers about financial rules of thumb. Many consumers faced difficulties in acting on rules of thumb, and were interested in customizing “financial rules to live by” for their own situations.

Consumer Voices on Automobile Finance

This report describes the findings of consumer focus groups and consumer complaint data about the challenges of navigating the auto financing process.
View full report at: http://files.consumerfinance.gov/f/documents/201606_cfpb_consumer-voices-on-automobile-financing.pdf

Financial Well-Being: The goal of financial education

Report that provides a conceptual framework for defining and measuring success in financial education by delivering a proposed definition of financial well-being and insight into the factors that contribute to it. (Published in 2015).

Read key takeaways in *Appendix O*.
View full report at http://files.consumerfinance.gov/f/201501_cfpb_report_financial-well-being.pdf

Other resources related to financial well-being are listed below.

Financial Well-Being: What it is and how to help

Short digest that summarizes the key findings of the Financial Well-Being Report and is intended as a tool to help financial education practitioners use the findings in a meaningful way to assist consumers.

View the digest at: http://www.consumerfinance.gov/reports/financial-well-being/

Measuring financial well-being: A guide to using the CFPB Financial Well-Being Scale

User guide to the Financial Well-Being Scale, a set of questions designed to allow practitioners and researchers to accurately and consistently measure the the financial well-being of consumers. (Published in 2015).

View the user guide at: http://files.consumerfinance.gov/f/201512_cfpb_financial-well-being-user-guide-scale.pdf

Digests on consumer financial challenges

These short digests provide ideas on how financial educators can help consumers manage common financial challenges. The digests cover savings for emergencies, budgeting, using credit cards, and managing cash flow. (Published in 2015).
Saving for Financial Shocks and Emergencies
Organizing and Managing Finances
Using Credit Cards
Managing Cash Flow and Bill Payments

Credit Invisibles

This report provides analysis of consumers with limited credit histories. (Published in 2015).
Read key takeaways in *Appendix J*.
View full report at: http://files.consumerfinance.gov/f/201505_cfpb_data-point-credit-invisibles.pdf

A closer look at reverse mortgage advertisements and consumer risks

The CFPB conducted focus groups to explore the issue of reverse mortgage advertisements, which are marketed to older homeowners and are found across many of the major media channels in the United States, including television, radio, print, and internet. (Published in 2015).

Read key takeaways in *Appendix K*.
View full report at: http://files.consumerfinance.gov/f/201506_cfpb_a-closer-look-at-reverse-mortgage-advertising.pdf

Mid-year update on student loan complaints

The Bureau received more than 2,300 private student loan complaints and more than 1,300 debt collection complaints related to student loans between October 2013 and March 2014. This mid-year update discusses specific co-signer issues reported by borrowers and also offers analysis and discussion to address other issues reported by consumers in the student loan marketplace. (Published in 2015).

Read key takeaways in *Appendix L*.
View full report at: http://files.consumerfinance.gov/f/201506_cfpb_mid-year-update-on-student-loan-complaints.pdf

Complaints received from servicemembers, veterans, and their families: A snapshot by the Office of Servicemember Affairs

This is the Bureau's third report detailing the data and trends surrounding complaints from servicemembers, veterans, and their families. This report discusses the types and trends of military consumer complaints the CFPB has handled since opening our doors in July 2011. (Published in 2015).

Read key takeaways in *Appendix M*.
View full report at: http://files.consumerfinance.gov/f/201504_cfpb_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf

Annual report of the CFPB student loan ombudsman 2015

This report takes a closer look at the problems experienced by certain student loan borrowers. The CFPB is particularly concerned about repayment problems facing those with older federal student loans that were made by banks and other private lenders. The Bureau found that servicing issues may make repaying student debt even harder for this group of borrowers, in particular. (Published in 2015).

Read key takeaways in *Appendix N*.
View full report at: http://files.consumerfinance.gov/f/201510_cfpb_annual-report-of-the-cfpb-student-loan-ombudsman.pdf

Consumer Voices on Credit Reports and Scores

Report based on focus groups with consumers about their experiences with and perceptions of credit reports and scores. (Published in 2015).

Read key takeaways in *Appendix P*.
View full report at: http://files.consumerfinance.gov/f/201502_cfpb_report_consumer-voices-on-credit-reports-and-scores.pdf

Consumers' Mortgage Shopping Experience

Report using data from the National Survey of Mortgage Borrowers to examine the early stages of getting a mortgage, consumer knowledge of the process of getting a mortgage, and the sources of information consumers relied on. (Published in 2015).

Read key takeaways in *Appendix Q*.
View full report at: http://files.consumerfinance.gov/f/201501_cfpb_consumers-mortgage-shopping-experience.pdf

2.2 Data Point and snapshot series

These reports include data on how consumers are faring in using financial products and services. The data is drawn from the CFPB's database of consumer complaints, or other research that we have conducted.

A Snapshot of Debt Collection Complaints Submitted by Older Consumers

Read key takeaways in *Appendix R*. (Published in 2014).
View full report athttp://files.consumerfinance.gov/f/201411_cfpb_snapshot_debt-collection-complaints-older-americans.pdf

A Snapshot of Reverse Mortgage Complaints

Read key takeaways in *Appendix S*. (Published in 2014).
View full report at: http://files.consumerfinance.gov/f/201502_cfpb_report_snapshot-reverse-mortgage-complaints-december-2011-2014.pdf

Data Point: Medical Debt and Credit Scores

Read key takeaways in *Appendix T*. (Published in 2014).

View full report at: http://files.consumerfinance.gov/f/201405_cfpb_report_data-point_medical-debt-credit-scores.pdf

Data Point: Checking Account Overdraft

Read key takeaways in *Appendix U*. (Published in 2014).

View full report at: http://files.consumerfinance.gov/f/201407_cfpb_report_data-point_overdrafts.pdf

Data Point: Payday Lending

Read key takeaways in *Appendix V*. (Published in 2014).

View full report at: http://files.consumerfinance.gov/f/201403_cfpb_report_payday-lending.pdf

Consumer Response: A Snapshot of Complaints Received

Read key takeaways in *Appendix W*. (Published in 2014).

View full report at: http://www.consumerfinance.gov/reports/2014-consumer-response-annual-report/

Complaints received from servicemembers, veterans, and their families 2011-2014

Read key takeaways in *Appendix X*. (Published in 2014).

View full report at: http://files.consumerfinance.gov/f/201504_cfpb_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf

Consumer Credit Reports: A Study of Medical and Non-Medical Collections

Read key takeaways in *Appendix Y*. (Published in 2014).

View full report at: http://files.consumerfinance.gov/f/201412_cfpb_reports_consumer-credit-medical-and-non-medical-collections.pdf

A Snapshot of Older Americans and Mortgage Debt

Read key takeaways in *Appendix Z*. (Published in 2014).

View full report at: http://www.consumerfinance.gov/reports/snapshot-of-older-consumers-and-mortgage-debt/

Credit Reporting Complaint Snapshot

Read key takeaways in *Appendix AA*. (Published in 2014).

View full report at: http://files.consumerfinance.gov/f/201402_cfpb_snapshot_credit-reporting-complaints.pdf

3. Tools for financial educators

Resources that you can use in your programming to improve your effectiveness and service to consumers.

3.1 Toolkits and other resources

Managing spending: Ideas for financial educators

This brief digest has tips for financial educators with ideas on ways to help consumers create budgets, track expenses, and get regular feedback on spending.

Helpful shortcuts for credit card use: Ideas for Financial Educators

Digest of tips for educators on how to use financial rules of thumb in their work with consumers, especially re: credit card use.

Financial Rules to Live By: Ideas for Financial Educators

This digest has tips for financial educators to help consumers modify common financial guidance to fit their own resources, circumstances, and aspirations.

Your Money, Your Goals

Toolkit for social services organizations that equips case managers and frontline staff to be competent and comfortable in providing financial empowerment services to their clients. There are also associated available training materials, including a recorded train-the-trainer webinar.

Protecting Vulnerable Youth from Credit Reporting Problems

The Bureau developed tools, including sample letters for ordering credit reports for foster youth and for disputing credit report errors. The tools include tip sheets to provide guidance to caseworkers who are responsible for pulling and cleaning up credit reports for youth in foster care. (Published in 2014).

Specialty Credit Reporting list

This guide is an updated list of consumer reporting agencies (CRAs) — companies that collect information and provide reports on consumers that are used to decide whether to provide consumers credit, insurance, or employment, and for other purposes. If consumers find information in their report that they believe is inaccurate or incomplete, they have the right under the FCRA to dispute the report's content with the CRA and the company that furnished the data. (Published in 2015).

Managing Someone Else's Money State Guides

Millions of Americans are managing money or property for a loved one who is unable to pay bills or make financial decisions. To help financial caregivers, the Bureau released easy-to-understand Managing Someone Else's Money guides. Each guide contains information on the fiduciary's responsibilities and tips on how to spot financial exploitation and avoid scams. Also, each guide includes a 'Where to go for help' section with a listing of relevant agencies and service providers. For each guide we provide links to download the guide as a PDF, which is best for web viewing, or to order a printed copy through GSA. (Published in 2013).

