

# 2020 Annual Report to the Director

Advocating for Fair Process in Consumer Financial Protection



OMBUDSMAN'S  
OFFICE

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# Message

I am pleased to present our FY2020 annual report to the Director of the Consumer Financial Protection Bureau, pursuant to the CFPB Ombudsman's Office [Charter](#).

An ombudsman is nimble by design to adapt to different circumstances. With the significant events shaping FY2020, this attribute informed our ability to adjust, when needed, to determine the best way to assist consumers, financial entities, groups, and others in resolving any process issues with the CFPB. An ombudsman also serves as an advocate for fair process. As such, an ombudsman's role is rooted in a review of process through a fairness lens, in consideration of the significant events of FY2020 and as reflected throughout this year's report.

In this report, we describe our new inreach (internal engagement) and outreach initiatives, including our CFPB Ombudsman COVID-19 Updates, which were briefings for the CFPB, and our Ombudsman On-the-Go Tele-connect Series for external stakeholders. As in previous years, the Demonstrating the Ombudsman in Practice section provides short examples from this year that illustrate the various ways in which we can assist on topics, such as highlighting previous stakeholder feedback as applied to new CFPB initiatives, providing feedback on technology to assist the public and CFPB, and connecting state agencies with the CFPB.

This year, we also conducted a post-examination survey beta test with a small number of companies that the CFPB examined. The discussion in this report summarizes our decision to proceed with a beta test, the test hypothesis, the preparation for the beta test, the survey format, unattributed feedback and recommendations for the CFPB, and information on our beta test evaluation.

In FY2020, we also celebrated the fifth anniversary of our Ombudsman Forum program. We considered how to continue with the objective of this program during the COVID-19 pandemic, understanding both time and travel constraints. To adapt, we reviewed feedback from our eight previous Forums with various stakeholder communities, identified themes of mutual stakeholder interest with a nexus to the present time, and offered the opportunity to share feedback on those themes as applied to the present.

The section on individual inquiries received by our office again includes an analysis of our inquiry data over time. We also describe our work on two systemic issues – clarifications around the CFPB's announcement and processes for small business lending discrimination complaints

and information the CFPB provides during and at the conclusion of examinations – and provide updates on issues we previously studied: how non-consumers contact the CFPB on the telephone and consumer complaints referred to the CFPB from other agencies.

Going forward, we will continue to be nimble. When circumstances are different than anticipated, we are able to adapt our approach to stakeholder needs developing in real time and will continue to use our fairness lens to advocate for fair process in consumer financial protection.

Wendy Kamenshine

Ombudsman

November 16, 2020

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# Ombudsman in Practice

The CFPB Ombudsman’s Office is an independent, impartial, and confidential resource and our mission is to advocate for fair process in consumer financial protection. The Ombudsman<sup>1</sup> informally assists in resolving process issues with the CFPB that are: mentioned in individual inquiries received from consumers, financial entities, consumer or trade groups, and others; highlighted in interactions with groups; or observed by the Ombudsman. This section revisits the ombudsman standards of practice that are foundational to our work, outlines our work process, describes our outreach, and shares how we connect through inreach (or internal engagement) with the CFPB.

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## Ombudsman Professional Standards of Practice

The core standards of ombudsman practice are independence, impartiality, and confidentiality. Taken together, these foundational tenets and the adherence to them enable an ombudsman to advocate for fair process and are essential to all aspects of our work:

**Independence:** We are outside of the CFPB’s business lines, reporting to the CFPB’s Deputy Director and then to the Director, which ensures our independence at the CFPB. It also allows us to act as an early warning system and serve as a catalyst for change.

**Impartiality:** We do not advocate for one side, the inquirer or the CFPB, but instead we advocate for fair process in consumer financial protection.

**Confidentiality:** We have put safeguards in place to preserve confidentiality. We will not share identifying information outside the Ombudsman’s Office unless the inquirer indicates that we can. We also may have to share it if there is: a threat of imminent risk of serious harm; the inquirer raised an issue of government fraud, waste, or abuse; or if required by law.

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<sup>1</sup> In this report, “Ombudsman” refers to the office, the staff, or the person.

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# Our Work Process: How We Assist by Advocating for Fair Process

The Ombudsman uses an array of methods to assist consumers, financial entities, consumer or trade groups, and others who contact us for assistance. As such, the assistance we offer exists within a flexible framework that may be adapted to most effectively address an inquirer's distinct process concerns as they develop. This section describes some of the ways that this flexible framework allows us to tailor the steps we take to try to best assist in resolving a particular process issue and enables us to advocate for fair process.

A good time to contact the Ombudsman is when an individual or entity: tried the regular avenues within the CFPB for resolution and for some reason those avenues did not work to resolve the process issue; wants to highlight a concern in confidence; is not sure where in the CFPB to obtain an answer; wants to make the Ombudsman aware of an issue already shared with the CFPB that we may be studying; or, would like to suggest that we review a broader process concern.

The Ombudsman's process is the same whether an individual or entity contacts us about a question, concern, or complaint regarding a CFPB process.<sup>2</sup> First, we may ask follow-up questions to further understand the information provided. Depending on what we learn, we may decide to research additional information by: reviewing applicable laws, regulations, policies, and data; contacting other stakeholders to gather further viewpoints; or connecting with the CFPB to gather additional perspectives. See [Appendix 1](#).

After conducting any additional research, we assess what approach would best assist the CFPB and the public and how best to advocate for fair process. This analysis could include, for example, the type of inquiry, context of the issue, or pervasiveness of the issue. At times, the Ombudsman may consult with the inquirer on the approach.

We then use a toolbox of resources to try to informally resolve each issue. Keeping in mind our ombudsman standards of practice, we advocate for fair process rather than for someone's desired outcome, although these sometimes overlap. The circumstances surrounding each inquiry inform the type of resolution tool or tools that we use.

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<sup>2</sup> The Ombudsman does not assist in resolving issues as between consumers and companies, and also is not an avenue for appeal.

We may seek to resolve an individual or systemic issue by providing feedback and making recommendations to the CFPB. To assist, we also can: facilitate discussions, brainstorm and evaluate options and resources, share our independent analyses, offer an impartial perspective,<sup>3</sup> ensure confidentiality of someone’s identity,<sup>4</sup> and engage in shuttle diplomacy,<sup>5</sup> among other options. See [Appendix 2](#). This flexibility and adaptability in our resource set, along with our foundational ombudsman standards of practice, allows us to assist a wide range of stakeholders on various types of issues.

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## The Ombudsman’s Internal and External Engagement

The Ombudsman continuously conducts both internal engagement with the CFPB, or inreach, and external engagement with external stakeholders, or outreach. We adapt our inreach and outreach methods to take into consideration the needs of our new and longstanding internal and external stakeholders. This year, our engagement also took into consideration the COVID-19 pandemic, to include stakeholders’ resources and availability as well as the impact on logistics. Together with our foundational ombudsman standards of practice, our inreach and outreach efforts enable us to assist consumers, financial entities, consumer or trade groups, and others in resolving process issues with the CFPB by analyzing interrelated information and then using our toolbox of resources to advocate for fair process. See [Appendix 3](#).

### Outreach: How We Connect with External Stakeholders

As an independent resource, we conduct our own outreach with external stakeholders to share information about our resource and to learn more about how those stakeholders engage with the CFPB. In accordance with the ombudsman standard of impartiality, we also endeavor to balance our outreach efforts over time to ensure fairness in our engagement with the public. We conduct

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<sup>3</sup> For example, the Ombudsman participates in some CFPB working groups in an advisory capacity by providing feedback as the CFPB considers initiatives and activities, but the Ombudsman is not part of the decision-making process.

<sup>4</sup> As described above, we will not share an inquirer’s identifying information outside the Ombudsman’s Office unless the inquirer indicates that we can. We also may have to share it if there is: a threat of imminent risk of serious harm; the inquirer raised an issue of government fraud, waste, or abuse; or if required by law.

<sup>5</sup> Shuttle diplomacy is a technique used in alternative dispute resolution in which we convey information, questions, and observations back and forth between stakeholders, sometimes without sharing their identities, to assist in resolving an issue.



outreach with a wide array of external stakeholders, such as consumer, trade, and other groups and their memberships, financial entities, state and federal government agencies, and others. By balancing our outreach, we strive to give as many stakeholders as possible an opportunity to engage with the Ombudsman.

Our outreach includes: in-office introductory and follow-up meetings, teleconferences with groups' memberships, presentations at board meetings, speaking at conferences and smaller gatherings, and informal visits to financial entities' operations. *See [Appendix 2](#)*. The Ombudsman's initial outreach with an external stakeholder is the beginning of an ongoing connection. We have open channels of communication with our stakeholders so they can reach us on any given process issue and we also can hear as many perspectives as possible. After the initial outreach with an external stakeholder, the Ombudsman seeks to build upon that connection by offering further engagement. *See [Appendix 3](#)*. For example, the Ombudsman is available for regular meetings to touch base with groups to maintain engagement with us as well as to share perspectives and emerging trends. Consumer and industry groups as well as financial entities that wish to request an outreach engagement with the Ombudsman may contact our office directly at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or (855) 830-7880.

## Outreach Activities in FY2020

During the COVID-19 pandemic, the Ombudsman offered various ways to continue to connect with our office during this challenging time.<sup>6</sup>

**Ombudsman On-the-Go Tele-connect Series** – We launched an Ombudsman On-the-Go Tele-connect Series, which we designed to be concise, easily accessible calls to connect with a wide array of external stakeholders. During these April teleconferences, repeated on multiple days at different times to accommodate schedules, we reviewed some of the resources and updates the CFPB provided regarding the pandemic. We also provided an opportunity for participants to share about their experiences, feedback, and recommendations in engaging with any changes to regular CFPB processes during this time.

**Office Hours** – Sometimes we offer office hours at conferences to meet with members of an organization one-on-one or in small groups to share about our office and assist with process concerns. To continue that offering during the pandemic, beginning in mid-April we offered 30

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<sup>6</sup> [Appendix 4](#) provides information on outreach opportunities at groups' conferences and [Appendix 5](#) has our office brochure. The Ombudsman did not hold in-person outreach meetings during the COVID-19 pandemic.

minute meetings to groups' members via videoconference. To reserve a 30 minute slot, contact us at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or (855)-830-7880.

**Speaking Engagements** – As in previous years, we also offered to connect with groups or a group's membership via conference call or webinar to share about our resource. In addition, as many groups considered creative ways to connect during the pandemic, such as in a conference setting, we offered to work with groups to review how the Ombudsman could participate in conferences in a new, virtual format.

As an example of our outreach, we shared in our [2019 Annual Report](#), p. 52, our plan to host intergovernmental outreach opportunities in FY2020 to increase awareness about our resource with that stakeholder community. We began some of this work this year and look forward to building on it in the next fiscal year, to include a virtual presentation at an annual tribal governments' event.

