



Mortgages and Mortgage Complaints

The CFPB's Consumer Complaint Database Gets
Real Results for Victims of Mortgage Problems

MASSPIRG
Education Fund

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With public debate around important issues often dominated by special interests pursuing their own narrow agendas, MASSPIRG Education Fund offers an independent voice that works on behalf of the public interest. MASSPIRG Education Fund, a 501(c)(3) organization, works to protect consumers and promote good government. We investigate problems, craft solutions, educate the public, and offer Bay Staters meaningful opportunities for civic participation. This is the sixth of a series of reports analyzing complaints to the Consumer Financial Protection Bureau's Public Consumer Complaint Database. You can view the other reports here: <http://www.uspirg.org/page/usf/reports-cfpb-gets-results-consumers>

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Executive Summary

The Consumer Financial Protection Bureau (CFPB) was established in 2010 in the wake of the worst financial crisis in decades. Its mission is to identify dangerous and unfair financial practices, to educate consumers about these practices and to regulate the financial institutions that perpetuate them.

To help accomplish these goals, the CFPB has created and made available to the public the Consumer Complaint Database. The database tracks complaints made by consumers to the CFPB and how they are resolved. The Consumer Complaint Database enables the CFPB to identify financial practices that threaten to harm consumers, and it enables the public to evaluate both the performance of the financial industry and of the CFPB.

This is the sixth in a series of reports that review complaints to the CFPB nationally and on a state-by-state level. In this report we explore consumer complaints about mortgages, with the aim of uncovering

patterns in the problems consumers are experiencing with mortgage originators and servicers.

This report looks at total mortgage complaints. It looks at complaint volumes over time and among the six mortgage issues that the CFPB defines. These issues include the following:¹

- Problems when consumers are unable to pay
- Problems consumers have making payments
- Applying for the loan
- Signing the agreement
- Receiving a credit offer
- Other problems

We also compare companies and complaints on a state by state and total basis.

Findings:

Consumer complaints about mortgages are the most common complaint in the CFPB's database. Since it began accepting mortgage complaints in December 2011, the CFPB has published 138,086 complaints about mortgages, the most complaints received about any financial product.²

Through March 16, 2015, 38% of all published complaints in the database were mortgage complaints. Although annual mortgage complaint volumes declined slightly in 2014 as the volume of the CFPB's 10 other product complaint categories (i.e. debt collection, credit reporting, credit card, bank account or service, consumer loan, student loan, payday loan, money transfers, prepaid card, and

other financial services) continued to grow, data are insufficient to predict a declining trend. (See Figure ES-1 and Table ES-1.)

In early 2015, debt collection complaints became the #1 complaint to be published in the CFPB's database on a monthly basis.⁴ Mortgage complaints, however, remain at #2 on a monthly basis and are still the #1 complaint overall.

The vast majority of mortgage complaints (85%) fall into two issue categories: Problems when consumers are unable to pay (categorized in the database as "loan modification, collection, foreclosure") make up 55% of the total; problems making payments (categorized in the database as "loan servicing, payments and escrow account") make up 30%. The other four issue categories total 15%.⁵ (See Figure ES-2.)

Table ES-1. Difference in Complaints by Product in 2014, Compared to 2013

| Product | When CFPB Started Taking Complaints ³ | Total Complaints 2011 – March 16, 2015 | Complaints in 2012 | Complaints in 2013 | Complaints in 2014 | Difference from 2013 to 2014 | % Difference from 2013 to 2014 |
|-------------------------|--|--|--------------------|--------------------|--------------------|------------------------------|---|
| Mortgage | 1-Dec-11 | 138,086 | 38,217 | 49,427 | 43,012 | -6,415 | -13.00% |
| Credit card | 21-Jul-11 | 46,389 | 15,386 | 13,109 | 13,977 | 868 | 6.60% |
| Bank account or service | 1-Mar-12 | 42,757 | 12,245 | 13,383 | 14,675 | 1,292 | 9.70% |
| Student loan | 1-Mar-12 | 10,863 | 2,842 | 3,002 | 4,285 | 1,283 | 42.70% |
| Consumer loan | 1-Mar-12 | 11,781 | 1,991 | 3,118 | 5,460 | 2,342 | 75.10% |
| Credit reporting | 22-Oct-12 | 50,792 | 1,873 | 14,389 | 29,239 | 14,850 | 103.20% |
| Money transfers | 4-Apr-13 | 1,949 | – | 560 | 1,168 | 608 | Not applicable due to partial year data |
| Debt collection | 10-Jul-13 | 57,283 | – | 11,075 | 39,186 | 28,111 | Not applicable |
| Payday loan | 6-Nov-13 | 2,223 | – | 194 | 1,707 | 1,513 | Not applicable |
| Other financial service | 19-Jul-14 | 152 | – | – | 117 | 117 | Not applicable |
| Prepaid card | 19-Jul-14 | 500 | – | – | 335 | 335 | Not applicable |