LinkedIn CFPB Financial Education Discussion Group

The LinkedIn CFPB Financial Education Discussion Group is a forum through which financial educators, researchers, and others can share information and best practices with the Bureau, learn from one another, and see what the Bureau is doing to help consumers and advance the work that financial educators, researchers, and others do.

Advancing K-12 Financial Education: A Guide for Policymakers

A resource guide meant to help connect policymakers with tools, information, and insights to enhance K-12 financial education efforts. (Published in 2015).

Youth Financial Education Curriculum Review Tool

This resource can help subject-matter experts such as curriculum developers and practitioners to review financial education materials and determine which curriculum best suits their students. It identifies relevant evaluation criteria and offers parameters for reviewing materials so direct comparisons can be made. (Published in 2015).

Ready, Set, Save! Resources for Tax Preparers

For tax preparers, we've created a training webinar and workbook, promotional materials, and taxpayer tools to help you encourage taxpayers to save part of their refund. (Published in 2015).

The Money Smart Program for Youth

The Money Smart Program is a financial education program for youth that the Bureau developed in conjunction with FDIC.

Libraries: Community Education Project

Helps librarians identify, build, and document opportunities for collaboration; a collection of free government financial education materials for libraries; marketing materials to promote financial education in the library; financial education training for librarians; and programming ideas that have proven successful for other libraries and financial education providers.

Remittances campaign materials

Materials to help consumers understand their rights related to transmitting money overseas.

Money Smart for Older Adults

Instructor-led training curriculum developed jointly by the FDIC and the The CFPB. The curriculum is designed to raise awareness among older adults and their caregivers on how to prevent elder financial exploitation. (Published in 2013).

Managing Someone Else's Money

Guides for nonprofessional financial caregivers, specifically agents under powers of attorney, court-appointed guardians, trustees, and government fiduciaries (Social Security representative payees and VA fiduciaries). (Published in 2015).

Protecting residents from financial exploitation – A manual for assisted living and nursing facilities

Guide created to help assisted living and nursing facility staff better protect the people in their care from financial exploitation through prevention and early intervention. (Published in 2014).

Employer's Guide to Assisting Employees with Student Loan Repayment

Toolkit providing resources for public service employers – like school districts and nonprofit organizations – to help their employees tackle student debt and qualify for existing student loan repayment benefits. (Published in 2013).

Find a Housing Counselor

Searchable database allowing financial educators or consumers to find housing counselors in their geographic area.

3.2 CFPB publications

Brochures and Fact Sheets

The CFPB has a set of brochures, bookmarks, fact sheets, fliers, worksheets, and posters that can be downloaded or ordered in bulk. Many of these publications are available in other languages, as noted below.

3.2.1 Bank Accounts

Do You Know If You Have Opted in for Debt and ATM Overdraft Coverage?

What you must know about debit card and ATM overdraft coverage. Plus, how to reduce or eliminate debit card and ATM overdraft fees.

Keep a Lid on Checking Account Fees

Six steps to reduce your checking account fees.

Moving Your Checking Account Checklist

A 10–step checklist for closing your current checking account and opening a new checking account.

3.2.2 Brochures about the CFPB

Ask CFPB Bookmark

Two bookmarks: #1 highlights the Consumer Finance Protection Bureau's "Ask the The CFPB" program; #2 encourages consumers to share their financial services experiences.

How to Submit a Complaint

This brochure explains to consumers how to submit a complaint to the The CFPB. Includes contact information and the issues that we are taking complaints about.

3.2.3 Credit

Act Fast if You Can't Pay Your Credit Cards

Three steps to take when you don't have enough money to pay your credit card bill. How to avoid debt-counseling scams.

Check Your Credit Report

Free ways to check your credit report to find and fix mistakes, update your information, and guard against identity theft.

Understand your credit score

Banks, credit card companies and other businesses use credit scores to estimate how likely you are to pay back money you borrow.

Credit Discrimination is Illegal

Eight warning signs of credit discrimination and what to do if you believe you've been discriminated against.

How to Find the Best Credit Card for You

Consumers may not be aware that add-on services are optional or cost more. This consumer advisory warns consumers to watch out for these extra fees.

How to fix mistakes in your credit card bill

Follow these five steps to dispute incorrect charges or fees.

How to Stop Mystery Credit Card Fees

Eight warning signs of credit discrimination and what to do if you believe you've been discriminated against.

Know your rights when a debt collector calls

When a debt collector calls, your best response is to confront the situation head-on.

Watch accounts closely when card data is hacked

Keep a close eye on your account activity and report suspicious transactions quickly if you believe someone stole your credit or debit card information.

You Have a Right to See Specialty Credit Reports

Consumers may not know about all the specialty credit reporting agencies collecting information about them. This consumer advisory instructs consumers that these agencies exist and that they have the right to get free reports every 12 months.

Pension Advance Products

Be wary of loans based on your pension or benefits payments. They may charge outrageous interest rates and in the case of veterans are often against the law.

3.2.4 Money management

My New Money Goal

Having a plan is the easiest way to reach new money goals, navigate changes in income, or switch priorities in our lives. You would not start a road trip without mapping it out first, and the same is true with your finances. This guide will help you gain a clear view of where your money goes now so you can more easily decide where you want it to go in the future.

Remittance Transfer Rule Factsheet for Stakeholders

This detailed factsheet is designed to help stakeholders, counselors, instructors and others explain the remittance transfer rule, its protections and consumer rights. It explains when the rule applies, to whom, the information given to consumers and what to do if errors occur. This two-page factsheet is also available in Spanish.

Save Some & Spend Some

Free and easy ways to split your tax refund between accounts so you can spend some and save some of your money.

SAVED: Five steps for making financial decisions

To find the best deal when you buy a financial product or service stop, ask, verify, estimate and decide.

Unwrapping Gift Cards. Know the Terms and Avoid Surprises

Explains the rights consumers have when it comes to gift cards. It also explains what to do if you give or get gift cards.

Your Disaster Checklist

Checklist to help consumers gather the financial information they would need after an emergency. It contains spaces for account information and customer service numbers as well as checklists of other important documents they should have in case of an emergency.

Send Money Abroad With More Confidence

This 8.5–by–11–inch flier is perfect for downloading and printing from your computer. It reminds senders of international money transfers that new protections are available to them. This flier is also available in Spanish, Chinese, French–Creole and Tagalog.

Send Money Abroad With More Confidence (Poster)

Help senders of international money transfers learn about the new protections and rights available to them with this 24–by–36–inch poster. The poster contains the The CFPB's phone number and Web address for more information, or order *Send money abroad with more confidence* brochures and consumer factsheets too. This poster is also available in Spanish, Chinese, French-Creole and Tagalog.

Send Money Abroad With More Confidence (Brochure)

This 3.75–by–8.5–inch brochure outlines the new protections now available to senders of international money transfers. It also reminds consumers that not all companies that send international money transfers are covered by the new federal rule. This brochure is also available in Spanish, Chinese, French-Creole and Tagalog.

Send Money Abroad With More Confidence (Fact Sheet)

This fact sheet offers consumers a more detailed explanation about their new rights and protections when they send international money transfers covered by a new federal rule. This single–side 8.5–by–11–inch fact sheet can be downloaded and easily printed.

3.2.5 Mortgages

Considering a Reverse Mortgage

Important questions to ask when you talk to a housing counselor about your reverse mortgage options and alternatives.

Ready to buy a home?

Owning a home can give you stability and security, and protection from rising housing costs.

Shopping for a mortgage

Make it your goal to compare at least three loan offers from different lenders.

Should I refinance?

Refinancing happens when you pay off your current mortgage with money from a new mortgage.

What the new The CFPB mortgage rules mean for families and homeowners

Useful for housing counselors and others who need a step-by-step, detailed breakdown of the The CFPB foreclosure procedures and mortgage servicing policies related to loss mitigation applications.

Summary of The CFPB foreclosure avoidance procedures

Summary of The CFPB foreclosure rules for mortgage servicers. Summarizes key timelines and deadlines for borrowers to apply for alternatives to foreclosure that may be available.

Need help with your mortgage? Don't get scammed

Describes what a mortgage relief scams are and offers tips on how to spot and avoid them. It also includes information on how to get help.

Ready to buy a home? (Spanish)

This document outlines some of the questions consumers should ask when they are ready to purchase a home.

Should I refinance? (Spanish)

This document provides common reasons for refinancing and some of the warning signs to check for before refinancing.

Shopping for a mortgage (Spanish)

This document outlines a number of important questions to ask when shopping around for a mortgage.

How to avoid foreclosure (English)
How to avoid foreclosure (Spanish)

This document provides four important steps that consumers can take in order to take control when they are having trouble paying a mortgage.

3.2.6 Special populations (servicemembers and students)

The CFPB Office of Servicemember Affairs

How the the CFPB provides servicemembers, military families and veterans with information and tools to make wise financial decisions and avoid unfair financial business practices.

For Servicemembers: Tackling student loan debt

Servicemembers: You have options for lowering your student loan interest rate, reducing your monthly payments now and possibly qualifying for loan forgiveness after 10 years. Learn the steps.