Moreover, we presented at the new member virtual orientation for the CFPB's Consumer Advisory Board, Community Bank Advisory Council, Credit Union Advisory Council, and the Academic Research Council to share about our resource.

In FY2021, we will continue to seek to expand our outreach opportunities and to share about our resource. While an individual, company, group, or other entity may not need to use our resource now, if they are familiar with how we can assist, they can call upon us to assist in the future.

## Inreach Within the CFPB: Connecting with Internal Stakeholders

The Ombudsman's inreach takes two forms, initial and ongoing. Our initial inreach introduces the Ombudsman to new CFPB staff through introductory meetings or presentations and via introductory emails. In these introductions, we describe our resource, how we approach our work, and how we may be of assistance. We strive to ensure that when we contact someone at the CFPB to discuss a process issue, it is not the first time the person heard of the Ombudsman.

At the same time, the Ombudsman maintains a series of meetings throughout the CFPB with leadership and staff of the divisions and offices, whether monthly, bi-monthly, or quarterly. This regular and continuing engagement ensures we can promptly connect with the right CFPB contacts to address process issues, while also giving us the opportunity to maintain awareness about current CFPB activities. In addition, in these meetings we provide feedback based on perspectives we are hearing, offer feedback in conjunction with proposed initiatives, describe

updates on our work, and share recommendations. The figure below shows our inreach meetings this year.

**FIGURE 1: REGULAR INREACH MEETINGS WITH THE CFPB, FY2020**

## Monthly Meetings

<p>Director Deputy Director Chief of Staff Executive Secretary Office of Strategy – Chief Risk Officer Operations Division Division of Supervision, Enforcement, and Fair Lending, Front Office</p>	<p>Office of Consumer Response, cross-office managerial leadership Office of Consumer Response, Stakeholder Services Office of Public Affairs Office of Stakeholder Management Financial Institutions Section Intergovernmental Affairs Section Legislative Affairs Section</p>
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## Bi-monthly Meetings

<p>Office of Strategy – Chief Strategy Officer Disability Program Manager Research, Markets, and Regulations Division, Chiefs of Staff Office of Consumer Response Office of Supervision Examinations</p>	<p>Community Affairs Section Older Americans Section Public Engagement and Community Liaison Section Servicemember Affairs Section</p>
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## Quarterly Meetings

<p>Office of Fair Lending and Equal Opportunity Office of Minority and Women Inclusion Division of Consumer Education and External Affairs* Division of Supervision, Enforcement, and Fair Lending Research, Markets, and Regulations Division Legal Division Office of the Chief Data Officer</p>	<p>Technology and Innovation, User Research Office of Consumer Education Office of Enforcement Office of Supervision Examinations, Regional Directors Office of Mortgage Markets Office of Consumer Response, Investigations Section Section of Advisory Boards and Councils</p>
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\* Consumer Education and External Affairs (CEEA) is a new division that the CFPB officially launched on October 1, 2020. CEEA is a merger of the Consumer Education and Engagement and External Affairs Divisions. The CFPB now refers to the offices from the former CEE and EA as CEEA sections and the Office of Financial Institutions and Business Liaison is now the Section of Financial Institutions.

Note: The Ombudsman meets with CFPB components not listed in the figure above on an as-needed basis.

## New and Continuing Inreach Activities in FY2020

As with our outreach program, the Ombudsman seeks to expand the methods by which we connect with internal stakeholders to share information about our role and highlight how we can serve as a resource. Each year, we seek to add additional, regular inreach meetings and this year was no different as shown in the figure above.

In addition to our regular inreach meetings, this year we began CFPB Ombudsman COVID-19 Updates. These were 15 minute teleconferences with the CFPB during which the Ombudsman described issues raised with our office or which we observed. We held two iterations of these calls and, to accommodate schedules, offered them at two different dates/times. These brief inreach calls were an efficient way to inform people across the CFPB, keeping in mind the fast moving developments during this time.

Over the year, we also connected with some CFPB offices to meet in a team-to-team format, as we have previously, to meet new team members, share again about our resource, and learn about the latest work in those offices.

In FY2021, we anticipate continuing to develop ways to communicate about our resource and otherwise connect internally with the CFPB.

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# Demonstrating the Ombudsman in Practice

This section provides examples of how we used our toolbox of resources this year, from providing feedback to facilitating discussions to suggesting changes, as we assisted in resolving CFPB process issues. In keeping with our ombudsman professional standard of confidentiality, whether in presentations or writing, we provide examples in a format that gives greater understanding of our work, but retains anonymity of the inquirers. The selections below also demonstrate how we tailor the way to best assist in a situation depending on the circumstances.

## **Offering Feedback and Suggestions on Proposed Initiatives and Draft Materials –**

As part of our role, we have the opportunity to provide feedback to the CFPB on information that it plans to share publicly. For example, this year, we provided feedback on the proposed [consumerfinance.gov](https://consumerfinance.gov) refresh, on a draft live presentation describing the Equal Opportunity Credit Act that the CFPB planned to offer, and on the Frequently Asked Questions regarding the CFPB’s Prioritized Assessments of examined companies. The FAQs, available on [consumerfinance.gov](https://consumerfinance.gov), state that the “Prioritized Assessments (PAs) are a new, targeted supervisory approach that the Bureau has developed in response to the COVID-19 pandemic’s impact on consumers and the consumer financial marketplace.”

**Recommending Interim Updates to Translations of CFPB Blog Posts** – To assist consumers during the COVID-19 pandemic, the CFPB has posted multiple blogs and translated many of them from English into other languages. We understand this is the highest number of blog posts translated in the CFPB’s history. In reviewing the blog posts, we observed that some English language blogs included updated information with a date indicating when the CFPB updated the blog post. At the same time, some of the translated blogs posts did not yet have new information or a corresponding revision date listed. To clarify the status for the reader, the CFPB implemented our recommendation to indicate on translated blog posts that an updated version is forthcoming, where relevant. In August, the CFPB also shared a blog post entitled “[More CFPB resources available in multiple languages](#),” which describes the agency’s resources in other languages.

**Highlighting Previous Stakeholder Feedback as Applied to New CFPB Initiatives** – In FY2020, there were occasions for the Ombudsman to highlight previous external stakeholder

feedback as applied to new CFPB initiatives. For example, in our 2019 Ombudsman Forum with Advocates for Small Business, we facilitated a discussion around the Small Business Regulatory Enforcement Fairness Act (SBREFA) process. At the time, we gave Forum participants an opportunity to offer how they would design the SBREFA process, as summarized in our [2019 Annual Report](#), pp. 25-27. This year, as the CFPB developed the SBREFA process for section 1071 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), we highlighted Forum participants' feedback and recommendations. In another example, in April, towards the start of the COVID-19 pandemic, the CFPB issued a Request for Information (RFI) in conjunction with the new Taskforce on Federal Consumer Financial Law.<sup>7</sup> We highlighted for the CFPB some of the feedback we previously provided regarding RFIs which mentioned constraints, including timing in responding to the RFIs, as summarized in our [2018 Annual Report](#), pp. 14-15, 22.

### **Assisting Incarcerated Consumers with the Consumer Complaint Process –**

Periodically, we receive individual inquiries regarding the CFPB's consumer complaint process from consumers who are in the criminal justice system or from people assisting them. In addition to receiving these consumer complaints, the CFPB provides the "[Focus on Reentry](#)," which is a companion guide that accompanies the "[Your Money, Your Goals](#)" toolkit and "focus[s] on the needs of people with criminal records." Last year, the Ombudsman began considering the identifying information companies see for incarcerated consumers when viewing the list of consumer complaints in the CFPB's Company Portal. We understand that certain information about the consumer's incarcerated status is necessary to process the consumer complaint. At the same time, we observed that providing that information upfront in the list of complaints resulted in incarcerated consumers appearing differently to the company than other consumers prior to any complaint analysis. After we shared this concern, we understand that the CFPB moved certain information that identifies a consumer's incarcerated status to a less visible location. In addition, the CFPB no longer displays a consumer's incarceration status in the list of consumer complaints in the Company Portal.

**Offering Feedback on Process to Review Quickly Emerging Topics –** In conjunction with the COVID-19 pandemic, the CFPB adapted some agency processes. As such, we offered feedback on the CFPB's process to review materials for external stakeholders around quickly emerging topics.

**Facilitating Discussions to Assist Persons with Disabilities During the COVID-19 Pandemic –** We also considered additional ways the CFPB could assist persons with

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<sup>7</sup> "[Request For Information To Assist the Taskforce on Federal Consumer Financial Law](#)," 85 Fed. Reg. 18214 (Apr. 1, 2020).

disabilities during this time. To help the CFPB quickly determine what would be useful, we facilitated cross-Bureau discussions in a new, brief format. In doing so, we optimized internal virtual sharing capabilities to create a new, efficient facilitation process. The CFPB has information within its “[[Guide](#)] to COVID-19 economic stimulus relief” blog post for those people assisting persons with disabilities. Subsequent to the cross-Bureau discussions we facilitated, we understand that the CFPB provided additional information to stakeholder groups that assist persons with disabilities.

**Adding Clarity After Division Merger** – This year, the CFPB merged two divisions, Consumer Education and Engagement and External Affairs, into one new division entitled Consumer Education and External Affairs (CEEA), as reflected on the [agency’s organizational chart](#). In establishing CEEA, the Bureau created two new umbrella offices, Consumer Education and Stakeholder Management, which house some of the offices, now called sections, under the two original divisions. For the Office of Consumer Education, [consumerfinance.gov](#) described that office’s role with a reference to each section, such as Older Americans and Servicemember Affairs. At the same time, language to describe the new Office of Stakeholder Management did not yet have a mention of the sections on the website. We provided this feedback to the CFPB to provide clarity to stakeholders. Shortly thereafter, the CFPB added a parallel description on [consumerfinance.gov](#) to reference the Stakeholder Management sections, including Advisory Board and Councils, Financial Institutions, Intergovernmental Affairs, Legislative Affairs, and Public Engagement and Community Liaison.

**Highlighting Issues in Our Unique Role Where CFPB Efforts Are Underway** – On occasion, we raise an issue with the CFPB that we have observed or heard about from the public and learn that the CFPB is already in the process of addressing it. We may be able to provide additional insights in our unique role as an independent, impartial, and confidential resource. During the COVID-19 pandemic, for example, we received an individual inquiry from someone who was trying to assist a homeless relative. We inquired about what resources the CFPB was providing for this population generally, learned that such resources were already in development, and offered some feedback for the Bureau’s consideration. On the CFPB webpage that has COVID-19 pandemic resources, there is a link to “[Helping Consumers Claim Their Economic Impact Payment: A Guide for Intermediary Organizations](#).”

**Providing Feedback on Technology to Assist the Public and the CFPB** – This year, we offered various technology related feedback to the CFPB. For example, we highlighted broken links on [consumerfinance.gov](#) as well as unintended pop-ups in a public facing informational video. We also suggested providing clarifications on the use of specific virtual platforms to

enable the CFPB to virtually speak at conferences as well as attend online trainings during the COVID-19 pandemic.