Figure ES-1. Consumer Complaints about Mortgages over Time

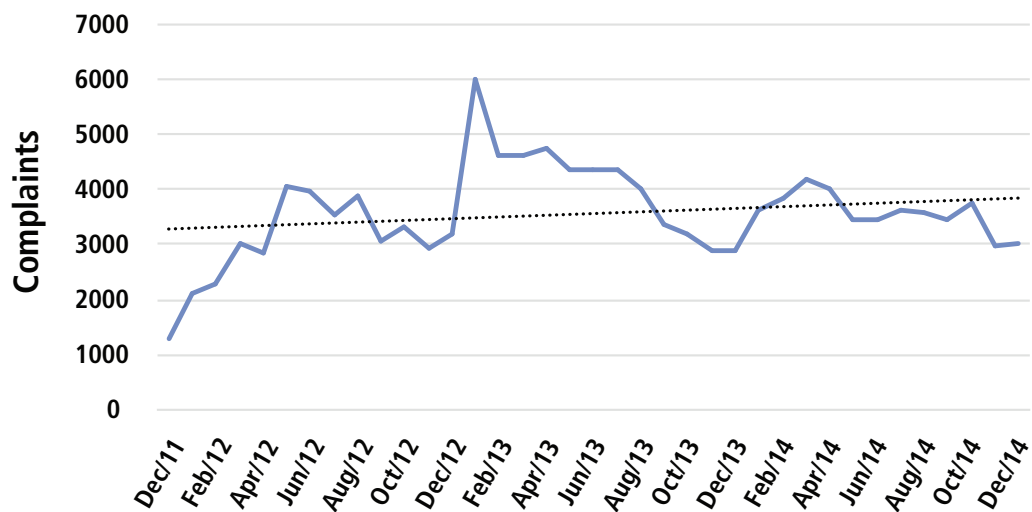
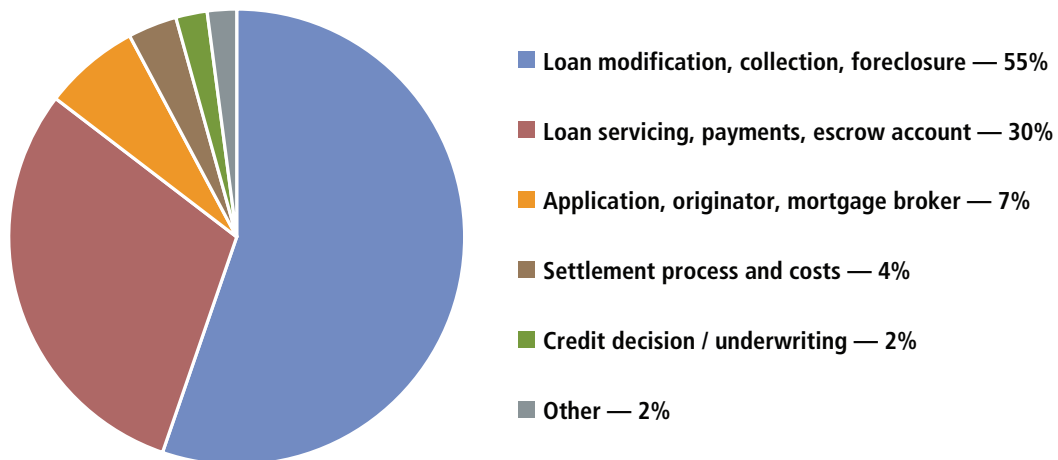