Military Money 1-2-3: How to Pick a Bank Account

Follow these guidelines to find a military-friendly bank account that meets your needs and offers good rates.

Choosing your student loan

These action steps will help guide you toward the right student loans for you.

Manage your college money

These action steps can steer you to the best banking services as you start college.

4. Tools for consumers

Bureau tools aimed at consumers, which financial educators can use in working with their clients.

4.1 Web tools and consumer guides

Financial Rules to Live By worksheets

Consumers can use these four worksheets to develop rules that are based on their own financial situations, and commit to taking action. There are worksheets around savings, checking your credit report, credit card spending, and spending and budgeting.

Consumer tips for managing spending

Consumers can use this worksheet to get ideas on how to track their spending, create a budget, decide how much to spend, and get feedback on their spending.

Comparing Auto Loans worksheet

Consumers can use this worksheet to compare loan offers, see the total cost, and negotiate the best deal on an auto loan.

Take Control of Your Auto Loan

Consumers can use this guide to navigate the auto financing process, including budgeting considerations, understanding the auto finance process, shopping for an auto loan, negotiating and closing the deal.

Owning a Home

This is a suite of tools and resources to help consumers navigate the home-buying process. The tools included in Owning a Home are listed below.

Loan Estimate Explainer

This tool helps consumers review their Loan Estimate and get definitions for unfamiliar terms.

Closing Disclosure Explainer

Lenders are required to provide Closing Disclosures three business days before a scheduled closing. This tool will help consumers double-check that all the details in a Closing Disclosure are correct.

Explore Interest Rates

This tool uses data from real lenders and is updated every business day in the evening. The lenders in our data include a mix of large banks, regional banks, and credit unions.

Your Closing Checklist

Closing is one of the most important parts of the home-buying process. This guide will help consumers prepare for closing so they can sign your papers with confidence.

Guide to Closing Forms

This tool provides descriptions of four important closing forms: The Promissory Note, the Mortgage/Security Instrument, the Initial Escrow Disclosure, and the Right to Cancel form.

Your Home Loan Toolkit

This booklet is a toolkit that can help consumers make better choices along their path to owning a home. It is designed to help home-buyers get the best mortgage for their situation, understand the closing costs and what it takes to buy a home, and a few ways to be a successful homeowner.

Help for Struggling Borrowers

This guide will aid in determining when a borrower is delinquent for purposes of Regulation X's early intervention requirement, sets forth a step-by-step guide to the loss mitigation process under the new servicing rules, and discusses when a servicer can initiate a foreclosure under the new rules. The guide also discusses how to resolve servicer errors and how to request information from a servicer. This guide summarizes certain mortgage rules finalized by the CFPB in 2013, but it is not a substitute for the rules.

Shopping for a Mortgage? What You Can Expect Under Federal Rules (Also available in Spanish, Chinese, French, Haitian Creole, Korean, and Tagalog)

This 18-page booklet explains the federal rules that protect consumers when they are shopping for a new mortgage.

Have a Mortgage? What You Can Expect Under Federal Rules (Also available in Spanish, Chinese, French, Haitian Creole, Korean, Tagalog)

This 11-page booklet explains the federal rules that protect consumers as they manage their mortgage payments.

CFPB en Español

CFPB en Español provides Spanish-speaking consumers a central point of access to the Bureau's most-used consumer resources available in Spanish.

Submit a complaint

To submit a complaint about a consumer financial product or service, visit consumerfinance.gov/complaint or call 855-411-CFPB (2372). The CFPB's contact centers can assist consumers in over 180 languages.

Ask CFPB

Ask CFPB is an interactive online tool that gives clear, unbiased answers to common financial questions.

Paying for College

This is a suite of tools and resources to help students and former students to make smart decisions about financing their college education.

Tell your story

This feature allows consumers to share experiences and stories with the CFPB to provide insight into how we work to protect consumers and create a fairer marketplace.

Newcomer's Guides to Managing Money

These guides are intended to provide recent immigrants with straightforward information about basic money decisions. Each guide features short tips to help new immigrants and people who may be new to the U.S. banking system avoid financial pitfalls. (Published in 2015).

Checking Account Guides

These guides are resources to help consumer select a checking account product that is suited to their financial needs. (Published in 2016).

Resources for parents

This page provides a range of information to help parents communicate with their children about money and financial issues.

Know Your Financial Adviser

This is a four-page guide to help ask the right questions in shopping for an adviser with a title suggesting expertise in senior financial planning.

Debt Collection Sample Letters

These are five action letters that consumers can consider using when replying to debt collectors. These letters can help consumers get valuable information about claims being made against them or protect themselves from inappropriate or unwanted collection activities.

Appendix A:

Increasing saving at tax time and promising practices for the field

For the past three years, the Consumer Financial Protection Bureau has provided information and training to staff and volunteers at community VITA programs around the country to promote saving at tax time. Through these engagements with VITA providers and other experts in the field, we have identified ten promising practices that may help tax preparation programs be more successful at informing consumers about their saving options, which in turn may help consumers follow through on their savings goals while filing their tax return. These practices are:

1. Communicate with consumers about saving before they come to the tax site.
2. Offer the saving option more than once at the tax site.
3. Make sure tax preparers know how to help consumers save while filing.
4. Dedicate staff or volunteers to promoting saving.
5. Use “anchoring” and prompts to help consumers focus on a savings goal.
6. Make sure all staff and volunteers commit to encouraging savings.
7. Don’t overwhelm consumers with too many different types of options.
8. Provide incentives to encourage saving.
9. Provide multiple options for saving.
10. Make saving fun.

Go back

Appendix B:

Empowering low income and economically vulnerable consumers: Report on a national convening

The CFPB's Office of Financial Empowerment hosted a national convening in Washington, DC on November 28-29, 2012 to discuss strategies that address the unique consumer financial product and service needs of low-income and economically vulnerable consumers. Participants in this convening ncluded representatives from financial institutions, federal, state and municipal government, industry innovators, researchers, funders, regulators, consumer advocates, senior CFPB staff and others. This report summarize the views expressed by participants at the convening. Key insights from the convening included:

- **Access to financial services.** Consumers with low incomes face a number of policy-related, institutional, and personal barriers that restrict their access to the financial system. Institutional barriers range from lack of physical access, identification requirements, unaffordable service fees, and lack of products that align with their needs. Participants suggested that financial institutions and service providers can pursue several strategies to counteract barriers to accessing basic financial services, including actions to:
  - Better understand the needs of the consumer and create products that fit those needs,
  - Meet consumers where they are, sometimes away from the branch in the community,
  - Engage with partners that already serve low-income consumers, to build trust,
  - Provide incentives for participation in the mainstream financial system,
  - Craft technology solutions that work for low-income consumers, and
  - Maintain engagement for consumers who are not technologically proficient or prefer the human touch.

- **Access to credit.** Consumers with low incomes are less likely than other consumers to be able to access affordable credit; they often use high-cost alternative products to meet their needs. Several features of the credit market are particularly challenging for many consumers with low incomes. Some of the biggest barriers include their inability to qualify for loans because they have

little, poor, or no credit history; lack of general understanding about credit and the type of loans that would be most useful; lack of knowledge about how to correct their credit reports or improve their scores; and a general perception that the credit system is inaccessible to them. Participants reported that consumers could greatly benefit from:
  - Increased access to credit reports and scores,
  - Specialized financial education, and
  - More accessible and affordable products and services that are tailored to fit their credit needs and capacity to repay.

- **Financial outcome metrics**. There is wide agreement among stakeholders in the empowerment field that it is extremely important to have accurate and descriptive outcome and impact metrics to measure consumers' progress. There is agreement as well on the need to improve and possibly standardize outcome measures so that various approaches can be compared. But it is difficult to establish uniform standards to measure progress toward financial empowerment because of the variety of strategies and interventions used and the multiple dimensions of human situations. Inside many service organizations, there are institutional challenges to generating consistent information. These include inexperience in evaluation, lack of capacity, lack of funding, and privacy concerns. To address some of the challenges, participants suggested:
  - Dedicating more funding for evaluation and separating it from funding for service delivery,
  - Clarifying why and how metrics help the initiative succeed,
  - Engaging consumers and clients by using metrics,
  - Understanding the client base and how it is evolving, and
  - Timing the collection of program outcome data so that it serves the client, the service provider, and the researcher alike.

  Convening participants identified several roles that government could play in rationalizing financial-empowerment data collection, including:
  - Improving the accuracy and consistency of outcome data to make it more credible,
  - Connecting practitioners with professional evaluators,
  - Creating a financial health index that could be used as a standard in the field,
  - Enhancing existing national financial surveys to include more empowerment indicators, and
  - Creating a mechanism to expand knowledge-sharing within the empowerment field.

