

June 21, 2013

THE CFPB EXPANDS ITS PUBLIC DATABASE AND MAKES IT EASIER TO TARGET YOUR COMPANY

On March 28, 2013, the Consumer Financial Protection Bureau (CFPB) announced that it was going to share its database with the public, thereby “creating greater transparency in consumer financial products and services.” It did so, and as of May 31, the database has ballooned from approximately 19,000 complaints largely isolated to credit card issues to more than 113,000 complaints covering credit cards, mortgages, student loans, bank accounts, services and auto loans. With more than 10,000 complaints per month being added to the database, companies must be even more vigilant in regularly searching and responding to database “hits.”

In May, the CFPB announced that it was adding more categories to the database and was making it searchable by state. This is important to your company because, as we have seen with every other category on which the CFPB has collected data, the number of complaints in these new categories will grow at an exponential rate. Now is the time to think through a preparation strategy. In order to be prepared:

1. Have a system in place to regularly search and respond to database “hits.”
2. Assume your company will be listed in the database eventually and plan for that eventuality.
3. Swiftly and efficiently respond to both public complaints and CFPB inquiries.
4. Utilize the database to formulate best practices and to monitor trends.
5. Leverage the database to differentiate your company from its competitors.

Two additional new categories in the database relate to credit reports and money transfers. As of June 14, 2013, over 7,220 credit reporting complaints had been received in approximately eight months. More than 70 money transfer complaints have been received since the CFPB began accepting these types of complaints just two months ago.

When submitting a credit reporting complaint, the database prompts the consumer to enter information regarding the allegedly incorrect information on a credit report, the problems with the credit reporting company’s investigation, improper use of a credit report, inability to obtain a credit report or credit score, and problems with credit monitoring or identity protection services.

When submitting a money transfer complaint, the database prompts the consumer to enter information about whether the money was available when promised, whether the wrong amount was charged or received, whether there were incorrect or missing disclosures, or whether other incidents of fraud or nondisclosure occurred.

[Brownstein’s](#) CFPB Task Force can help you be prepared before your company’s name appears in the database. We can assist you in setting up processes that enable you to respond to both public complaints and CFPB inquiries. If you have additional questions regarding how the database is already influencing your business, please contact one of our team members.

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