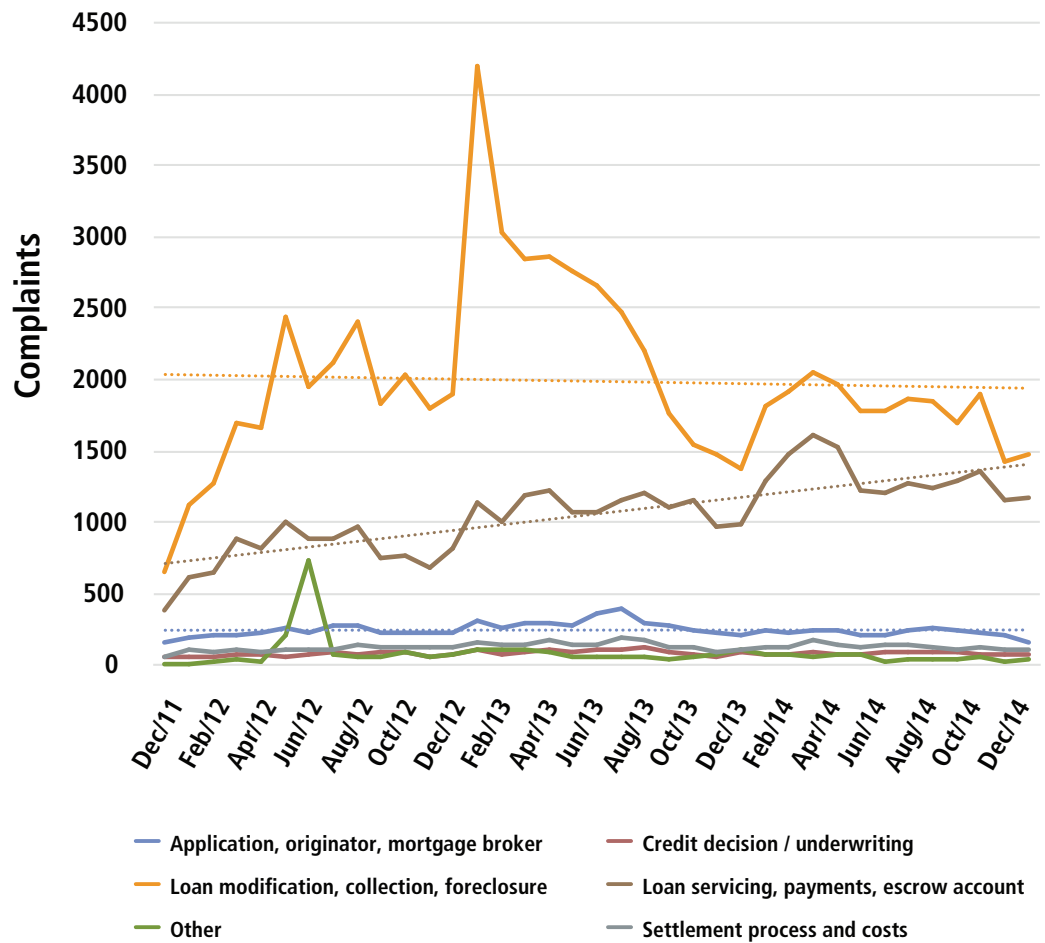
Figure ES-2. Breakdown of Complaints by Issue



Five out of the six mortgage issues declined in volume. One issue, complaints related to making payments (loan servicing, payments, escrow account), continues to increase. (See

Figure ES-3.) Such complaints increased by 19% in 2014, compared to 2013. The CFPB says that payment related complaints include loan servicing, payments and escrow accounts.⁶