- **Scale: defining it, planning for it, achieving it.** Participants defined scale in a variety of ways: penetration within a specific population; reaching large numbers of people; and/or increasing efficiency to reduce the unit costs of service delivery. Among the identified barriers to achieving scale were misaligned public policies, lack of sufficient infrastructure, and resource limitations that constrain growth. To address these barriers, participants suggested:

- Leveraging partnerships to increase capacity and efficiency,
- Aligning incentives for both users and key stakeholders to maximize benefit,
- Defining success measures and establishing benchmarks in advance,
- Improving information-collection systems to better analyze cost, and
- Using universal design principles to create efficient and equitable delivery systems.

Go back

Appendix C:

Findings from the e-closing pilot

As part of the CFPB's broader efforts to improve the mortgage process for consumers, the Bureau looked at one important part of a mortgage transaction: the closing process - the last step before a consumer is contractually obligated to their loan.   This report examines what would happen if there was more technology involved in the mortgage closing process, with documents being delivered electronically earlier together with online tools and resources. The electronic delivery and signing of closing documents using electronic signatures is sometimes referred to as eClosing.

We conducted a pilot research program, with lenders and technology vendors, to evaluate eClosing processes and their role in influencing the consumer experience. The purpose of our pilot was to explore whether the use of eClosing technology combined with more time to review closing documents with embedded educational tools can help consumers navigate the closing process. We also wanted to see how these changes might improve efficiencies in the lending process.

Seven lenders participated in this pilot; some had prior experience conducting eClosings and others instituted the necessary process changes for this pilot. In addition to gathering data from lenders and settlement agents, we also surveyed consumers who closed loans with these lenders. We decided to evaluate the eClosing solutions of the pilot on three dimensions of the consumer experience: empowerment, understanding, and process efficiencies during the closing process.

Evidence from the data, surveys, and interviews collected during this pilot indicates that eClosing solutions enhanced certain aspects of the overall consumer experience with the mortgage closing process. For example:

- On average, eClosing borrowers in the pilot had higher scores than paper borrowers on our measured outcomes, including perceived empowerment, understanding (perceived and actual), and efficiency.

    - The largest differences between borrowers who participated in an eClosing and a paper closing were in our measures of perceived empowerment and efficiency.
- Consumers who received and reviewed documents before the closing meeting reported feeling more empowered in the closing process, with higher levels of perceived understanding and efficiency. Additionally, these consumers had higher scores on the actual understanding quiz relative to those who did not review documents before the meeting.
    - Differences were particularly pronounced in purchase transactions.
    - Early document review was more prevalent in eClosing than in paper closings.
- Most pilot borrowers with access to CFPB educational materials stated that they used these materials and reported that they were useful.
    - Borrowers in the pilot who used educational materials reported higher empowerment in the closing process, less confusion, and clearer understanding than those who did not use them.
- Detailed analysis revealed important nuances among transaction types on eClosings relative to paper closings in the pilot.
    - For purchase transactions in the pilot, borrowers experiencing an eClosing scored higher than consumers in the paper closing group on perceived understanding and actual knowledge, and the relationship was even more pronounced in measures of perceived empowerment.
    - For refinance transactions in the pilot, results were mixed on the measured outcomes among paper closings, base eClosings, and advanced eClosings.
- eClosing transactions in the pilot exhibited shorter closing meetings and earlier document delivery, which matched higher scores on consumer perceptions of efficiency.
    - On average, consumers experiencing an eClosing in the pilot received the documents more quickly after the documents were cleared to close and consumers had longer periods of time to review documents than consumers who did a paper closing.
    - eClosing meetings in the pilot, on average, were reported to be much shorter than paper closings, particularly for purchases.
    - Borrower perceptions of efficiency were higher for eClosing borrowers than for borrowers in the paper closing group
- First-time homebuyers, low/moderate income borrowers and borrowers with the most years of formal education all had the largest positive gains between paper and eClosing, yet all scored relatively low on our measures of understanding and perceived empowerment.

Go back

Appendix D:

Feedback from the Financial Education field

The CFPB conducted a national public comment process and listening sessions in four regions of the country (St. Louis, New York City, the Mississippi Delta region, and San Francisco) to learn about effective financial practices and challenges facing the financial education field. What we learned included the following:

- Some consumers are unaware of basic principles of how to manage their financial lives and often find the financial services marketplace challenging to navigate due to its complicated language, legalistic orientation, and general complexity.
- Many consumers struggle to balance competing financial priorities and many seek help only when deeply in crisis.
- Many consumers did not necessarily lack information that was relevant to financial decision making, but such information was often both overwhelming and incomprehensible.
- There are a number of challenges facing financial education efforts nationally. Those challenges include the multitude of approaches, providers, and standards of quality.
- There is little systematic evidence about which approaches are most effective, for whom, and under what conditions. An additional challenge is that funding for financial education does not appear to be sufficient relative to the demand.
- There are significant challenges regarding financial education research and data. One set of challenges relates to the lack of adequate data on the financial well-being of consumers. Other challenges focus on the uncertainty of a clear connection between financial knowledge and behavior.

Go back

Navigating the Market: A comparison of spending on financial education and financial marketing

To understand the wide range of information sources consumers are exposed to in making financial decisions, the CFPB commissioned a study of the size and scope of the financial information field. The study found the following:

- Approximately $670 million is spent annually on providing financial education by federal, state, and local governments, financial institutions, nonprofit organizations, charitable foundations, and others.
- The financial services industry spends approximately $17 billion annually marketing consumer financial products and services (not including marketing of products related to retirement, college loans, and other investments).
- As a nation, we spend about two dollars per person per year on financial education.
- Spending in financial services marketing translates to about $54 per person per year.
- This translates to 25 times as much spent every year on the marketing of financial products and services as is spent on financial education.

These results are estimates and should not be treated as precise measures of spending. While the study does not explore the effect of this spending disparity on consumer decisions, it provides a meaningful comparison when we consider consumers' financial education needs.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/navigating-the-market/

Go back

Appendix F:

Rigorous evaluation of financial capability strategies: Why, when, and how

Randomized controlled trial (RCT) evaluations select units (individuals, schools, neighborhoods, etc.) at random from the same population, and assign them to one of at least two groups: treatment (sometimes called experimental) or control. Such a process helps to make the treatment and control groups equivalent—for example, with respect to motivation, ability, knowledge, socioeconomic and demographic characteristics, etc.—at the start of the study. Then, if all goes well, any differences in outcomes between the treatment and control groups observed after the intervention can be attributed to the intervention specifically. Where feasible, the RCT is the preferred way to measure a program's effectiveness. However, not all financial capability programs are well-suited to be the subject of such rigorous evaluation. Those that are best suited have the following elements:

- Scalability and replicability
- Organizational capacity and size
- Program stability
- Adequate funding for program operations and evaluation and buy-in from funders
- Buy-in and research planning participation from front line staff
- Close working relationship between evaluators and providers

Researchers face a number of challenges in designing and executing RCT evaluations of financial capability programs. The convening participants identified common obstacles to do with research design, research implementation, and data collection and analysis, and they offered ideas for overcoming these challenges.

Even the most elegantly designed RCT can face difficulties when study implementation begins. Practitioners need the most support when transitioning from planning the study to starting the study. Participants had the following insights for moving smoothly from the design to implementation phases.

- Prepare, prepare, prepare
- Enlist (and budget for) a research coordinator
- Align data collection efforts
- Expect bumps along the way

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/rigorous-evaluation-of-financial-capability-strategies-why-when-and-how/

Go back

Appendix G:KEY TAKEAWAYS

Transforming the Financial Lives of a Generation of Young Americans

The white paper provides an overview of the financial decision-making context and surveys some existing efforts in the K-12 financial education field, and addresses each of these elements with a comprehensive youth financial education strategy. The paper includes five overarching policy recommendations:

- Introduce key financial education concepts early and continue to build on that foundation consistently throughout the K-12 school years. In addition, CFPB encourages states to make a stand-alone financial education course a graduation requirement for high school students.
- Include personal financial management questions in standardized tests.
- Provide opportunities throughout the K-12 years to practice money management through innovative, hands-on learning opportunities.
- Create consistent opportunities and incentives for teachers to take financial education training with the express intention of teaching financial management to their students.
- Encourage parents and guardians to discuss money management topics at home and provide them with the tools necessary to have money conversations with their children.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/transforming-the-financial-lives-of-a-generation-of-young-americans/

Go back

Appendix H: KEY TAKEAWAYS

Financial Wellness in the Workplace

This report is a resource for employers, nonprofits, and others interested in promoting financial wellness in the workplace. In the wake of the recession, many employers have seen how financial distress reduces worker productivity, increases absenteeism, and undermines employee health. Forward-looking employers have begun to take action, adopting creative approaches to enhance employee financial well-being. This report looks at how innovative companies are leveraging technology, peer-to-peer relationships, and promising practices to find low-cost, high-impact ways to promote financial wellness at work.

Promising practices to promote financial wellness in the workplace include the following:

- Listening to employees and establishing trust.
- Tapping peer-to-peer support.
- Leveraging technology to lower costs and deliver scale.
- Forging or tapping into public-private partnerships.
- Presenting financial wellness at onboarding.