**Sharing about Consumer Challenges During the COVID-19 Pandemic** – When assisting on individual inquiries, we sometimes receive feedback for the CFPB that is not process-related. Particularly in the first many weeks of the COVID-19 pandemic, we shared some of this feedback as the CFPB developed information to assist the public. For example, some consumers expressed that they did not understand what would happen after they received a forbearance on their mortgage. In another example, we also received inquiries from consumers pertaining to the stimulus payments. The CFPB has COVID-19 pandemic resources on [consumerfinance.gov/coronavirus](https://consumerfinance.gov/coronavirus), which includes links to other government agencies that are providing assistance.

**Connecting State Agencies with the CFPB** – We sometimes hear from state agencies that are trying to assist individual consumers who contacted the state. The state agencies may wish to refer the individual consumers to the CFPB for assistance. As with all inquiries, we may refer the state agency to a CFPB resource, such as to Intergovernmental Affairs, or we may assist with any process concern the state agency raised.

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## Post-Examination Survey Beta Test

This year, the CFPB asked the Ombudsman, as an independent resource, to consider conducting a post-examination survey of CFPB supervised entities. We explored the possibility of conducting a post-examination survey and we determined to first conduct a beta test of such a survey.

### **Determination to Start with Beta Test**

To determine whether to proceed with a post-examination survey, we considered how we would uphold our ombudsman professional standards of practice of independence, impartiality, and confidentiality in conducting such a survey. We also connected with the other federal financial



regulatory agencies that conduct post-examination surveys to learn about their processes. In addition, we considered the mechanics of conducting such a survey.

In our 2018 Ombudsman Forum with industry groups, as described in our [2018 Annual Report](#), pp. 19-20, one suggestion was for the CFPB to institute a post-examination survey that would focus on the examination process and not the result.

After our analysis, we decided to first conduct a beta test version of a post-examination survey to determine if the Ombudsman would make the post-examination survey a regular office program. In doing so, we focused on using our beta test research and observations to consider the practicality of key components of a post-examination survey. In addition, the beta test would enable us to develop a set of best practices in a small-scale environment for a survey.

### **Hypothesis for Beta Test**

We developed a hypothesis to articulate our goals and objectives for the beta test and against which we could measure the test's results, as follows:

*The purpose of the beta test version of the post-examination survey is to establish a survey tool to be used solely by the Ombudsman to confidentially gather feedback from supervised entities in accordance with our professional ombudsman standards of practice. The Ombudsman will use the beta test to refine the survey instrument. The Ombudsman will review survey outcomes, using techniques that not only inform our work but also allow us to provide unattributed feedback and any recommendations to the CFPB from our unique perspective. At the same time, the Ombudsman survey tool will not collect, analyze, or report on examiner performance or the specific details of any given supervisory examination.*

### **Preparation for the Beta Test**

Prior to conducting the beta test, we shared our approach and draft questions with the Supervision, Enforcement, and Fair Lending Division to obtain any feedback for our consideration. We also held two information sessions with trade groups and offered that they could invite member companies to participate. In these sessions we shared our approach and draft questions, and provided the opportunity for participants to ask questions and offer feedback for our consideration.

Supervision, Enforcement, and Fair Lending then provided the Ombudsman with a broad list of recently examined entities for the beta test. The Ombudsman selected a small group of entities taking into consideration different CFPB regions, entity product lines, and types of entities. The

beta test did not include Prioritized Assessments.<sup>8</sup> To uphold our professional ombudsman tenet of confidentiality, protect the confidentiality of supervisory information, and enable beta test participants to speak candidly with the Ombudsman, we will not share with anyone outside of the Ombudsman’s Office which entities we selected or which entity representatives we contacted.

When inviting the companies to participate in the beta test, we provided the explainer document in [Appendix 6](#).

### **Format of the Beta Test**

We developed the beta test with a learning mindset to further understand the company’s experience. As part of that approach, we identified three process areas to use in the beta test:

***Supervision materials and resources*** – Includes topics such as information availability, functionality, and content for review by entity representatives who will engage with any part of the examination.

***Interpersonal communications*** – Includes communications between entity representatives and anyone at the CFPB before, during, or after an examination, using any medium or format.

***End of the examination*** – Includes topics such as timing, knowledge of outcomes or resolutions, clarity in expectations of closure, and awareness of the appeals process.

In keeping with the way we approach all of our work, the questions and communication used informal issue resolution techniques. As such, we chose a conversational, dialogue approach. For each process area above, we asked beta test survey participants: (1) what worked well? (2) what did not work well, if anything? and (3) what would you change moving forward? The format allowed for issue identification without presuming a problem area in any part of the process. In addition, we tailored any follow-up questions to the information provided by the company.

Selected companies each met with at least two members of the Ombudsman’s Office for a one hour conversation over the phone. We also determined that if a company raised a process concern that it would like to try to address, a different Ombudsman colleague would follow up to try to assist so as to take it out of the survey context.

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<sup>8</sup> The CFPB describes the Prioritized Assessments in its FAQs on [consumerfinance.gov](https://consumerfinance.gov) as “a new, targeted supervisory approach that the Bureau has developed in response to the COVID-19 pandemic’s impact on consumers and the consumer financial marketplace.”

## **Unattributed Feedback and Recommendations for the CFPB**

We plan to provide the CFPB with a summary of the beta test survey participants' unattributed feedback and recommendations, for the agency's consideration. For example, some participants articulated specific, positive feedback about their engagement with the examination teams, shared thoughts around the time it may take to receive examination reports, and provided recommendations around the development of follow-up examination questions.

### **Evaluating the Beta Test**

Last year, we adapted a process evaluation tool to assess our Ombudsman Interactives pilot, as described further in our [2019 Annual Report](#), pp. 28-30, and are applying this same tool to evaluate our beta test. In using this tool to generally guide our review, we: identified available resources to evaluate the program; developed a model with inputs, outputs, and outcomes; and created questions for our office to answer based on the model. As of this writing, we are analyzing the results to determine whether to make the post-examination survey a regular feature of our office.

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# Ombudsman Forums and Interactives

This section describes the Ombudsman Forum and Interactives programs, including our adaptations during the COVID-19 pandemic.

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## Ombudsman Forum

This year marks the fifth anniversary of our Ombudsman Forum program. In 2015, the Ombudsman's Office launched the Ombudsman Forum as another avenue for consumer, trade, and other groups to share feedback on their CFPB interactions as we, in turn, provide feedback and recommendations to the CFPB. For our half-day events, Ombudsman staff leads facilitated

discussions, which allow participants to share feedback on the topics as well as offer their recommended solutions to any process concerns.

We select the topics to be discussed at the event ahead of time based on process issues shared with the Ombudsman by the groups or the CFPB prior to the event. In keeping with our ombudsman standards of practice of independence, impartiality, and confidentiality, the Forums are closed to the press, the public, and CFPB staff. After the Forum, we share participants’ feedback and recommendations, without attribution, with the CFPB. In 2016, an Administrative Conference of the United States report on the federal ombudsman recognized our Ombudsman Forum program as one of our “innovations and promising best practices.”<sup>9</sup> More information on our Forum program is in [Appendix 7](#).

The figure below is a list of our previous Ombudsman Forums.

**FIGURE 2:** OMBUDSMAN FORUMS, 2015-2019

<b>Ombudsman Forums</b>	
<b>2015</b>	Industry Groups and Their Member Companies
<b>2016</b>	Broad-Based National and Regional Consumer-Focused Organizations
<b>2017</b>	Compliance Officers of Entities that Engage with the CFPB Associations of State Regulators and Their Member Regulators
<b>2018</b>	Industry Groups and Their Member Companies Consumer Groups in the CFPB’s West Region
<b>2019</b>	Consumer Groups in the CFPB’s Southeast Region Advocates for Small Business

<sup>9</sup> C. Houk et al., “[A Reappraisal – The Nature and Value of Ombudsmen in Federal Agencies](#)” (2016) (Report to the Administrative Conference of the United States) at Part 2, p. 101.

This year, we considered how to continue our Forum program during the COVID-19 pandemic, understanding both time and travel constraints. To adapt, we reviewed feedback from our eight previous Forums with various stakeholder communities in Figure 2 and identified themes of mutual stakeholder interest with a nexus to the present time, as follows:

1. **Connecting In** – Over time, feedback has included suggestions on ways to connect in with the Bureau to make CFPB points of contact available to various stakeholders.
2. **Engagement** – Feedback that encourages new and continuing opportunities for engagement by CFPB offices and divisions with stakeholders, with a focus on inclusivity, such as engagement with minority, underserved, and special populations as identified within the Dodd-Frank Act.
3. **Guidance: Regulations and Compliance** – Feedback surrounding ways in which the CFPB could provide further guidance or enhance current guidance related to regulations and compliance.
4. **Website and Digital Access** – Finding information and suggesting new technology related tools, while keeping in mind those who do not have access.
5. **Coordination with Government Entities** – Feedback related to interest in bolstering coordination with governments across levels and subject areas.

We invited feedback on these themes as applied to the present time and, as with all process topics, continue to be available to connect on these themes by email, [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov), or by phone, (855) 830-7880.

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## Ombudsman Interactives

Last year, we determined to make Ombudsman Interactives a regular offering of our office, as discussed in our [2019 Annual Report](#), pp. 28-30. Modeled after the Ombudsman Forums, Ombudsman Interactives is a facilitated discussion held onsite in a closed-door session for attendees at a consumer, trade, or other group's conference. The discussions give participants an opportunity to confidentially provide feedback on several process topics and offer their recommended solutions. We select topics for discussion in advance based on process issues previously shared with the Ombudsman by the convening groups or the CFPB.

As with all of our outreach, we continue to be available to work with groups to consider how to adapt the Ombudsman Interactives to a virtual format during the COVID-19 pandemic. Interactives are available by request on a first-come, first-served basis and are subject to the Ombudsman’s budget and availability.

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# Analyzing Individual Inquiries to the Ombudsman

The Ombudsman assists in resolving individual inquiries that pertain to a particular person, company, or group’s process issue from their CFPB interactions. This section describes the various kinds of individual inquiries we received in FY2020, the changes in those inquiries received over time, as well as our holistic approach to assisting each inquirer.

In FY2020, we received a total of 1,391 inquiries,<sup>10</sup> compared with 1,233 in FY2019.<sup>11</sup> The figure below shows the change in the number of inquiries to the Ombudsman in the last five years.

**FIGURE 3: INQUIRIES TO THE OMBUDSMAN’S OFFICE<sup>12</sup>**

	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
<b>Oct-Mar</b>	541	820	680	581	647
<b>Apr-Sept</b>	871	790	705	652	744
<b>TOTAL</b>	<b>1,412</b>	<b>1,610</b>	<b>1,385</b>	<b>1,233</b>	<b>1,391</b>

<sup>10</sup> Inquiries do not include Ombudsman outreach and the broader issues received in connection with such outreach.

