

Corporate & Financial Weekly Digest

February 3, 2012 by [Jeffrey M. Werthan](#)

CFPB Amends Complaint Manual; Banks Will Be Subject to Public Complaints on Credit Cards

The Consumer Financial Protection Bureau (CFPB), which has been taking complaints from consumers over its internet page, has updated its Complaint Systems Manual. The manual addresses how institutions should handle complaints received from consumers on credit cards and mortgages. (The CFPB plans on expanding the range of products about which consumers may complain.) In addition to more detail, the updated manual now allows an institution 15 days instead of 10 within which to give an initial response to a complaint, although the CFPB made it clear that this expected timeframe would not supersede any laws that require an earlier response. The CFPB also indicated it would be more likely to take enforcement action if an institution did not respond within 30 days of receiving the complaint, or if a response was "in progress" for more than 60 days.

Due to the business risk that the complaint process raises for non-compliant institutions, we are reprinting the proposed text of the "Policy Statement" that the CFPB issued last month for comment. The text of the proposed Policy Statement is as follows:

Purposes of Credit Card Complaint Data Disclosure

The CFPB receives credit card complaints from consumers. The CFPB intends to disclose certain information about credit card complaints in a public database and in the CFPB's own periodic reports. The purpose of this disclosure is to provide consumers with timely and understandable information about credit cards and to improve the functioning of the credit card market. By enabling more informed decisions about credit card use, the CFPB intends for its complaint data disclosures to improve the transparency and efficiency of the credit card market.

Public Access to Data Fields

After the effective date of this Policy Statement, the CFPB will provide public access to a database containing nonnarrative fields for each complete consumer credit card complaint and response within the scope of the CFPB's authority under section 1025 of the Consumer Financial Protection Act. The consumer defines the inputs to some of the fields when he or she (or an authorized representative) inputs a credit card complaint into the CFPB's system. These fields, therefore, represent the consumer's own

characterization of his or her credit card complaint. The issuer's response will define other non-narrative fields. The database will cover non-narrative fields that do not contain confidential personal information, including but not limited to: The subject area or areas covered by the credit card complaint; the name of the card issuer; the zip code in which the consumer lives; the date of the complaint; and whether and how an issuer responded. In cases where an issuer represents to the CFPB that it has been wrongly identified as the issuer of a card, that issuer's name will not be disclosed pending a determination of the correct issuer. Once the CFPB identifies the correct issuer, the name of that issuer will be included. The public will have online access to the database. The database will enable user-defined searches. The fields for each complaint will be linked with a unique identifier, enabling reviewers to aggregate the data as they choose, including by complaint type, issuer, location, date, or any combination of these variables. Users also will be able to download the data so that they can carry out additional review. The CFPB will update the database on a regular basis. To provide an issuer sufficient time to establish that it did not issue the credit card listed in a particular complaint, the update will not take place until at least one month after submission. The public database will not include a consumer's name, credit card number, or address details. At least until the CFPB can conduct further study, it will exclude the consumer's narrative description of "what happened" and of "fair resolution." It also will exclude an issuer's narrative response. These narrative fields may contain personally identifiable information or other information that could enable identification. The threat of such disclosure might also suppress complaints or reduce the specificity of complaint narratives, thereby undermining the effectiveness of the complaint process.

Regular CFPB Reporting on Complaints

At periodic intervals, the CFPB will publish reports about the consumer credit card complaints that it handles.

To view the CFPB Manual, click [here](#).
For additional information, click [here](#).

Katten Muchin Rosenman LLP
Charlotte Chicago Irving London Los Angeles New York Washington, DC