Additional observations from employers include the following:

- Successful financial wellness programs are cost-effective.
- Employers say employees highly value effective financial wellness programs delivered in the context of a trusting work environment.
- Some financial wellness programs support the development of more successful financial habits by addressing emotional factors that may contribute to poor financial decision-making.
- Employers would find it helpful to better quantify how financial wellness programs benefit employees and employers.

Source: Consumer Financial Protection Bureau

Learn more: http://www.consumerfinance.gov/reports/financial-wellness-at-work/

Go back

Appendix I: KEY TAKEAWAYS

Building financial capability in youth employment programs

Youth employment programs present a promising opportunity for helping disadvantaged youth acquire the financial knowledge, skills, and access to resources they need to effectively manage their finances through adulthood. This report provides an overview of lessons learned during a 2013 roundtable we convened in collaboration with other federal agencies on the Financial Literacy and Education Commission (FLEC). The roundtable focused on three important components: integrating financial education into youth employment programs, establishing partnerships with employers, and identifying effective strategies to collaborate with financial institutions.

Key takeaways from the roundtable include:

- Partnerships with the private sector, nonprofit organizations, government agencies, financial institutions, and youth are necessary for successful program implementation. The key to creating successful partnerships is to identify overlapping priorities or goals of each participating organization, and to align the role of each partner with the resources (time, money, etc.) that they can dedicate to the effort.
- Financial education should be tailored to the needs of youth, employers, and financial education providers. Financial education is more efficient when seamlessly integrated into a program's structure to account for the time and resource constraints of youth, employers, and financial education providers. In addition to structure and delivery, financial information should be tailored to address a young person's specific needs and priorities. Youth are a diverse population, and financial information delivered in a youth employment program should be "just in time," or relevant at the time someone is facing a particular life choice or for a decision they will face in the near future. Financial education should also be actionable and provide opportunities to apply knowledge in real time so that it is appropriate to a young person's current life priorities.

- Financial products offered to youth should be carefully selected by weighing the costs and risks of various options. All of the communities highlighted here seek to capitalize on the “teachable moment” of employment to provide safe and affordable financial products for youth to use, with the goals of helping youth avoid high fees, encouraging savings, and connecting young people to mainstream financial services. However, financial institutions’ understanding of, and compliance with, identification, residency and “know your customer” regulatory requirements may pose barriers to entry into the financial system for youth.

- Organizations should develop explicit strategies for engaging youth in the short and long term. Efforts to engage youth are important both during and after the employment program. During employment programs, organizations have used social media, peer training facilitators, and incentives to encourage more youth to adopt positive financial habits. Organizations have a captive audience while the young people are employed. However, organizations struggle to make the financial components persistent, or “sticky,” after youth exit the program. Long-term engagement strategies include involving family members and friends, and providing access to financial education and products outside the employment program.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/building-financial-capability-in-youth-employment-programs/

Go back

Appendix J: KEY TAKEAWAYS

Credit Invisibles

Key takeaways:

- As of 2010, 26 million consumers in the United States were credit invisible, representing about 11 percent of the adult population. An additional 19 million consumers, or 8.3 percent of the adult population, had credit records that were treated as unscorable by a commercially-available credit scoring model. These records were about evenly split between those that were unscored because of an insufficient credit history (9.9 million) and because of a lack of recent history (9.6 million).
- There is a strong relationship between income and having a scored credit record. Almost 30 percent of consumers in low-income neighborhoods are credit invisible and an additional 15 percent have unscored records. These percentages are notably lower in higher-income neighborhoods. For example, in upper-income neighborhoods, only 4 percent of adults are credit invisible and another 5 percent have unscored credit records.
- Blacks and Hispanics are more likely than Whites or Asians to be credit invisible or to have unscored credit records. About 15 percent of Blacks and Hispanics are credit invisible (compared to 9 percent of Whites and Asians) and an additional 13 percent of Blacks and 12 percent of Hispanics have unscored records (compared to 7 percent of Whites). These differences are observed across all age groups, suggesting that these differences materialize early in the adult lives of these consumers and persist thereafter.

Go back

Appendix K: KEY TAKEAWAYS

A closer look at reverse mortgage advertisements and consumer risks

Key Takeaways:

- Some reverse mortgage advertisements tend to confuse the consumers they seek to reach. Therefore, it's important for those considering a reverse mortgage to understand how long their loan proceeds will last them given the loan's interest rate, their living expenses, home equity balance, and age.
- The "fine print" on both paper advertisements and television ads was not legible by consumers in the focus groups
- The marketing of reverse mortgage proceeds as "tax free" unquestionably contributed to some consumers' confusion that reverse mortgages are not loans.
- Consumers misunderstood the role of government in several reverse mortgage loans
- Consumer reported that the primary use for their reverse mortgage loans was "lifestyle enhancement", which was emphasized in the advertisements for these loans

Go back

Appendix L: KEY TAKEAWAYS

Mid-year update on student loan complaints

Key Takeaways

- The CFPB received more than 3,100 private student loan complaints between October 1,2014, and March 31, 2015, a 34% increase over the prior reporting period. The CFPB also received approximately 1,100 debt collection complaints related to student loans during this period.
- Many private student lenders advertise options to release a co-signer from a private student loan. However, lenders' and servicers' policies related to this benefit are often opaque and may create significant roadblocks for borrowers seeking to release a cosigner. Most lenders and servicers generally do not proactively notify borrowers when they may be eligible. Consequently, the overwhelming majority of private student loan borrowers in our sample did not apply for a co-signer release. Of those who did apply, the rejection rate was 90%, on a weighted average basis.
- Borrowers submitted complaints to the CFPB noting that private student loan companies rejected their application for a co-signer release because they had previously accepted the servicers' offer of postponing payment through forbearance. These company policies can permanently ban a consumer from seeking co-signer release for the life of the loan.
- The CFPB reviewed a selection of private student loan contracts representing the majority of the market. Most contracts include clauses that have been interpreted to lead to a default in some cases even if the loan is in good standing, such as "auto-default" clauses where private student lenders and servicers place a loan into default when a borrower's co-signer dies or files for bankruptcy. These practices may constitute a violation of the law, depending on the circumstances.

- Private student loan companies claim that they do not intend to trigger these defaults. However, the CFPB continues to receive complaints from borrowers subjected to an auto-default, particularly when their loan has been sold or is held in a securitization trust.
- To increase the quality of customer service related to co-signers in the private student loan market, private student lenders and servicers should clearly state the required factors to obtain a co-signer release, proactively notify borrowers when they can apply, and warn borrowers about actions that might lead to disqualification.
- The market for student loan refinance products has rapidly grown, but current practices by some student loan servicers have created bureaucratic barriers for borrowers to pursue lower rates through refinancing. Complaints received by the CFPB indicate that borrowers are having trouble obtaining accurate payoff statements in order to refinance, as well as experiencing payment processing errors and delays. Depending on the circumstances, this may constitute a violation of the law.
- To increase the quality of customer service related to refinancing in the private student loan market, private student loan servicers should make payoff statements electronically available to borrowers and cooperate with innovators to facilitate a simpler refinance process.

Go back

Appendix M:

Complaints received from servicemembers, veterans, and their families: A snapshot by the Office of Servicemember affairs

Key takeaways:

- The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) created the Office of Servicemember Affairs (OSA) to see that military personnel and their families receive a strong financial education so they can make better-informed consumer decisions; to monitor their complaints about consumer financial products or services; and to coordinate the efforts of Federal and State agencies to improve consumer protection measures relating to those products or services for military families.
- Between July 21, 2011 and December 31, 2014, approximately 29,500 complaints were submitted by servicemembers. The most common type of complaints dealt with debt collection and mortgage. There were also many complains about credit reporting, credit cards, bank accounts or services, consumer loan, student loans and payday loans.
- The most common type of debt collection complaint is about continued attempts to collect a debt that is not owed. In many of these cases, the attempt to collect the debt is not itself the problem; rather, servicemembers assert that the calculation of the underlying debt is inaccurate or unfair.
- The most common type of mortgage complaint involves problems servicemembers face when they are unable to make payments, such as issues relating to loan modifications, collections, or foreclosures.
- Many servicemembers who submit credit reporting complaints highlight the ongoing fear that any negative information on their credit report may cause their security clearance to be pulled when it's up for review. Military consumers have an added fear that any missed payments or inaccurate reporting could potentially affect their military career.

- During 2014, OSA connected with approximately 7,000 servicemembers, veterans, military families, and other stakeholders through a number of live events across the United States and abroad.
- Throughout 2014, we received numerous complaints from servicemembers and their families telling their stories about fees. These complaints all underscored one central fact: due to an aspect of their military service, fees associated with their credit cards or bank accounts were difficult to avoid, causing unnecessary stress and additional financial hardship. As a result, the OSA has three suggested practices:
    - Companies should provide clear instructions on how a person designated by a servicemember may gain access to an account, and what things that person can and cannot do with the account. If different levels of access exist, this should be clearly explained, along with instructions on how the servicemember account holder can authorize each level.
    - Companies should proactively notify military consumers about any POA company policies. This should include whether or not POAs are accepted, and, if so, which type is required based on the consumer's needs. If a company requires a specific format or language for a POA, that should be provided on its website. Legal Assistance offices within the military routinely prepare both General and Specific POAs, and can generally include whatever specific language a client needs within the Specific POAs. Companies should provide clear guidance to their military consumers about the language or format they require so that the servicemember can be sure to create a sufficient POA.
    - Companies should ensure they have feasible methods of communication for all their consumers. For military consumers, limiting communication to telephone or fax to resolve issues greatly impacts the ability of deployed servicemembers to conduct bank business, especially if that communication is only available during US business hours.