<sup>11</sup> All percentages in this report are rounded up to the nearest whole number if 0.5 or greater, or rounded down if less than 0.5, except where adding a decimal place is of explanatory value. Consequently, some totals may not equal 100 percent.

<sup>12</sup> Inquiry totals for prior years were 1,166 (FY2015), 1,133 (FY2014), 1,422 (FY2013), and 775 (FY2012, for the ten-month period starting when the office opened in December 2011).

Individuals who contacted the Ombudsman on their own behalf accounted for 1,241 inquiries in FY2020.<sup>13</sup> We also receive inquiries from: attorneys, representatives, and third parties; parties not authorized to receive information concerning a consumer complaint; financial entities; businesspersons; consumer and trade groups; and local, state, and federal government, as well as Congressional offices.

As shown in the figure below, the balance of inquiry types received by the Ombudsman has remained about the same over time to include approximately two questions for every one complaint received.

**FIGURE 4: TYPE OF INQUIRIES RECEIVED BY THE OMBUDSMAN**

	<b>FY2016</b>	<b>FY2017</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>
<b>Questions</b>	50%	55%	58%	60%	53%
<b>Complaints</b>	26%	27%	26%	26%	26%
<b>Courtesy Copies to the Ombudsman</b>	12%	11%	11%	10%	14%
<b>Topics of Concern</b>	9%	4%	3%	2%	4%
<b>Feedback on CFPB and Non-CFPB Topics</b>	3%	3%	3%	2%	2%

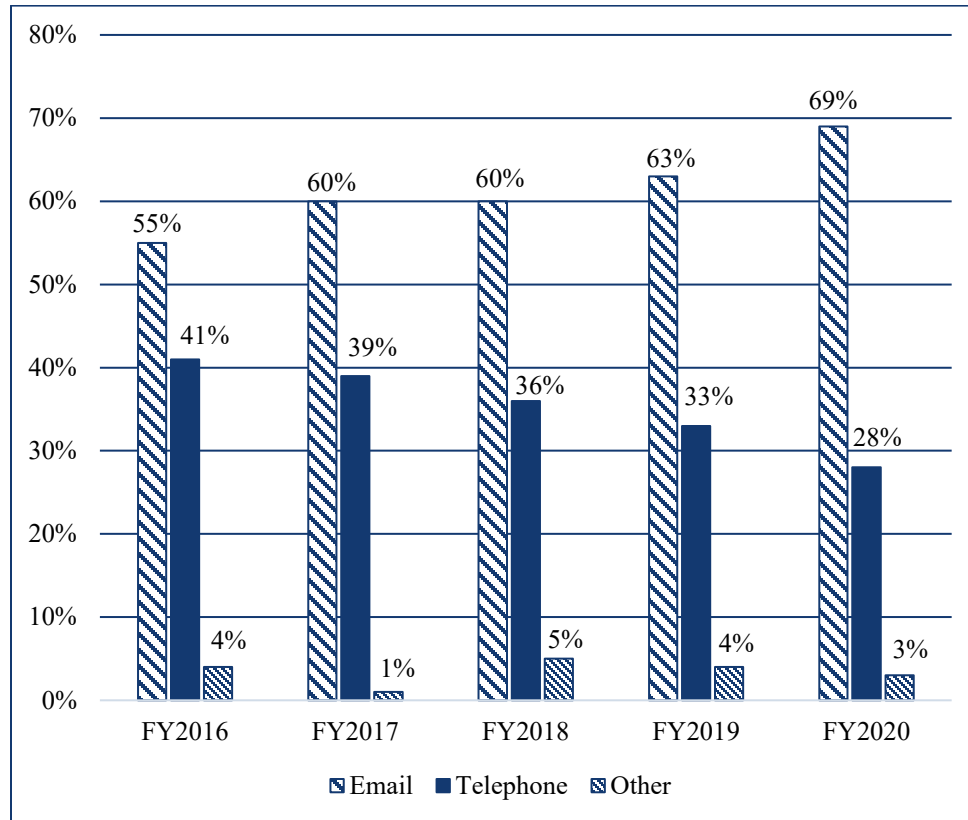
In FY2020, the public could reach the Ombudsman by email ([CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov)), toll-free number (855) 830-7880, with a U.S. area code (202) 435-7880, or TTY (202) 435-9835. The Ombudsman also occasionally received letters sent by postal mail.

At the beginning of FY2020, on October 1, 2019, we stopped publicizing our fax number. At the same time, we still will be able to receive faxed communications like the CFPB, which stopped publicizing its fax number in FY2018.

<sup>13</sup> “Individuals” contacting the Ombudsman on their own behalf include, for example, people contacting the office about a consumer complaint, seeking information on how to submit such a complaint, or seeking a CFPB resource for direct assistance.

As shown in the figure below, in keeping with previous years, the Ombudsman continued to receive a decreasing percentage of first contacts by phone in FY2020.

**FIGURE 5: HOW INQUIRERS FIRST CONTACT THE OMBUDSMAN**



This year, inquirers contacted the Ombudsman from 47 states, Washington, D.C., and Puerto Rico, as well as from other countries. In addition, in FY2020, web users from 50 states and DC viewed the Ombudsman webpage at [consumerfinance.gov/ombudsman](https://consumerfinance.gov/ombudsman) at some point during the year.

## Individual Inquiries About the Consumer Complaint Process

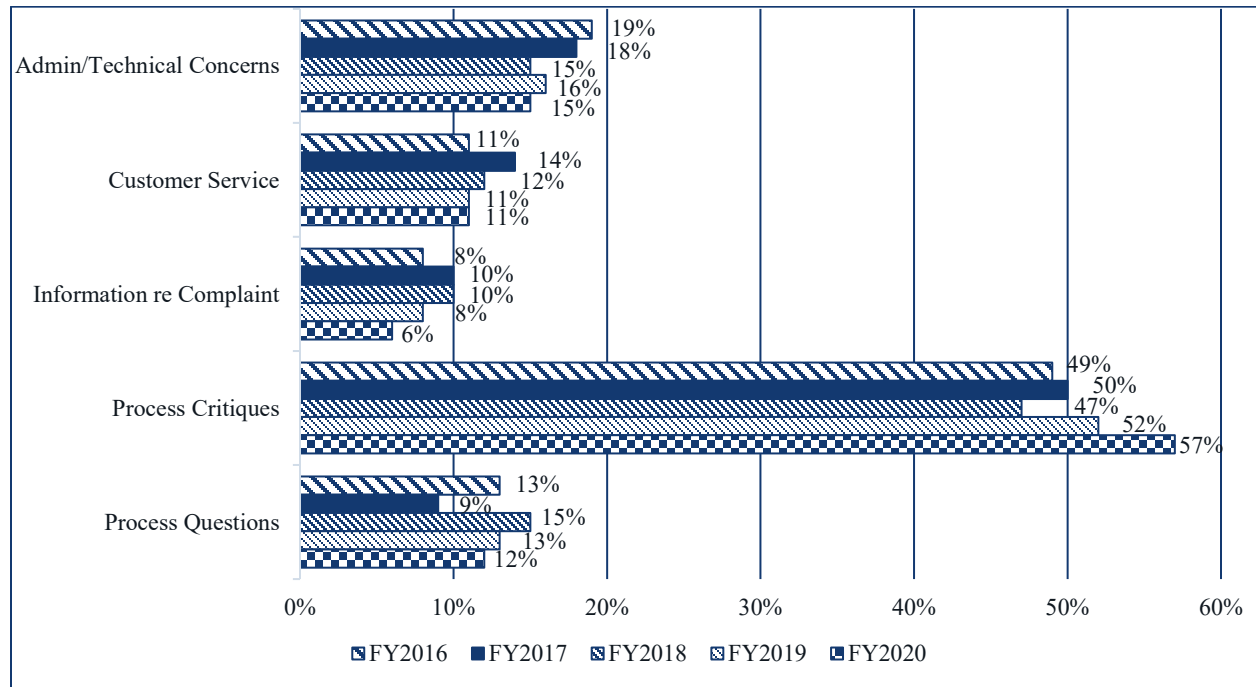
In reviewing the individual inquiries to the Ombudsman about the consumer complaint process, mortgages were the financial product most commonly underpinning consumer complaint-related inquiries. Mortgages (24 percent) were followed by credit products (20 percent), a category including credit cards and non-mortgage lending such as student loans, deposit products (14 percent), credit reporting (14 percent), identity theft (9 percent), which includes alleged fraud and embezzlement, debt collection (6 percent), and methods of payment (6



percent), a category including money transfers and debit cards. Other products underpinned approximately 7 percent of the inquiries.

The figure below provides a comparison of five principal types of issues about the consumer complaint process from individual inquiries received.

**FIGURE 6: INDIVIDUAL INQUIRIES ABOUT THE CONSUMER COMPLAINT PROCESS<sup>14</sup>**



“Process Critiques” encompasses feedback provided about the complaint process, including the prescribed timeframes, dissatisfaction with the closure or outcome of the complaint process, or the manner in which the CFPB conducted the process. “Process Questions,” as distinct from the category of “Process Critiques,” include inquiries seeking clarification about the entire consumer complaint process or some aspect of it. “Administrative or Technical Concerns” most commonly included concerns relating to the consumer’s user experience with the CFPB Consumer Portal on [consumerfinance.gov](https://consumerfinance.gov) and related technical concerns. “Customer Service” relates to communications or interpersonal issues when interacting with the CFPB. Finally, the category “Information re Complaint” includes instances where the inquirer wanted additional

<sup>14</sup> This figure provides a comparison based on how we have reported these data since FY2015.

information about the inquirer’s particular consumer complaint submitted to the CFPB, such as whether the CFPB closed the complaint.

In FY2020, the CFPB received a large increase in the number of consumer complaints submitted monthly, particularly coinciding with the COVID-19 pandemic. We understand from the CFPB that many consumers do obtain their desired response from the company by using the consumer complaint process. At the same time, in FY2021, we plan to provide the CFPB with some of the common complaints and questions that we have received over time with unattributed consumer comments for each. In addition, we identified some common process misconceptions we hear in the Ombudsman’s Office about the CFPB’s consumer complaint process, as shown in the figure below:

**FIGURE 7: SOME MISCONCEPTIONS ABOUT THE CONSUMER COMPLAINT PROCESS**

<b>Misconception</b>	<b>What Happens</b>
The CFPB will advocate for an individual consumer within the consumer complaint process.	The CFPB assists the consumer in obtaining a response from the company.
The CFPB will enforce the law regarding an individual consumer’s circumstances as part of the consumer complaint process.	The CFPB generally assists many people at one time with broader actions outside of the consumer complaint process.
A consumer can add information to a closed consumer complaint and the new information will be sent to the company for a new response.	Consumers can add information to closed consumer complaints, but the information is not sent to the company for a response.
Consumer complaints can be submitted to the Consumer Complaint Database.	Consumers submit consumer complaints to the CFPB, not to the Consumer Complaint Database which is a collection of complaints the CFPB publishes on <a href="https://consumerfinance.gov">consumerfinance.gov</a> . The Bureau then adds complaints sent to companies for a response to the public Database without information that would identify consumers. It also may be helpful to know that if the company provides an administrative response, for example, to indicate the complaint is a duplicate complaint, the CFPB does not add the complaint to the public Database.

