



## CFPB Collects More than 55K Consumer Complaints

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The [Consumer Financial Protection Bureau](#) recently passed its one-year anniversary, and Monday, the agency released its semi-annual report for 2012 highlighting its achievements in the first half of this year.

The Bureau, which now consists of 889 staff members, has spent the past six months conducting research on various consumer financial products, building and initiating platforms for consumer complaints, supervising and regulating financial entities, and preparing and enacting enforcement actions when businesses do not comply.

The CFPB accepts consumer complaints through its [website](#), and by phone, mail, and fax. Between July 21, 2011 and June 30, 2012, the CFPB received 55,300 complaints about consumer finance products, according to a [press release](#) from the agency.

Some of the top consumer complaints include, inability to modify or refinance mortgage loans, inability to refinance or consolidate student loans, confusion regarding credit scores, and confusion regarding various terms of credit.

The greatest single source of complaints, making up 43 percent of all complaints made to the CFPB, was mortgages.

A little more than half of the mortgage-related complaints had to do with problems consumers encountered when they were unable to make their monthly payment.

When the CFPB receives a complaint, it informs the company involved. The company has the opportunity to respond to the complaint, and the consumer may then either accept or dispute the company's response.

As of the date of the report, 44 percent of company responses were accepted by consumers. Seventeen percent were disputed, and the remaining 40 percent of complaints were awaiting consumer reaction.

In addition to accepting and monitoring consumer complaints, the CFPB is reaching out to consumers through its [Know Before You Owe](#) campaign, which aims to make consumer finance products easier for consumers to understand.

The CFPB has also spent much of the past six months drafting rules to reform the mortgage finance system and “bring greater transparency and accountability to mortgage servicing,” according to the agency.

The CFPB is the first government agency established to protect consumers in the financial marketplace.

“Consumers deserve to be treated fairly, and to have someone stand on their side when they are not,” said Richard Cordray, director of the CFPB.

As for the agency’s progress so far, Cordray said, “The CFPB has used the tools at our disposal for the benefit of consumers in the past year, and we pledge to continue to do so as we work to promote a transparent, fair, and competitive consumer financial marketplace.”

However, the agency, which was established by the highly contentious Dodd-Frank Act, has met with much opposition as it works toward its intended goal.

The CFPB currently faces a [lawsuit](#) challenging its constitutionality. The lawsuit is brought forth by two conservative groups and a lone community banker from Texas, who suggests the CFPB holds too much power over who qualifies for home loans.

In June, public interest group, Judicial Watch, filed a Freedom of Information Act [lawsuit](#) against the CFPB to gather more information on Cordray’s appointment to his post, which was performed by the president without Senate approval.

Industry experts have also warned of the CFPB’s potential harm to the nation’s economy. [Mark Calabria](#), director of financial regulation studies at the [Cato Institute](#), estimates the agency has already cost the economy 150,000 jobs because of its impact on the cost of consumer credit.

In a recent [congressional testimony](#) Calabria expressed his concern that the CFPB’s structure “reduces transparency and accountability.” He urged that “diligent and constant Congressional oversight is badly needed.”