Go back

Appendix N: KEY TAKEAWAYS

Annual report of the CFPB student loan ombudsman 2015

Key takeaways:

- Between October 1, 2014 and September 30, 2015, the Bureau handled approximately 6,400 private student loan complaints, an increase of approximately 23 percent compared to that of the previous year. The Bureau also handled 2,300 debt collection complaints related to private and federal student loans.
- Borrowers with both private and federal student loans continue to submit complaints describing servicing and debt collection practices that create barriers to enroll in alternative repayment plans, including income-driven repayment plans for borrowers with federal loans. As private student lenders expand proprietary modification offerings for borrowers in distress, private student loan borrowers report that they encounter servicing problems, including lack of access to timely and accurate information on availability or eligibility criteria to enroll in alternative repayment programs.
- This report highlights how economic and other incentives for student loan servicers may encourage servicing practices that contribute to borrower distress, particularly for federal student loans originated by private lenders under FFELP. These loans constituted the vast majority of all new federal student loans until Congress eliminated this program in 2010. From 2006 to 2009, these loans made up more than 75 percent of all new federal student loans. As of June 30, 2015, consumers still owe more than $370 billion in student loans made under this program.

- The following report details analysis from a voluntary request sent by the Bureau's Student Loan Ombudsman to certain market participants, asking for data about loans originated under FFELP and held by private investors. The report also describes certain limitations of this data, noting that it may not be representative of all borrowers with FFELP loans and differences in loan maturity, portfolio composition, and availability of certain benefits may contribute to these results. This analysis finds:

    - The FFELP data we received shows that less than 6 percent of borrowers in our sample are enrolled in income-driven repayment plans. In contrast, borrowers with federal loans made directly by the Department of Education enroll in these plans at nearly three times the rate.
    - The FFELP sample shows substantial signs of borrower distress. More than 20 percent of FFELP borrowers in this sample are delinquent or have suspended their monthly payments by using forbearance, but are not yet in default.
    - FFELP borrowers in the sample with past-due balances owe higher balances than delinquent borrowers with Direct Loans, raising questions about whether borrowers who may be able to benefit from income-driven repayment plans are not enrolling.
- The report also offers recommendations to policymakers, calling for the compilation of regular performance metrics on student loan servicing, including data on delinquencies and defaults as well as data on borrower performance in income-driven repayment plans. Policymakers should consider compiling and publishing data on a periodic basis to facilitate comparison in performance among student loan servicers.

Go back

Appendix O:

Financial Well-Being

This report describes our initial research into how people acquire financial capability. We undertook this work using a team of expert researchers to specifically to inform financial education and improve consumer outcomes. Our overarching objective is to determine how to define and measure the success of different financial literacy strategies so that we have a basis for measuring different strategies' effectiveness. And for this, we need to define the end goal of financial education.

This project provides a conceptual framework for defining and measuring success in financial education by delivering a proposed definition of financial well-being, and insight into the factors that contribute to it. This framework is grounded in the existing literature, expert opinion, and the experiences and voice of the consumer garnered through in-depth, one-on-one interviews with working-age and older consumers.

FINANCIAL WELL-BEING DEFINED

The definition of financial well-being that we propose is based on the consumer perspective revealed by the nearly 60 hours of open-ended interviews our research team conducted. Our research suggests financial well-being can be defined as a state of being wherein you:

- Have control over day-to-day, month-to-month finances
- Have the capacity to absorb a financial shock
- Are on track to meet your financial goals
- Have the financial freedom to make the choices that allow you to enjoy life

FINANCIAL BEHAVIORS

Four types of behaviors are hypothesized to support financial well-being:

- Effective routine money management, which encompasses often unconscious habits, intuitions, and decision-making shortcuts (heuristics)

- Financial research and knowledge-seeking, which support purposeful, informed financial decision-making
- Financial planning and goal-setting, which give purpose and structure to individual financial decisions
- Following through on financial decisions, the final step between intentions and desired outcomes

FINANCIAL KNOWLEDGE

- Knowing when and how to find reliable information to make a financial decision
- Knowing how to process financial information to make sound financial decisions
- Knowing how to execute financial decisions, adapting as necessary to stay on track. A growing consensus points toward this notion of financial ability: that in addition to the acknowledge component, financial literacy has an action component—that is, the ability or skills to put financial knowledge to use

PERSONAL TRAITS

- Comparing yourself to your own standards, not to others (internal frame of reference)
- Being highly motived to stay on track in the face of obstacles (perseverance)
- Having a tendency to plan for the future, control impulses, and think creatively to address unexpected challenges (executive functioning)
- Believing in your ability to influence your financial outcomes (financial self-efficacy)

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/financial-well-being/

Go back

Appendix P: KEY TAKEAWAYS

Consumer Voices on Credit Reports and Scores

This report summarizes the work CFPB has done to better understand consumers' perspectives on their credit reports and scores. To better help consumers make well-informed financial decisions and achieve their financial goals, we at the CFPB have sought to increase our understanding of what consumers know and how they think about key financial topics. Listening to consumers informs how we design our financial education initiatives. CFPB conducted focus groups with consumers from diverse backgrounds across the country. Through this research, we examined issues such as whether consumers were checking their credit scores and reports, how they were doing it, and what motivated them to check it.

Key findings include:

- Consumers who had seen their reports or scores accessed them from a variety of channels
- Some consumers reported being confused and frustrated about how to check credit reports and scores, what information these include, and how to improve them.
- Consumers may lack information to take action to improve their credit histories
- Consumers who are more engaged in the financial system check their credit reports regularly

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/consumer-voices-on-credit-reports-and-scores/

Go back

Appendix Q:KEY TAKEAWAYS

Consumers' Mortgage Shopping Experience

This report uses data from the National Survey of Mortgage Borrowers to examine the early stages of getting a mortgage, consumer knowledge of the process of getting a mortgage, and the sources of information consumers relied on. Key findings of this report include:

- Almost half of consumers who take out a mortgage for home purchase fail to shop prior to application; that is, they seriously consider only a single lender or mortgage broker before choosing where to apply. The tendency to shop is somewhat higher among first-time homebuyers.

- The primary source of information relied on by mortgage borrowers is their lender or broker, followed by a real estate agent. Fewer consumers obtain information from outside sources, such as websites, financial and housing counselors, or personal acquaintances (such as friends, relatives, or coworkers).

- Most consumers report being "very familiar" with the types of mortgages, available interest rates, and the process of taking out a mortgage. Those who are unfamiliar with the mortgage process are less likely to shop and more likely to rely on real estate agents or personal acquaintances.

- A sizeable share of borrowers report that factors not directly related to mortgage cost, including the lender or broker's reputation and geographic proximity, are very important in their decision making. Borrowers who express such preferences are much less likely to shop.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/consumers-mortgage-shopping-experience/

Go back

Appendix R: KEY TAKEAWAYS

A Snapshot of Debt Collection Complaints Submitted by Older Consumers

This data point report highlights the primary source of complaints from consumers age 62 and older. Key findings included:

- Older consumers submit more complaints about debt collection than about any other product or service.
- Older consumers experience a range of problems – from the dearth of basic information about the debts being collected, and collection attempts that target the wrong consumer, to collectors' use of coercive, offensive or misleading communications.
- Consumers in general often tell us that these practices lead to confusion about how to respond to collection attempts and some say it causes them severe distress and anxiety.
- A rising number of older consumers carry debts into retirement.
- Informed debt management and protection from collector misconduct are increasingly critical to older consumers' long-term financial security and well-being. This holds especially true for those older consumers who live on a fixed income, derive their income primarily from federal benefits, or lost significant assets and savings in the recent recession.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/a-snapshot-of-debt-collection-complaints-submitted-by-older-consumers

Go back

Appendix S: KEY TAKEAWAYS

A Snapshot of Reverse Mortgage Complaints

Reverse mortgages are a special type of loan that allows homeowners, 62 and older, to borrow against the accrued equity in their homes. Reverse mortgages can help some older homeowners meet financial needs, but they can jeopardize retirement security if not used carefully.

This report provides an overview of consumer complaints submitted to the CFPB involving reverse mortgages from December 2011 through December 2014. The most common reverse mortgage complaint is about difficulty with changing the loan terms, and problems communicating with loan servicers. Key findings include:

- One of the most common types of reverse mortgage complaint involves requests to change loan terms. Consumers report frustration with the terms of their loans, often due to confusion with loan requirements. For example, reverse mortgage loan amounts and repayment triggers are structured around the age of the borrower, and some consumers complain that they are unable to add an additional borrower to their loan in order to extend the life of the loan and defer repayment.
- The second most common complaint the CFPB receives on reverse mortgages concerns loan servicing issues. Some consumers describe slow, unresponsive, or inconsistent loan servicing operations. Examples include:
- Unreturned phone calls or written requests
- Delays in processing information requests and performing appraisals
- Inaccurate or inconsistent record keeping for loan documents
- Married couples that borrowed in the name of only one spouse continue to face challenges.