Considering these misconceptions, in addition to the information we plan to provide in FY2021, there may be an opportunity for the CFPB to describe to the public some additional aspects of the consumer complaint process and further set expectations for consumers who use the process.

## Individual Inquiries from Industry

As in past years, the industry-related individual inquiries the Ombudsman received in FY2020 related to a broad array of topics. This year, for example, we received inquiries pertaining to the handling of procedural issues in enforcement matters. Companies and trade groups also contacted us in FY2020 seeking referral to CFPB offices or sections that could assist them with a specific matter of interest. One company representative contacted us seeking the opportunity to offer feedback to the CFPB regarding consumer education topics pertaining to a particular industry. Another company sought our assistance in learning more about how companies engage with the consumer complaint process. As in past years, we received questions around regulatory issues, to include requests for regulatory interpretation, which we referred to the Office of Regulations [inquiry request form](#) in conjunction with the regular CFPB process. Also, as in years prior, we continued to hear from industry inquirers seeking to report alleged violations of the consumer financial protection laws, which we referred to the [CFPB's Whistleblower Line](#).

## Providing Useful Resources

The Ombudsman tracks issues raised in inquiries received to highlight trends, provide feedback, and make recommendations to the CFPB. Additionally, through our holistic approach to inquiries, the Ombudsman sometimes provides other resources to assist the inquirer and we track those resources as well. For example, a consumer may benefit from reviewing informational resources on [consumerfinance.gov](#), such as the CFPB's webpage with resources and videos particular to the [COVID-19 pandemic](#). We also may suggest that a company official submit a regulatory inquiry via the Office of Regulations [inquiry request form](#), as described above, if the official has not tried that avenue.<sup>15</sup> In addition, we ask consumers to contact the Office of Consumer Response if they have not yet submitted a consumer complaint with the CFPB or if their consumer complaint is still in progress. In some circumstances, a resource outside of the CFPB or the federal government might be helpful to the inquirer. For example, we

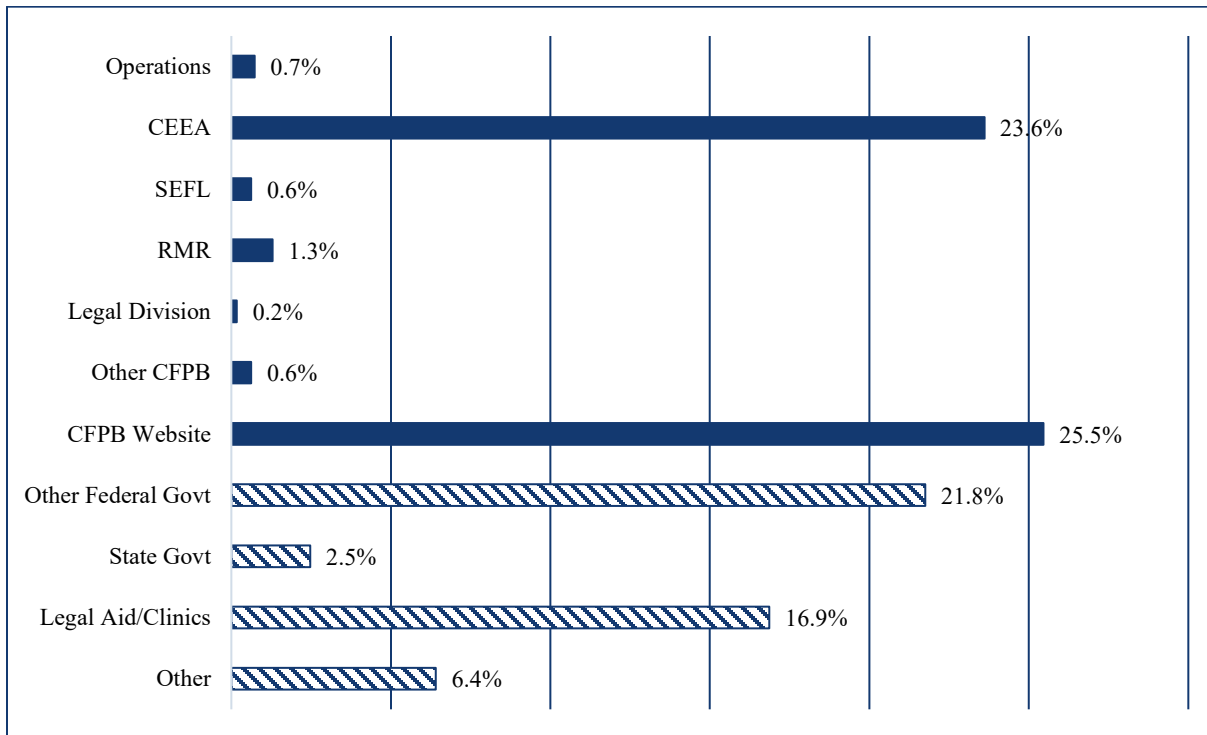
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<sup>15</sup> The Office of Regulations does not answer questions of regulatory interpretation for consumers and refers consumers to the telephone contact center for assistance, (855) 411-2372.

connect inquirers with our points of contact at other government agencies to share ombudsman or other conflict resolution resources that may be available to assist.

The Ombudsman provided 1,779 resources external to our office to inquirers in FY2020 and the figure below shows the breakdown of these resources.

**FIGURE 8:** DESTINATION OF ISSUES RE-DIRECTED TO FURTHER ASSIST THE INQUIRER, FY2020<sup>16</sup>



As shown in the figure above, in addition to a number of CFPB resources, the Ombudsman also provides inquirers with resources from other parts of the federal government, including ombudsman resources at other federal agencies, links to [U.S. Department of Housing and Urban Development housing counselor information](#), the [Eldercare Locator](#) from the Department of Health and Human Services’ Administration on Aging, the [Small Business Administration](#), and contact points for the [Federal Trade Commission](#), as well as other federal financial regulators. We also sometimes provide inquirers with the website [www.usa.gov](http://www.usa.gov), which has a general search

<sup>16</sup> Solid-colored bars represent resources within the CFPB. “Operations” refers to the Operations Division. “CEEA” refers to the Consumer Education and External Affairs Division, including the Office of Consumer Response. “SEFL” refers to the Supervision, Enforcement, and Fair Lending Division. “RMR” refers to the Research, Markets, and Regulations Division.

function to seek resources from across the government. In addition, resources provided from state government often include attorneys general, consumer protection divisions, and law enforcement.

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## Systemic Reviews – Focus for FY2020

In addition to individual inquiries, the Ombudsman reviews systemic issues that may be affecting consumers or financial entities nationwide, in a particular region, or with a certain process. We decide to review topics as systemic issues to see if we may be able to add value in our role as an independent, impartial, and confidential resource. We consider three questions in reviewing systemic issues: (1) Is the agency fairly applying a process it established? (2) If there is no set process, should we recommend creating one? (3) Does an existing process require a change to provide a fair application of it? The Ombudsman feedback and the recommendations that we provide to the CFPB may be: also suggested by others, but not implemented; ideas shared with the Ombudsman as we explored an issue; or, the Ombudsman's ideas of how to address an issue. The objective is to resolve the issue, but sometimes there are other possible solutions that also may work to reach the same result and we welcome implementation of those ideas.

In FY2020, the Ombudsman reviewed two issues as systemic issues, as described below.

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# Clarifications Around the CFPB's Announcement and Processes for Small Business Lending Discrimination Complaints

In April 2020, the CFPB posted a blog on "[The importance of fair and equitable access to credit for minority and women-owned businesses](#)," which shared that: "[s]mall business owners who believe they were discriminated against based on race, sex, or other protected category can [submit a lending discrimination complaint online](#)." We understand this was the first time that the CFPB described in written materials that small businesses could submit consumer complaints to the CFPB's consumer complaint process.

In our 2019 Ombudsman Forum with Advocates for Small Business, which included consumer groups and industry groups as well as individuals from small business entities, participants provided feedback on the submission of small business complaints to the CFPB, as we described in our [2019 Annual Report](#), p. 24:

*Some small business advocates think that the CFPB does not accept complaints about small business loans as that option is not available when submitting a complaint on [consumerfinance.gov](#). At the same time, some small business owners do submit complaints to the CFPB through the consumer complaint process. The industry participants highlighted there are other regulators that do take these complaints. Some participants recommended that the CFPB clearly state whether the agency accepts small business complaints.*

Prior to the April blog post, small businesses could submit complaints to the CFPB's consumer complaint process, but the CFPB did not provide information on the acceptance of small business complaints. The CFPB's "Company Portal Manual" guides how companies respond to all complaints submitted to the CFPB, which we understand would include any complaints submitted by small businesses. Based on that guidance, if certain criteria are met, the company can indicate the complaint should be answered by another regulator, as described in the CFPB's "Company Portal Manual," pp. 39-40.

To understand further about the CFPB providing information on the submission of at least one type of small business complaint, we connected with divisions and offices across the CFPB. We did not opine on whether the CFPB should receive particular kinds of consumer complaints, but focused on and shared feedback around the surrounding processes and expectations.

In doing this research, we determined that there was an opportunity for the CFPB to set expectations and further clarify the Bureau’s processes for receipt and analysis of small business complaints, both internally and externally, on topics, such as:

- Acceptance of small business complaints, generally
- Designation of complaints as small business complaints about lending discrimination
- The complaint process for small business lending discrimination complaints
- The analysis of small business lending discrimination complaints
- Expectations for other federal as well as state regulators in viewing these complaints
- Continued application of the “Company Portal Manual” to these complaints
- Continuation of the opportunity to submit small business lending discrimination complaints after the COVID-19 pandemic

We understand that the CFPB is exploring options, in conjunction with the statutes and regulations that the Bureau implements or enforces to protect small businesses, to set clear expectations for small businesses.

We also recommended that the CFPB provide additional information about the consumer complaint process within the Bureau. Subsequently, the CFPB provided additional internal information sessions on the consumer complaint process.

The Ombudsman considers this review closed.

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## Information the CFPB Provides During and at the Conclusion of Examinations

In 2018, 2019, and continuing into this year, we heard from some industry stakeholders that they anticipated a more positive examination outcome based on communications with the examination team during the course of the onsite portion of the examination than what the CFPB shared at the conclusion of the examination. We provided a brief overview of this topic in our [2019 Annual Report](#), p. 17.

