

Ms. Catherine West
Bureau of Consumer Financial Protection
Washington, D.C.

Ms. Zixta Martinez
Bureau of Consumer Financial Protection
Washington, D.C.

May 25, 2011

Ms. West and Ms. Martinez:

We the undersigned consumer, civil rights, good government, and community groups, and members of Americans for Financial Reform (AFR) are writing to express our firm belief that consumers need access to a public complaint database that will provide them with the tools to make wise pre-purchase choices based in part on experiential information shared by fellow consumers about companies with which they've done business. It is essential that this information be available to consumers prior to committing to a contract, taking out a loan, or opening a financial account.

A publicly accessible, user-friendly, searchable system that allows individuals to research companies, specific complaint types and/or actual products or services helps create a competitive, well functioning marketplace for consumers and corporations alike. Indeed, companies with strong records of standing behind their products and services will benefit from a publicly searchable database, and those that work to resolve consumer complaints in a timely and effective manner stand to gain.

Other federal agencies, such as the National Highway Traffic Safety Administration and the Consumer Product Safety Commission currently offer consumer access to their complaint databases. In fact, some in the auto industry have concluded that public access is a public service.

Public access to consumer complaint data achieves both transparency and accountability. Data transparency allows the public to hold this new federal agency accountable for its actions and creates a better understanding of how the agency is working on its behalf.

Many of our groups have expressed in recent comments the need for researchers, academics and individuals to also have access to complaint data to be able to assist the Bureau in spotting trends before they balloon into serious problems. Imagine the benefit to all, if the CFPB had been able to detect and restrain the growth of predatory loans prior to the financial meltdown and foreclosure crisis that we are still trying to recover from today.

Industry too works best when it knows it's being observed, which explains why lenders must report public mortgage lending data under the Home Mortgage Disclosure Act (HMDA). Access to actual complaint data also removes the hollow argument that consumer complaints are merely anecdotal. What's more, consumers are more likely to engage with the CFPB when there is concrete evidence that their complaints are taken into account.

Certain sensitive information, such as personally identifying information, SSNs, account numbers, and FICO scores, must remain private, but how a consumer has fared with a company and how complaints have been resolved – or not – can help empower individuals to make smart decisions upfront, and save the CFPB time and money by helping consumers avoid potential problems. Moreover, apart from sensitive information, complaint data will not be confidential in any event; it will be publicly available under the Freedom of Information Act (FOIA). Any effort to insist that complaint data be kept private should be viewed as the threat to transparency that it is.

Resolution status could be incorporated into the complaint listing, as well as a company's brief response to those issues that have not been resolved.

Providing easy access to a public complaint database will likely be a significant way this agency assists the people it is intended to help.

Sincerely,

Americans for Financial Reform
Center for Responsible Lending
Citizens for Responsibility and Ethics in Washington
Consumer Action
Consumer Federation of America
Consumers Union
Empire Justice Center
iSolon.org
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low income clients)
National Community Reinvestment Coalition
Neighborhood Economic Development and Advocacy Project
National Fair Housing Alliance
OMB Watch
OpentheGovernment.org
Project On Government Oversight
Public Citizen
The Sunlight Foundation
U.S.PIRG
Washington Coalition for Open Government