- Non-borrowing spouses have submitted complaints distraught that they are facing foreclosure after their borrowing spouse dies.
- Some consumers complain that they were unaware they would lose their home after the borrowing spouse dies. Some consumers report that they were misled by their loan originator that they could add the non-borrowing spouse at a later date.
- Borrowers continue to default on reverse mortgages due to non-payment of property taxes and homeowners insurance.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/snapshot-of-reverse-mortgage-complaints-december-2011-2014/

Go back

Appendix T: KEY TAKEAWAYS

Data Point: Medical Debt and Credit Scores

This data point report looks at whether medical and non-medical collections are equally predictive and whether paid and unpaid medical collections are equally predictive of consumer delinquency rates. The findings are:

- Consumers with more medical than non-medical collections had observed delinquency rates that were comparable to those of consumers with credit scores about 10 points higher.
- Consumers with more paid than unpaid medical collections had delinquency rates that were comparable to the rates of consumers whose credit scores were roughly 20 points higher. That is, consumers with paid medical collections were less likely to be delinquent than other consumers with the same credit score.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/data-point-medical-debt-and-credit-scores/

Go back

Appendix U: KEY TAKEAWAYS

Data Point: Checking Account Overdraft

This data point report presents the results of several analyses of consumers' experiences with overdrafts at a number of large banks. Key findings of this report with respect to the banks studied include:

- Overdraft and non-sufficient funds (NSF) fees constitute the majority of the total checking account fees that consumers incur. For opted-in consumers, overdraft and NSF fees account for about 75 percent of their total checking account fees and average over $250 per year.

- Most overdraft fees are paid by a small fraction of bank customers: eight percent of customers incur nearly 75 percent of all overdraft fees.

- The propensity to overdraft generally declines with account holder age, with 10.7 percent of the 18-25 age group having more than 10 overdrafts per year, but only 2.8 percent of the 62 and over age group falling into this category.

- The number of overdraft transactions and fees varies substantially with opt-in status. Opted-in accounts are three times as likely to have more than 10 overdrafts per year as accounts that are not opted in. Opted-in accounts have seven times as many overdrafts that result in fees as accounts that are not opted in. Disentangling the causal nature of the relationship between opt-in status and overdrafting would require further analysis.

- Transactions that lead to overdrafts are often quite small. In the case of debit card transactions, the median amount that leads to an overdraft fee is $24 and the median amount of a transaction that leads to an overdraft fee for all types of debits is $50.

- Most consumers who overdraft bring their accounts positive quickly, with more than half becoming positive within three days and 76 percent within one week.

Source: Consumer Financial Protection Bureau

Learn more: http://www.consumerfinance.gov/reports/data-point-checking-account-overdraft/

Go back

Appendix V: KEY TAKEAWAYS

Data Point: Payday Lending

This data point report presents the results of several analyses of consumers' use of payday loans. The focus of the analyses is loan sequences, the series of loans borrowers often take out following a new loan. Key findings of this report include:

- Over 80% of payday loans are rolled over or followed by another loan within 14 days (i.e., renewed). Same-day renewals are less frequent in states with mandated cooling-off periods, but 14-day renewal rates in states with cooling-off periods are nearly identical to states without these limitations. We define loan sequence as a series of loans taken out within 14 days of repayment of a prior loan.

- While many loan sequences end quickly, 15% of new loans are followed by a loan sequence at least 10 loans long. Half of all loans are in a sequence at least 10 loans long.

- Few borrowers amortize, or have reductions in principal amounts, between the first and last loan of a loan sequence. For more than 80% of the loan sequences that last for more than one loan, the last loan is the same size as or larger than the first loan in the sequence. Loan size is more likely to go up in longer loan sequences, and principal increases are associated with higher default rates.

- Monthly borrowers are disproportionately likely to stay in debt for 11 months or longer. Among new borrowers (i.e., those who did not have a payday loan at the beginning the year covered by the data) 22% of borrowers paid monthly averaged at least one loan per pay period. The majority of monthly borrowers are government benefits recipients.

- Most borrowing involves multiple renewals following an initial loan, rather than multiple distinct borrowing episodes separated by more than 14 days. Roughly half of new borrowers (48%) have one loan sequence during the year. Of borrowers who neither renewed nor defaulted during the year, 60% took out only one loan.

Source: Consumer Financial Protection Bureau

Learn more: http://www.consumerfinance.gov/reports/cfpb-data-points-payday-lending/

Go back

Appendix W: KEY TAKEAWAYS

Consumer Response: A Snapshot of Complaints Received

This report provides an overview of how Consumer Response handles complaints and presents an analysis of complaints received over the period from between January 1, 2014 and December 31, 2014. During this time, the CFPB received approximately 250,700 consumer complaints. Approximately 67% of all consumer complaints were submitted through the CFPB's website and 9% via telephone calls. Referrals accounted for 15% of all complaints received. The rest were submitted by mail, email, and fax.

DEBT COLLECTION COMPLAINTS (35% OF ALL COMPLAINTS)

- The most common type of debt collection complaint is about continued attempts to collect a debt that the consumer reports is not owed. In many of these cases, the attempt to collect the debt is not itself the problem; rather, consumers assert that the calculation of the amount of underlying debt is inaccurate or unfair. In other cases, the consumer complains about the furnishing of information to credit reporting agencies.

- Consumers also complained about the lack of debt validation received from debt collectors and consumers often ask collectors for additional documentation to support the debt.

- Complaints about communication tactics, particularly telephone collections, are another common type of consumer complaint.

MORTGAGE COMPLAINTS (20% OF ALL COMPLAINTS)

- The most common type of mortgage complaint continues to involve problems consumers face when they are unable to make payments, such as issues relating to loan modifications, collections, or foreclosures. In particular, consumers still complain about delays and ambiguity in the review of their modification applications.

- Consumers also complained about issues they encountered while pursuing short sales or after foreclosure proceedings had been initiated

- Other common types of mortgage complaints address issues related to making payments, including loan servicing, posting of payments, or management of escrow accounts.

CREDIT REPORTING CARD COMPLAINTS (18% OF ALL COMPLAINTS)

- The most common type of credit reporting complaint continues to be about incorrect information appearing on the consumer's credit report, such as information that does not belong to the consumer, incorrect account status, and incorrect personal information.

- Among consumers' complaints about incorrect information appearing on their credit report, the most common concerns were about incorrect account status and information that does not belong to the consumer. Some consumers report having to deal with the reappearance of incorrect account information on their credit reports, including inaccurate collection accounts, they had previously disputed and corrected. Other consumers express frustration with having to correct information that does not belong to them.

- Another common type of complaint is about issues with credit reporting companies' investigations of information disputed by consumers. Consumers report that credit reporting companies sometimes return findings on their disputes within only a few days, and consumers question the depth and validity of such quick investigations.

Bank accounts or services (8%), credit cards (7%) , consumer loans (4%), student loans (3%), payday loans (2%), and money transfers, prepaid, and other financial services (less than 2% combined) made up the remainder of the complaints**.**

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/2014-consumer-response-annual-report

Go back

Complaints received from servicemembers, veterans, and their families 2011-2014

This report provides an overview of the handling and analysis of complaints submitted by servicemembers, veterans, and their families to the Bureau from July 21, 2011 through December 31, 2014. Between July 21, 2011 and December 31, 2014, the CFPB handled approximately 518,400 consumer complaints. Approximately 59% of all consumer complaints were submitted through the CFPB's website and 9% via telephone calls. Referrals accounted for 22% of all complaints received, with the remainder submitted by mail, email, and fax.

DEBT COLLECTION COMPLAINTS (39% OF ALL COMPLAINTS)

- The most common type of debt collection complaint is about continued attempts to collect a debt that is not owed. In many of these cases, the attempt to collect the debt is not itself the problem; rather, servicemembers assert that the calculation of the underlying debt is inaccurate or unfair.

- Complaints about communication tactics, particularly telephone collections, are another common type of consumer complaint. Servicemembers complain about telephone collections that are too frequent and that come at inconvenient times of the day. They also complain about debt collectors calling their place of employment or third parties.

- Many servicemembers who have submitted debt collection complaints report troubles with the collection of unpaid amounts on their military-affiliated credit cards. Specifically, servicemembers have reported garnishment of their wages and tax refunds years after the original debt was incurred.

MORTGAGE COMPLAINTS (24% OF ALL COMPLAINTS)

- The most common type of mortgage complaint involves problems servicemembers face when they are unable to make payments, such as issues relating to loan modifications, collections, or foreclosures. Servicemembers with successfully completed loan modifications have complained that some servicers do not amend derogatory credit reporting accrued by servicemembers during trial periods – even when documents provided to the consumers by servicers indicated that they would do so.