We initially learned about this issue in a few different ways, including from our independent outreach, as we connected with stakeholders over time, and from individual inquiries to our office. We also heard about this topic in one of our 2018 Ombudsman Forums, as discussed in that year's [annual report](#), pp. 19-20, which includes the participants' recommendations. To add to what we learned from external stakeholders, we had meetings with the Supervision, Enforcement, and Fair Lending Division (SEFL) to include a focus group with examiners and another focus group with field managers. In addition, we reviewed the relevant internal materials as well as what is available to the public on [consumerfinance.gov](https://consumerfinance.gov).

We understand from our research that examiners receive training on many topics, including on communicating with companies during the examination process. Further, we understand that outcomes may vary for different examination types based on a number of items.

From our review, we identified that there are various factors that may contribute to a company perceiving that examination results are less favorable than what it anticipated. These factors may arise from the supervision process itself and also from the intersection of the supervision and enforcement processes.

Specifically, from our research, it appears that a company may think that examination results are less favorable than anticipated because of one or more of the following:

- The examination team and SEFL at Headquarters differ on final examination determinations and on a result that differs from what the company understood during the soft close.
- There is extended timing between the end of an examination and the company's receipt of examination results. Companies may not be aware of the extended timing or potential outcomes.
- The phrasing and terminology in written communications may not be fully understood by the company, typically with companies that are less familiar with the examination process.

Regarding the intersection of the supervision and enforcement processes, there is limited information in plain language about the enforcement process for companies and also limited information about the transition from the supervision process to the enforcement process. We also understand that it is not within the examiners' purview to discuss the enforcement process generally with companies. In addition, they do not have materials to provide the companies or a resource to which they can refer companies regarding the enforcement process that may be easily understood. The final steps of an ongoing examination, such as examination results or



usage of the appeals process, may be less clear to the company when the CFPB starts enforcement activity prior to the examination's conclusion. In short, some companies do not have clarity about the impact on their examinations once the Office of Enforcement becomes involved.

Independent of our analysis, SEFL conducted an organizational review of its operations in 2020. We understand that this SEFL review may assist in resolving the issues we identified.

In addition to providing feedback on what may contribute to some companies' perspective, as above, we also recently recommended that the CFPB make available to examiners and companies additional information on the enforcement process to include how supervision intersects with enforcement. To implement this recommendation, we offered the CFPB some suggestions, such as adding basic information about the enforcement process and possible types of outcomes on [consumerfinance.gov](https://consumerfinance.gov).

As of this writing, we understand that SEFL is working to implement this recommendation.

We will provide an update in our next report.

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## Systemic Reviews – Updates on Previous Reviews

This section provides an update on one of our FY2017 reviews as well as an update on a review from FY2019.

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### How Non-Consumers Contact the CFPB on the Phone

Beginning in April 2016, in conjunction with the then refresh of [consumerfinance.gov](https://consumerfinance.gov), the CFPB incorporated a series of changes to the telephone entry points for anyone calling the CFPB about

something other than an individual consumer finance question or complaint, referred to in this section as non-consumers. Non-consumers may include, for example, Congressional staffers, consumer and trade group representatives, financial entity personnel, researchers, job applicants, or entities seeking to do business with the CFPB. In FY2017, we observed and shared that the telephone entry point changes resulted in some non-consumers not knowing how to obtain, by phone, CFPB information unrelated to individual consumer finance questions or matters.<sup>17</sup>

To study this topic, we requested and received updates from the CFPB about changes in the switchboard, available telephone entry points for non-consumers, and the information available to non-consumers over the phone; reviewed [consumerfinance.gov](https://consumerfinance.gov) for all phone numbers provided; listened to the Interactive Voice Response (IVR) recorded information that is provided to callers; and researched telephone entry points for non-consumers at other federal agencies, including financial regulatory agencies. We also provided feedback to the relevant CFPB offices regarding the various changes to the telephone entry points for non-consumers.

For approximately the first five-and-a-half years of its existence, the CFPB had two main telephone numbers: a main switchboard number and a toll-free number for consumers or people assisting them to submit consumer complaints, ask questions about consumer financial products and services, or provide feedback to the CFPB. In April 2016, the CFPB removed the switchboard number from [consumerfinance.gov](https://consumerfinance.gov) leaving one main number to call the CFPB, (855) 411-2372, which we understand also provides switchboard information. The “[Contact Us](#)” webpage on [consumerfinance.gov](https://consumerfinance.gov) provides the toll-free number and states that “[w]hether you have questions about the CFPB or about a consumer financial product or service, or you want to submit a complaint, start here. We’ll point you in the right direction.” The CFPB also has this phone number included in the header at the top of every page of [consumerfinance.gov](https://consumerfinance.gov). At the same time, when callers dialed (855) 411-2372, the IVR recorded information included information addressed only to consumers, as described further in our [2019 Annual Report](#), pp. 45-46.

As the CFPB implemented the changes described above, the Ombudsman highlighted the importance of the CFPB providing a direct avenue for non-consumers to access the CFPB via telephone. We also recommended that the CFPB provide a way for non-consumers to know when calling the agency that information is available to answer their questions. Similar to other agencies, the CFPB could add a separate phone number on [consumerfinance.gov](https://consumerfinance.gov), as before, even

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<sup>17</sup> See [2017 Annual Report](#), pp. 35-37.

if staffed by the same team, or include additional recorded messaging through the IVR on the main phone number, (855) 411-2372, to inform callers that other information is available.

In January 2020, the CFPB updated the IVR in various ways, including the ability for non-consumers to make a selection at the main recorded menu to obtain assistance.

The Ombudsman considers this review closed.

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## Consumer Complaints Referred to the CFPB from Other Agencies

When a federal financial regulatory agency receives a consumer complaint, the agency may determine that the complaint belongs with another federal agency. However, each agency's referral process for those complaints may differ, particularly in terms of what information the other agency shares with the consumer. The receipt of referrals from other agencies is what the CFPB designates as the inbound referral process. Over time, the Ombudsman's Office has received inquiries from individuals who were unaware that the CFPB would send their entire complaint to the company, including any accompanying documents, when another agency referred the complaint to the CFPB. Last year, we decided to study this topic to assist both the CFPB and the public.

For this study, we reviewed the Dodd-Frank Act,<sup>18</sup> the [Consumer Response System of Records Notice](#), the [CFPB Privacy Policy](#), and the [Consumer Response Privacy Impact Assessment](#). In addition, we connected with the relevant CFPB offices to learn more about the inbound referral process. We also reviewed the privacy policies and consumer complaint procedures of the other federal financial regulatory agencies as well as samples of the letters consumers receive when those regulators refer consumer complaints to the CFPB. At the same time, we connected with ombudsman offices at the other federal financial regulatory agencies for additional insights.

All consumer complaints submitted to the CFPB, including inbound referrals, follow the same process. The CFPB shares that its consumer complaint process is designed to obtain a response from the company, or refer the complaint to another regulator who may be better able to

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<sup>18</sup> 12 U.S.C. § 5493(b)(3).

assist.<sup>19</sup> The CFPB provides information about privacy when consumers submit a consumer complaint directly to the CFPB, but this information has been less clear when another agency refers the complaint to the CFPB. We also understand that the agencies decided some time ago not to describe each other's consumer complaint processes in referral letters sent to consumers. To communicate about the referral, some agencies provide information about another agency's overall mission or use generalized terms for complaint handling that are not applicable to all agencies.

To increase transparency in the consumer complaint referral process, last year, we recommended that the CFPB:

1. Include information about the inbound referral process on [consumerfinance.gov](https://consumerfinance.gov).

To follow up on our recommendation, as described in our [last annual report](#), pp. 38-40, the CFPB added language to the description of the consumer complaint process on [consumerfinance.gov](https://consumerfinance.gov) to reflect the inbound referral process.

2. Consider providing information for the consumer about how the CFPB's Privacy Policy applies to inbound referrals.

Based on our feedback, we understand that the CFPB is updating the privacy statement for all consumers, to include a reference to inbound referrals.

In addition, we recommended that there was an opportunity for the federal financial regulatory agencies to increase clarity in the interagency complaint referral process. As such, at the next opportunity to review and provide feedback on other agencies' referral letters, and other places where agencies reference the CFPB in conjunction with the consumer complaint process, we recommended that the CFPB:

1. Request other agencies remove language that says the receiving agency will investigate the consumer complaint or take certain action when referring a consumer to the CFPB and
2. Provide language about the CFPB's consumer complaint process for agencies to use in their referral letters and other places where agencies reference the CFPB in conjunction with that process.

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<sup>19</sup> See CFPB webpage, "Learn how the complaint process works;" [consumerfinance.gov/complaint/process/](https://consumerfinance.gov/complaint/process/).

We understand that last fall the CFPB relayed to other agencies our suggestions about increasing clarity in the interagency consumer complaint referral process.

The Ombudsman considers this review closed.

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## Going Forward

In this section, each year we highlight some of our plans for the coming year, but FY2020 reminded us that the year can sometimes look different than anticipated.

For our Ombudsman Forums and Interactives in FY2021, we may explore various formats for hosting our Forums and Interactives in-person or virtually in the coming year. In keeping with one of our strategic goals about expanding education and understanding about our office, we also plan to further build upon our intergovernmental outreach to increase awareness about our resource with that stakeholder community.

Overall, we will consider our FY2020-21 strategic plan goals, as set out in [Appendix 8](#). At the same time, the Ombudsman's Office is nimble by design and will continue to review how best to advocate for fair process, thinking about the significant events that shaped FY2020 and into FY2021.

