

PUBLICATION

CFPB Breaks Down State-by-State Complaints in Special Report

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Last week, in the wake of CHOICE 2.0 and continued questions regarding the constitutionality of its structure, the CFPB released a special edition of its monthly complaint report. The report contained statistical information from consumer complaints that were received by the Bureau during the first quarter of 2017.

Notably, nearly every state in the Union experienced an increase in the number of complaints regarding student loans, with the exception of New Mexico and Wyoming. In fact, student loan complaints increased 216 percent compared to the fourth quarter of 2016. Servicemember complaints regarding continued attempts to collect debts that are not owed have also increased and now outpace the non-servicemember national average for those complaints. In contrast, Americans over the age of 62 reported persistent issues with mortgage loans due to an inability to pay based on complaints received by the CFPB, with California, Florida and Texas leading the pack.

The Report cited debt collection as 27 percent of all complaints made by consumers since 2011, with complaints regarding mortgage loans in a close second at 23 percent of all complaints submitted. Consumers across the South outpace the national average when reporting issues concerning debt collection, with consumer complaints in Alabama, Arkansas, Kentucky, Louisiana, Mississippi, Oklahoma, South Carolina, Tennessee and Texas exceeding the national average.

Director Richard Cordray noted that consumer complaints play an "integral part" in the CFPB's mission and that complaints drive the CFPB's focus. U.S. companies appear to take consumer issues reported by the CFPB seriously, as between 95 and 98 percent of all companies respond to a complaint by the CFPB and a consumer in a timely manner. Interestingly, certain states represent the vast majority of all complaints submitted to the CFPB since 2011, with nearly 160,000 complaints received from Californians and more than 111,000 from Floridians. In contrast, less than 1,200 complaints have been received from residents of North Dakota and only 1,245 from those living in Wyoming. These disparities, among other issues, have resulted in criticisms that the database is "flawed." Indeed, lawmakers that intend to utilize the CFPB's complaint statistics to support consumer-focused legislation should act quickly; should CHOICE 2.0 become law, the complaint database will be repealed.