CREDIT REPORTING CARD COMPLAINTS (9% OF ALL COMPLAINTS)

- The most common type of credit reporting complaint is about incorrect information appearing on the consumer's credit report, such as information that does not belong to the consumer, incorrect account status, and incorrect personal information.
- Many servicemembers who submit credit reporting complaints highlight the ongoing fear that any negative information on their credit report may cause their security clearance to be pulled when it's up for review. Military consumers have an added fear that any missed payments or inaccurate reporting could potentially affect their military career.

Bank accounts or services (8%), credit cards (7%) , consumer loans (5%), student loans (3%), payday loans (2%), and money transfers, prepaid, and other financial services (less than 2% combined) made up the remainder of the complaints.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/complaints-received-from-servicemembers-veterans-and-their-families-2011-2014/

Go back

Appendix Y: KEY TAKEAWAYS

Consumer Credit Reports: A Study of Medical and Non-Medical Collections

Roughly half of all collections tradelines that appear on credit reports are reported by debt collectors seeking to collect on medical bills claimed to be owed to hospitals and other medical providers. These medical debt collections tradelines affect the credit reports of nearly one-fifth of all consumers in the credit reporting system.

This paper describes characteristics of the medical and non-medical collections tradelines on consumers' credit reports, and the processes by which they appear and disappear. It draws on analysis of data contained through our Consumer Credit Panel (CCP); consumer complaints to the CFPB about collections; and interviews with debt collection agencies, healthcare providers, and other observers of the healthcare billing and payment processes. Key findings include:

- **Collections tradelines affect many consumers.** Nearly one-third of consumers with credit reports (31.6 percent) have one or more collections tradelines on their credit reports. About 19.5 percent of credit reports - nearly one in five - contain one or more medical collections tradelines, while 24.5 percent contain one or more non-medical tradelines.

- **Most collections tradelines result from unpaid bills rather than unpaid loans. Over half are medical.** More than two-thirds of all collections tradelines (67.5 percent) – and over 80 percent of those tradelines that can be attributed to a particular creditor or provider -- are reported on accounts that originated with a healthcare provider, utility company, or telecommunications company. These are companies that generally do not regularly report payment history to the national credit reporting agencies and almost all rely on their collection agencies to report on accounts in collections. Medical collections tradelines account for over half (52.1 percent) of all collections tradelines with an identifiable creditor or provider.

- **Most collections tradelines are for small amounts. Medical collections tradelines are even smaller than non-medical tradelines**. The median unpaid non-medical collections tradeline is $366 (with an average of $1,000). Medical unpaid collections tradelines are even smaller with a median of $207 and average of $579. These contrast with the much larger amounts that are due on credit cards or student loans that are seriously delinquent (more than 120 or 150 days past due). Such accounts average several thousand dollars.

- **Information on collections tradelines are furnished to the three largest nationwide consumer reporting agencies by a vast array of collectors.** We can identify approximately 1,400 different entities that furnish collections account information in our 5percent sample of credit reports. The degree of fragmentation varies significantly by the type of debt in collections. Medical debt reporting is highly fragmented, with the top furnisher accounting for only 3 percent of medical collections tradelines and the top 10 furnishers accounting for only 18 percent of those tradelines. In contrast, the top furnisher for telecommunications collections accounts for 37 percent of collections tradelines while the top 10 furnishers account for 83 percent of collections tradelines in that industry.

- **Third-party contingency collectors who furnish much of the collections tradeline information have indirect and short term ties to the underlying debt.** Third-party collectors report information about their accounts in collections only during the time that they are assigned the accounts by their creditor clients. Most of these tradelines appear on credit reports when the account is assigned to the third party, and then disappear or “fall-off” the report at the end of the assignment period. Rates of fall-off vary by collections type, with medical debt having a lower fall-off rate than other types of collections tradelines. The large number of collectors furnishing information on collections tradelines and their indirect affiliation with the debt introduces potential sources of error in collections reporting.

- **Collections tradelines can represent a wide variety of consumer circumstances when they appear on credit reports.** There are no objective or enforceable standards that determine when a debt can or should be reported as a collections tradeline. Creditors may elect to sell a debt to a debt buyer or send a debt to a third-party collections agency or in-house collections department at varying times in the collection cycle. Debt buyers and collectors determine whether, when, and for how long to report a collections account as a collections tradeline. Practices vary by type of account and within particular industries. Because of these variations, there is only a limited relationship between the recency and severity or of a delinquency and when or whether a collections tradeline appears on a consumer's credit report.

- **Medical bills can be a cause of confusion and uncertainty and can result in collections tradelines for consumers who are uncertain about what they owe, to whom, when, or for what.** The process of incurring medical expenses and the process by which such expenses are turned into medical bills differs from recurring bills issued by installment lenders, credit card companies, utilities, and telecommunications companies. Lack of price transparency and the complex system of insurance coverage and cost sharing means many consumers, including those who have health coverage, receive medical bills that are a source of confusion. Among consumers who have submitted complaints to the Bureau about debt collection problems, medical collections complaints are much more likely to be about the existence, amount, or information pertaining to the debt than non-medical collections complaints.

- **A large portion of consumers with medical debts in collections show no other evidence of financial distress and are consumers who ordinarily pay their other financial obligations on time.** 22 percent of consumers with collections tradelines (7 percent of all consumers with credit reports) have only medical collections tradelines. These consumers owe less, have more available credit which they could use to repay their debt, and are more reliable payers than consumers with non-medical collections tradelines or than consumers with both types of collections tradelines. Indeed, of the consumers with only medical collections tradelines, approximately 50 percent have otherwise "clean" credit reports with no indication of serious past delinquencies.

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/consumer-credit-reports-a-study-of-medical-and-non-medical-collections/

Go back

A Snapshot of Older Americans and Mortgage Debt

This snapshot includes analysis of survey data, which describes the growing number of older consumers carrying mortgage debt, and the risks that this trend presents to their financial security.

Key findings include:

- **More senior homeowners with mortgages**: Older consumers are carrying more mortgage debt into their retirement years than in previous decades. For homeowners age 65 and older, the percentage carrying mortgage debt increased from 22 percent to 30 percent from 2001 to 2011.
- **Median mortgage debt for seniors increased by 82 percent**: From 2001 to 2011, the median amount older homeowners owed on mortgages increased 82 percent from about $43,300 to $79,000.
- **Less affordable housing**: More than half of the 4.4 million retired homeowners with mortgage debt spend 30 percent or more of their household income in housing related costs.

The study also looked into mortgage complaints submitted to the CFPB by older consumers:

- From July 2011 through December 2013, consumers age 65 and older have submitted approximately 15,500 complaints on a range of financial products and services.
- About one third (32 percent or 4,936) of their complaints are about mortgages.

- The most common types of mortgage complaints from older consumers (46 percent) are about problems they face when they are unable to make payments (such as issues relating to loan modifications, collections, or foreclosures).
- Other common types of mortgage complaints (32 percent) involve problems older consumers have when making payments (such as issues with loan servicing, payments, and escrow accounts).

Source: Consumer Financial Protection Bureau
Learn more: http://www.consumerfinance.gov/reports/snapshot-of-older-consumers-and-mortgage-debt/

Go back

Appendix AA: KEY TAKEAWAYS

Credit Reporting Complaint Snapshot

Listening to consumers and reviewing and analyzing their complaints is an integral part of our work in understanding issues in the financial marketplace, and helping the market work better for consumers. Between October 22, 2012 and February 1, 2014, we handled about 31,000 complaints from consumers frustrated with credit reporting companies. Key findings include:

INCORRECT INFORMATION ON A CREDIT REPORT

- 73% of consumers' credit reporting complaints are about incorrect information appearing on a credit report. Other common types of credit reporting complaints are about issues with credit reporting companies' investigations of information disputed by consumers (11%) and the inability to get a credit report or credit score (9%).

- Among consumers' complaints about incorrect information appearing on their credit report, the most common concerns were about incorrect account status (35%) and information that doesnot belong to the consumer (19%).

CREDIT REPORTING COMPANY'S INVESTIGATION

- Some consumers report having to deal with the reappearance of incorrect account information on their credit reports, including inaccurate collection accounts, they had previously disputed and corrected. Other consumers express frustration with having to correct information that does not belong to them.

- In complaints where consumers had issues with credit reporting companies' investigations of information they disputed, consumers most commonly reported problems with the company's statement of dispute (4%) and problems with not having received notice of the investigation's status or results (4%).

- Consumers sometimes question the depth and validity of the investigations performed, given how quickly credit reporting companies sometimes return findings. Additionally, consumers report frustration when they have submitted documentation that should call into question the accuracy of the information provided by the data furnisher.

- Consumers are also sometimes confused about the extent to which the credit reporting agencies are obligated to provide consumers with validation and documentation of a debt which appears on their credit report.

INABILITY TO GET CREDIT REPORT OR CREDIT SCORE

- Consumers' complaints about an inability to get credit reports or credit scores most commonly reported problems getting their free annual report (4%) and getting their credit report or credit score (4%).

Source: Consumer Financial Protection Bureau

Learn more: http://www.consumerfinance.gov/reports/credit-reporting-complaint-snapshot/

Go back