



**Comments of The Institute for College Access & Success
on the
Disclosure of Consumer Complaint Narrative Data
Docket No. CFPB-2014-0016**

September 22, 2014

The Institute for College Access & Success (TICAS) submits the following comments on the Consumer Financial Protection Bureau’s proposed policy statement to expand the disclosure of consumer complaint narratives within the Bureau’s Consumer Complaint Database. These comments supplement the [coalition comments](#) TICAS joined national consumer and privacy advocates in submitting.

TICAS is an independent, nonpartisan, nonprofit research and policy organization working to improve educational opportunity and student outcomes so that students can complete meaningful post-secondary credentials without incurring burdensome debt. Our Project on Student Debt seeks to increase public understanding of rising student debt – including private education loan debt – and the implications for individuals, families, the economy, and society.

We strongly support the Bureau’s proposal to include consumer narratives in the Consumer Complaint Database. Including the narratives as part of the Bureau’s database will significantly increase the quantity, quality and timeliness of information available to current and future federal and private education loan borrowers as well as to researchers, policy makers, consumer advocates and the public. Moreover, it will provide lenders, servicers and debt collectors with greater incentive to prevent and quickly resolve common issues and complaints.

We agree with the Bureau that inclusion of narratives promotes the policy goal of providing useful and timely information on financial products and services. Seeing the details of a complaint will provide a much more robust and valuable resource for current and potential borrowers, allowing them to judge for themselves whether the issue is of concern to them. For instance, a private loan complaint may be listed as a complaint related to “repaying the loan.” This provides a consumer with very little information about the problem. Was the complaint about a very specific situation that would not apply to them, or about more universal issues with a confusing billing process, opaque repayment options, or perhaps fraudulent or inappropriate fees? It is impossible to tell, yet these different repayment issues could raise different levels of concern for existing or potential borrowers.

We believe that a consumer narrative is particularly relevant for private education loans. Understanding the circumstances and details of a borrower complaint may not only better inform a potential borrower about the financial company they may be considering borrowing from, it may also better alert borrowers to the risks associated with private education loans. For example, unlike federal student loans, private education loans often have variable interest rates, and they lack many borrower protections, such as income-driven repayment plans and a path to forgiveness after a given period of repayment. They are also much more difficult to discharge in bankruptcy than other forms of consumer debt.

Additionally, the particular experience of a student borrower may help current borrowers to identify similar problems they are having with their own loans. It may also alert borrowers to chronic problems with their lender or servicer that they should look for in their own loans.

Consumer narratives, by providing more robust information, can also be a useful tool for outside organizations to help identify harmful trends and bring attention to them for the sake of borrowers and the broader economy. Seeing specific narratives that identify a recurring problem can help advocates identify needed areas of attention and may incentivize financial institutions to address those areas of concern swiftly.

The Bureau specifically asked for feedback on three areas:

- Consumer consent to disclose narratives;
- Company response; and,
- Personal information scrubbing standards and methodology.

Consumer Consent to Disclose Narratives.

Regarding consumer consent, we believe the opt-in system proposed by the Bureau is the appropriate way to approach consumer narratives. The option to consent should be presented to the consumer before that individual submits a complaint. It is important, as the Bureau has identified, to inform the consumer that this decision will have no effect on how the Bureau handles the specific complaint. We also support the opportunity for commenters to withdraw or update their narrative.

Company Response.

We support the Bureau's suggestion to give companies the option to provide their own narrative text next to the consumer's narrative in the Complaint Database. This will allow the public to more fully evaluate the complaint. Additionally, an opportunity to publically respond remedies the concern that a complainant might unfairly or incorrectly characterize the actions of a company.

Personal information scrubbing standards and methodology.

The Bureau's proposed policy statement includes multiple steps to protect consumer anonymity and personally identifiable information from being included in the public complaint narratives. First, a consumer is required to consent to disclose the details of a complaint through an opt-in process. Second, a search algorithm modeled on the HIPAA Privacy Rules searches the document for personally identifiable information to be removed. Finally, a "quality assurance" step will include additional review and scrubbing by human reviewers.

We recommend that you encourage complainants to voluntarily provide protected class data- including ethnicity, race, marital status, age, and gender- so that the Bureau, public, advocates, and policy makers can identify potential patterns of discrimination. As you know, this data is already requested on every mortgage loan application.

Thank you for considering these comments and for taking these actions to improve the CFPB's Consumer Complaint Database by including consumer complaints narratives. If you have any questions about these comments, please contact Joseph Mais at (202) 223-6060 x 602 or jmais@ticas.org.