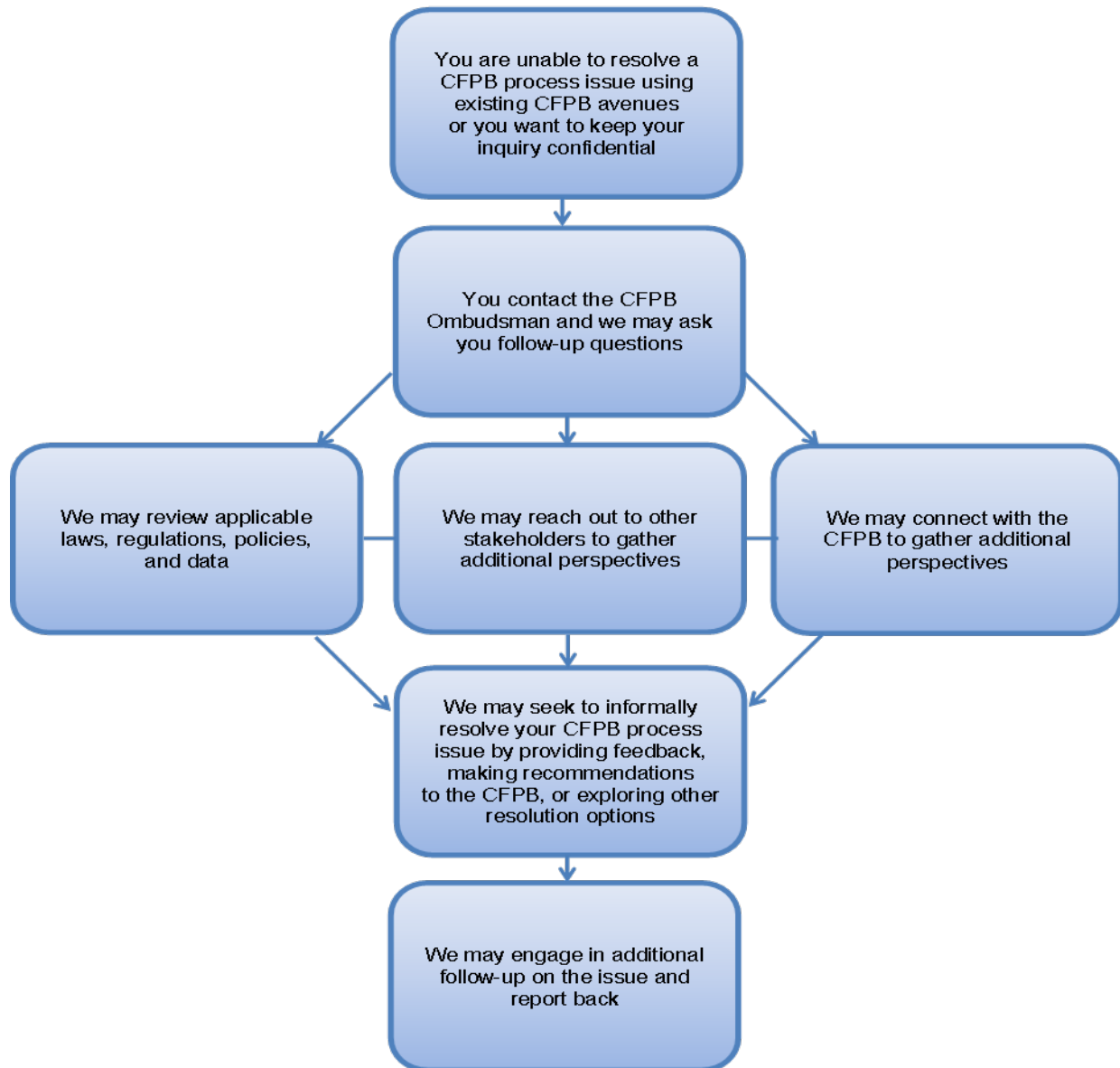
As always, we look forward to hearing your suggestions, at [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov) or (855) 830-7880, on how we can assist both the people who reach us for assistance and the CFPB.

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# Appendix

The Appendix includes figures and information included in our previous annual reports, for ease of reference, as well as a new item from FY2020.


## Appendix 1: When to Contact Us and What to Expect When You Do



The Ombudsman does not:

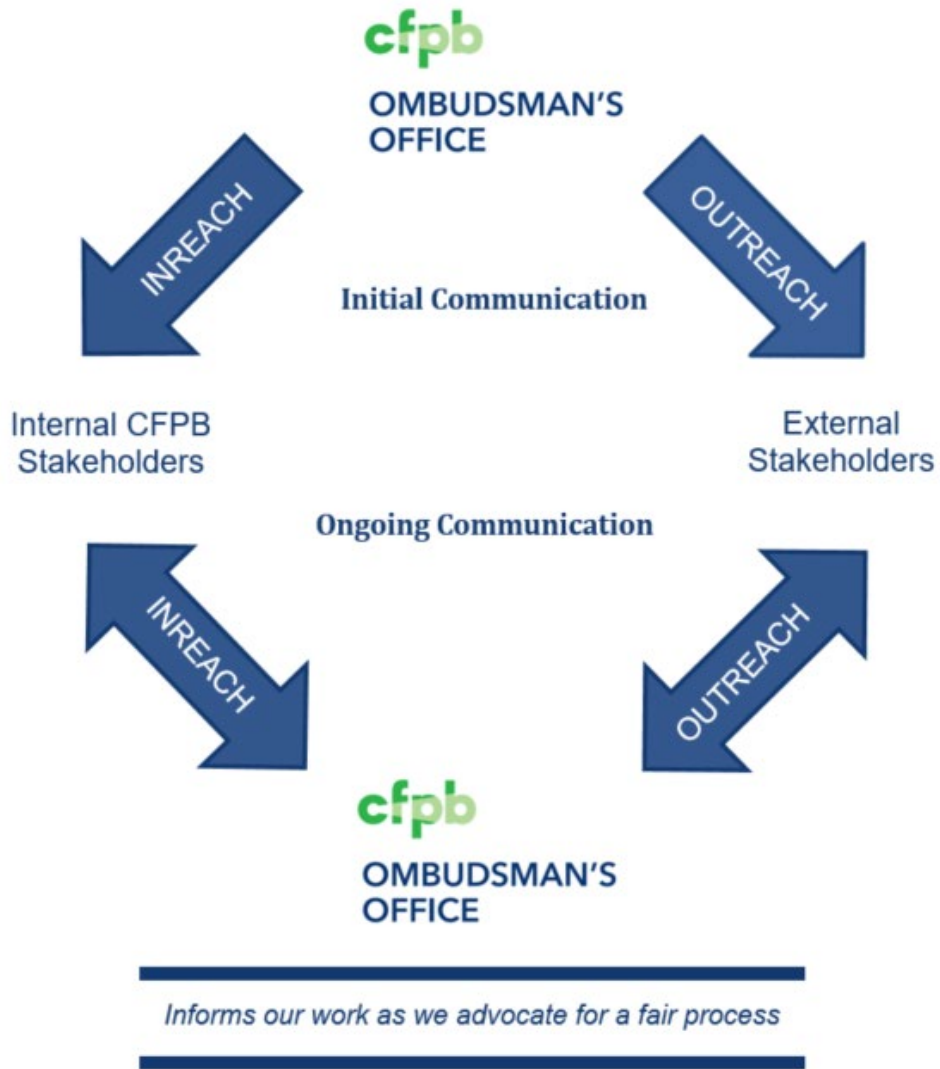
- Address matters in litigation or provide legal advice;
- Delay statutory, regulatory, or other CFPB deadlines;
- Make decisions or legal determinations for the CFPB;
- Serve as a formal office of legal notice for the CFPB; or,
- Address internal workforce issues

## Appendix 2: Double-Sided Brochure Insert

<h3>How We Can Assist</h3> <ul style="list-style-type: none"><li>Brainstorm and evaluate options and resources</li><li>Clarify expectations of CFPB processes</li><li>Conduct studies on broader issues</li><li>Describe available options</li><li>Engage in shuttle diplomacy</li><li>Explore options for managing and resolving issues</li><li>Facilitate discussions</li><li>Function as an early warning mechanism</li><li>Give an impartial perspective</li><li>Listen to all sides</li><li>Make recommendations</li><li>Offer feedback</li><li>Provide conflict and problem resolution coaching</li><li>Provide suggested resources in/outside the CFPB</li><li>Serve as an independent advisor</li><li>Share independent analyses</li><li><i>Any other creative idea....</i></li></ul>	<p><b>Advocating for fair process</b></p> 	<p><b>consumerfinance.gov/ombudsman</b></p>	<h3>How We Connect with Our Stakeholders</h3> <ul style="list-style-type: none"><li>Conduct webinars</li><li>Speak at conferences</li><li>Offer Ombudsman's Office webpage link for a group's website</li><li>Make informal visits to financial entities' operations</li><li>Hold introductory meetings with groups</li><li>Participate in teleconferences with a group's membership</li><li>Meet with boards of directors</li><li>Share our brochures, annual reports, and other materials</li><li>Provide an overview paragraph for a group's newsletter describing our role</li><li>Record an audio segment for a group to share with its membership</li><li>Offer recurring meetings to connect with groups</li><li><i>Your creative idea here....</i></li></ul> <p><i>To schedule an outreach opportunity, contact us at: 855.630.7880 (toll-free) <a href="mailto:CFPBOmbudsman@cfpb.gov">CFPBOmbudsman@cfpb.gov</a></i></p> <p>September 2016</p>
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Appendix 3: The Ombudsman’s Inreach and Outreach Process



## Appendix 4: Outreach Opportunities at Consumer, Industry, and Other Groups' Conferences



### **Outreach Opportunities at Consumer, Industry, and Other Groups' Conferences** OMBUDSMAN'S OFFICE

#### **Speaking Engagements**

The Ombudsman's Office is available to present at conferences to share about our resource, our latest work, and how we can assist groups as well as their members.

#### **Ombudsman Interactives**

In an Ombudsman Interactive, conference participants join us for a one hour minimum session to discuss process issues from their CFPB interactions. We coordinate with conference organizers on information shared about the session prior to the conference, the duration of the session, process topics for discussion, and the on-site check-in process for the session.

Conference attendees register ahead of time with the conference organizers in order to participate in the Ombudsman Interactives session. In keeping with our ombudsman professional standards of practice of independence, impartiality, and confidentiality, the Ombudsman Interactives are closed to the press, the public, and CFPB staff. During the Ombudsman Interactives, after a short introduction about our resource, we facilitate a participatory discussion with conference attendees and provide an opportunity for them to offer feedback and generate ideas for solutions. After the Forum, we share attendees' feedback and recommendations, without attribution, with the CFPB. Ombudsman Interactives are available by request on a first-come, first-served basis and are subject to the Ombudsman's Office's budget and availability.

#### **Office Hours**

We are available for office hours during the entire conference or just part of a conference. Individuals or small groups of individuals can sign up to meet with members of our team during this timeframe to learn more about our resource or to discuss particular issues of concern. Generally, it is helpful to have office hours in a separate space at a conference to the extent someone wishes to raise a concern in confidence. We coordinate with conference organizers ahead of time on how to share about the availability of office hours with conference participants and to arrange a suitable space.

#### **Table Information**

Our team also is available to staff a table to answer questions about our resource and discuss how we may assist. At the table, our materials are available for conference attendees to take with them and we may have other visuals that demonstrate our role.

#### **Contact Us**

To request one of these outreach opportunities, please email us at [CFPBombudsman@cfpb.gov](mailto:CFPBombudsman@cfpb.gov) or call (855) 830-7880.

The CFPB Ombudsman's Office provides an independent, impartial, and confidential resource to informally assist individuals, companies, consumer and trade groups, and others in resolving issues with the CFPB.

## Appendix 5: Ombudsman Brochure

*"Broadly speaking, [the CFPB Ombudsman's Office] provide[s] effective informal dispute resolution for inquirers seeking assistance; help[s] the agency improve specific policies, procedures, or structures; informally look[s] into issues of concern; stud[ies] systemic process issues and offer[s] recommendations for agency action; and focus[es] the agency's attention on issues of concern. Further, the Ombudsman's Office contributes to the respect, dignity, and fairness with which such process concerns are handled."*

C. Houk et al., "A Reappraisal – The Nature and Value of Ombudsmen in Federal Agencies" (2016) (Report to the Administrative Conference of the United States) at Part 2, p. 91.




### When to Contact Us

- If you have not had success with the regular Bureau resolution avenues
- To share an issue confidentially
- To highlight a systemic issue

You are welcome to reach us any time, but we encourage you to try the existing Bureau resolution avenues first.

### How to Contact Us

We look forward to hearing from you!

-  [www.consumerfinance.gov/ombudsman](http://www.consumerfinance.gov/ombudsman)
-  [CFPBOmbudsman@cfpb.gov](mailto:CFPBOmbudsman@cfpb.gov)
-  855-830-7880 (Toll-free)
- 202-435-7880 (Direct)
- 202-435-9835 (TTY)



## OMBUDSMAN'S OFFICE

Advocating for Fair Process in  
Consumer Financial Protection



OMBUDSMAN'S  
OFFICE

## About Us

The CFPB Ombudsman's Office provides an independent, impartial, and confidential resource to informally assist consumers, financial entities, consumer or trade groups, and others in resolving process issues with the Bureau.

## Questions on Your Mind

### What is a process issue?

A process is generally defined as a series of steps taken to achieve something. A process issue is a question, concern, or complaint about the steps taken or not taken to achieve something.

### How do you choose systemic process issues to study?

We choose where we think we can add value, in our unique role as an independent, impartial, and confidential resource, to assist both the public and the Bureau.

### How do you review process issues?

We consider if the Bureau is fairly applying a process already in place, whether the existing process needs to be changed, or if there should be a process where one does not exist.

## PRINCIPLES THAT GUIDE OUR WORK

### Independence

We are outside the Bureau's business lines, reporting to the Deputy Director with access to the Director. We serve as an early warning system and catalyst for change.

### Impartiality

We do not advocate for one side, but for a fair process.

### Confidentiality

We have safeguards for confidentiality, so you can share issues without fear of retaliation or retribution. The few exceptions to confidentiality are: threat of imminent risk of serious harm; an allegation of government fraud, waste, abuse; or if required by law.

## How We Do Our Work

We analyze and learn about all perspectives of an issue by:

- Looking at the applicable laws, regulations, policy, and data
- Talking with the individual and/or stakeholders involved
- Meeting with Bureau officials

We then may make a recommendation on how the Bureau should address the issue.

## We Do Not

- Address matters in litigation
- Delay statutory, regulatory, or other Bureau deadlines
- Make decisions or legal determinations for the Bureau
- Serve as a formal office of legal notice for the Bureau
- Address internal human resources matters

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## Program Overview Post-Examination Survey Beta Test

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### About Our Office

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The [CFPB Ombudsman's Office](#) provides an independent, impartial, and confidential resource to informally assist individuals, financial entities, consumer and trade groups, and others in resolving process issues with the CFPB. We focus on CFPB process, not policy, and serve as an advocate for fair process in consumer financial protection. More information is on our [webpage](#), in our [brochure](#), and in our [FY2019 annual report](#).

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### Program Development

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The CFPB asked us to consider conducting a post-examination survey as an independent resource. We also heard about the interest in a post-examination survey in our 2018 Ombudsman Forum with industry groups, as described in that year's [annual report](#). In addition, some of the other federal financial regulatory agency ombudsman offices conduct post-examination surveys.

In thinking about whether to proceed, we considered our ombudsman professional standards of practice of independence, impartiality, and confidentiality, as well as the mechanics of conducting such a survey. We then decided to first conduct a beta test to develop a set of best practices in a small-scale environment. The beta test provides an opportunity for us to consider establishing a survey tool to confidentially gather feedback from supervised entities in accordance with our professional ombudsman standards of practice.

We hosted information sessions on September 2 and 10 about the beta test with trade groups we have connected with over time. We also provided the opportunity for the groups to invite their member entities to join one of the sessions.

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### Participant Selection

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The CFPB provided the Ombudsman with a list of supervised entities. The Ombudsman then selected a small group of entities taking into consideration different CFPB regions, entity product lines, and types of entities. The beta test does not include prioritized assessments.

Participation in the beta test is voluntary and is an opportunity to help develop a unique program that should be helpful to the CFPB and the public. You may also identify a different representative from your entity to participate as long as the person is familiar with the CFPB examination that is the subject of the survey.



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### Methodology

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We created a hypothesis, which articulates our goals and objectives for the beta test. We developed the beta test with a learning mindset to further understand your entity's experience with the examination process. We plan to use open-ended questions which will allow for a conversational format engaging around the information provided by the entity and issue identification without presuming a problem area in any part of the examination process. In keeping with the way we approach all of our work, the beta test will use informal issue resolution techniques.

We will be re-visiting our hypothesis at the conclusion of our beta test using a program evaluation framework. In doing so, our office will focus on developing the practicality of key components of a potential survey instrument by using our research from and observations of the beta test survey outcomes. We then will determine whether to make the survey a regular feature of our office.

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### Survey Structure

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At least two members of our Ombudsman's Office together will connect with you for a one-hour conversation on: (1) what worked well? (2) what did not work well, if anything? and (3) what would you change moving forward? The conversation will review the following topic areas:

*Supervision materials and resources* – Includes topics such as information availability, functionality, and content for review by entity representatives who will engage with any part of the examination.

*Interpersonal communications* – Includes communications between entity representatives and anyone at the CFPB before, during, or after an examination, using any medium or format.

*End of the examination* – Includes topics such as timing, knowledge of outcomes or resolutions, clarity in expectations of closure, and awareness of the appeals process.

We designed the beta test to elicit feedback on process issues. The beta test is not an avenue to express disagreement with an exam finding or examiner performance. If there are concerns about a particular examination that an entity would like us to assist in addressing, someone else in the Ombudsman's Office will connect with the entity for a separate conversation. As a reminder, engaging with the Ombudsman's Office will not delay or stay any statutory, regulatory, or agency timeframes.

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### Confidentiality

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We will not share with anyone outside of the Ombudsman's Office which entities we selected or which entity representatives we contacted. In addition, we will safeguard the feedback in the same manner as any information we receive regarding CFPB activities.

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### Next Steps

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Primarily, we will use these communications to assist our team in refining a survey tool. We also will review the outcomes from the beta test to provide unattributed feedback and recommendations to the CFPB regarding the examination process, which we will summarize in our upcoming Annual Report.

## Appendix 7: Frequently Asked Questions About the Ombudsman Forum

### Frequently Asked Questions About the Ombudsman Forum

#### **What is an Ombudsman Forum?**

The Ombudsman Forum is another avenue for consumer, trade, and other groups to share feedback on their CFPB interactions as we, in turn, provide feedback and recommendations to the CFPB. For our half-day events, Ombudsman staff leads facilitated discussions, which allow participants to share feedback on the topics as well as offer their recommended solutions to any process concerns. In 2016, an Administrative Conference of the United States report on the federal ombudsman recognized our Ombudsman Forum program as one of our “innovations and promising best practices.”<sup>1</sup>

#### **What is facilitated discussion and how is it different?**

A facilitated discussion is a flexible process where a trained impartial third party assists in generating a conversation between participants. It differs from a presentation or training in its use of various methods and techniques where participants actively engage around specific topics to communicate concerns and generate options for resolution. For example, the Ombudsman may connect with participants by: creating space for various perspectives to be heard, asking follow-up questions, sharing information, reframing for understanding, testing an assumption, clarifying a concept, considering options, identifying interests, making connections, and utilizing other engagement methods.

#### **When did this program begin and what Forums have occurred?**

We began the program in 2015. Since that time, we have hosted eight Forums, including with industry groups, national and regional consumer groups, compliance officers of entities that engage with the CFPB, the associations of state regulators and their regulator members, and with advocates for small business. We have hosted Forums in Washington, D.C., Chicago, IL, Memphis, TN, and Oakland, CA.

#### **What are the criteria for hosting a forum?**

As shared in our [FY2018 Annual Report](#), p.26, we may schedule a new Ombudsman Forum with a stakeholder community we met with previously or with a new stakeholder community where: there is a request by the CFPB, particular stakeholder community, or other external stakeholders for the Ombudsman to have such a Forum; or the Ombudsman determines on its own that it may be useful to host a Forum as we provide feedback and make recommendations to the CFPB. For frequency and timing, we also will consider our impartiality professional standard of practice to balance hosting events over time with different stakeholder communities. In addition, hosting additional Forums will be subject to our budget and the availability of resources.

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<sup>1</sup> C. Houk et al., [“A Reappraisal – The Nature and Value of Ombudsmen in Federal Agencies” \(2016\) \(Report to the Administrative Conference of the United States\) at Part 2](#), p.101.

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**How do you implement your ombudsman professional standards of practice during a Forum?**

We communicate about the ombudsman professional standards of practice before, during, and after a Forum to describe them as well as to share how they function in practice.

**Independence:** The Ombudsman determines the topics, questions, and methods of facilitation for the Forum. In addition, all communications with prospective participants in anticipation of the event are just with the Ombudsman.

**Impartiality:** As with all of our work, the Ombudsman does not take the side of the CFPB or the side of the participants during the facilitated discussion.

**Confidentiality:** Our Forums are closed to the CFPB, the public, and the press, and we provide the location of the event to registered participants. We do not share who attends and we ask participants not to share that information as well. We also ask participants not to use social media, cell phones, or recording devices so that we can do these events again in the future. We take notes without attribution during the program so that we can recall what participants shared with us.

**How does the Ombudsman prepare for and communicate about the Forum?**

Communication and preparation for a Forum begins with what we have heard through our ongoing conversations with internal and external stakeholders. We consider what process topics may be of interest to the particular stakeholder community as well as ask the CFPB and the stakeholder community for their topic suggestions. We then provide prospective participants with the topics in advance. In addition, we may offer the opportunity for groups to meet with us for office hours during the day of the Forum to discuss any CFPB process issue.

**What does the Ombudsman ask of participants?**

We ask that participants share their perspectives on how the process topic impacts their work or the work of their group or entity. We ask that they include relevant examples, suggestions, or recommendations and consider ways to address any concerns presented if they were the CFPB.

**What happens after the Forum?**

We consider the information we learn at the Forum as we provide feedback and make recommendations to the CFPB. We also provide unattributed feedback to the CFPB from each Forum and summarize it further in our annual reports.





Appendix 8: Ombudsman Strategic Goals, FY2020-FY2021

Review and evaluate individual and systemic process issues with the CFPB to assist in resolving them by using existing and new, innovative ombudsman tools
Further optimize resources to effectively assist the CFPB and the public, including adding technological efficiencies
Maximize opportunities for informally assisting in resolving process issues with the CFPB by expanding methods used in inreach and outreach
Expand education and understanding about the CFPB Ombudsman's Office and how the office assists
Optimize how the CFPB Ombudsman's Office communicates about process issues through various oral and written deliverables
Build upon engagement and our understanding of various stakeholders' interests through additional, regularized contact
Continue demonstrating leadership in ombudsman practice and profession