Figure ES-3. Consumer Complaints about Mortgages by Issue over Time



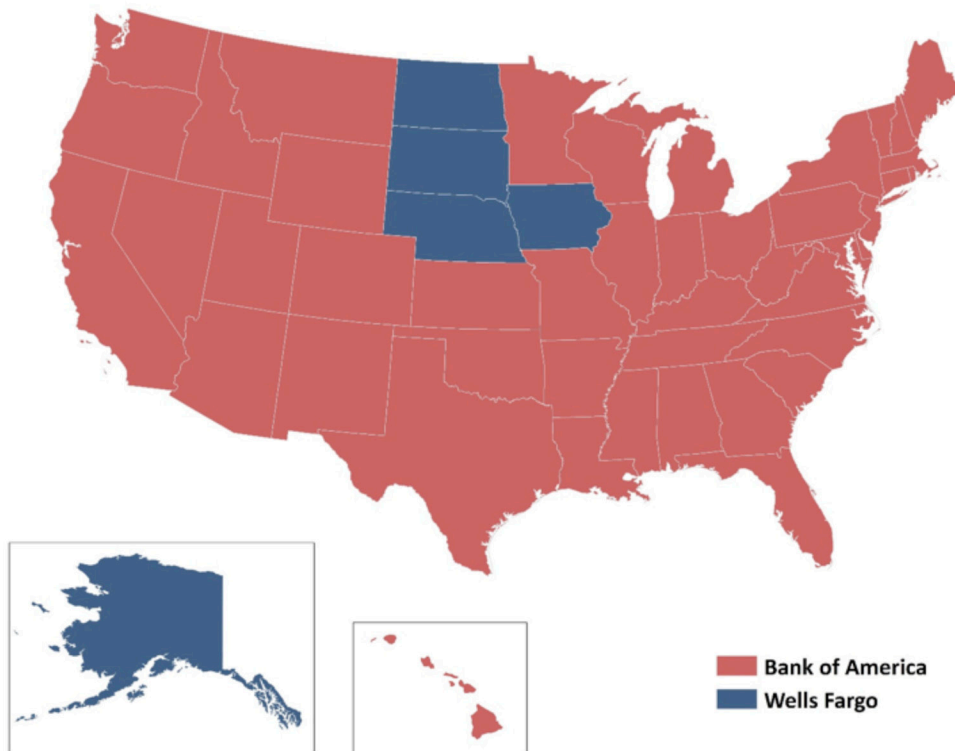
Ten companies account for 77% of all mortgage complaints to the CFPB: Bank of America, Wells Fargo, Ocwen, JPMorgan Chase, Nationstar Mortgage, Citibank, Green Tree Servicing, HSBC, U.S. Bancorp, and PNC Bank. (See Table ES-2.)

- Bank of America has the most total mortgage complaints with 31,123, making up about 23% of all mortgage complaints.
- Bank of America was the most complained about company in 45 states and the District of Columbia. Wells Fargo was complained about the most in five states. (See Figure ES-4.)

Table ES-2. Top 10 Most Complained About Companies to the CFPB about Mortgages

| Rank | Company | Complaints | Percent of Overall Complaints |
|------|---------------------------|------------|-------------------------------|
| 1 | Bank of America | 31,123 | 22.5% |
| 2 | Wells Fargo | 19,132 | 13.9% |
| 3 | Ocwen | 15,473 | 11.2% |
| 4 | JPMorgan Chase | 12,392 | 9.0% |
| 5 | Nationstar Mortgage | 8,704 | 6.3% |
| 6 | Citibank | 6,117 | 4.4% |
| 7 | Green Tree Servicing, LLC | 5,317 | 3.9% |
| 8 | HSBC | 3,051 | 2.2% |
| 9 | U.S. Bancorp | 2,814 | 2.0% |
| 10 | PNC Bank | 2,627 | 1.9% |

Figure ES-4. Bank of America is the Most Complained-About Company in 45 States and the District of Columbia



When adjusted for market share, the three most complained about companies are Ocwen, Nationstar Mortgage, and Bank of America, in that order. (See Table ES-3.)

The states with most complaints per

capita are the District of Columbia, followed by Maryland, New Hampshire, Florida, Delaware, Georgia, New Jersey, California, Nevada, and Virginia. (See Table ES-4 and Figure ES-5.)

Table ES-3. Top 10 Most Complained About Companies, Adjusted For Market Share of Loans Serviced from Q4 2011 – Q3 2014⁷

| Company | Total Complaints | Share of Complaints (Out of 138,086 Total Complaints) | Total Loans Serviced | Share of Market (Out of 585,717,199 Total Loans) | Share of Complaints is How Many Times Its Share of the Market? |
|---------------------------|------------------|---|-------------------------|--|--|
| Ocwen | 15,473 | 11.2% | 15,667,189 | 2.7% | 4.1 X |
| Nationstar Mortgage | 8,704 | 6.3% | 18,360,733 | 3.1% | 2.0 X |
| Bank of America | 31,123 | 22.5% | 98,450,318 | 16.8% | 1.3 X |
| Green Tree Servicing, LLC | 5,317 | 3.9% | 19,779,049 | 3.4% | 1.1 X |
| PNC Bank | 2,627 | 1.9% | 10,696,210 | 1.8% | 1.0 X |
| Citibank | 6,117 | 4.4% | 37,954,741 | 6.5% | .68 X |
| JPMorgan Chase | 12,392 | 9.0% | 87,891,233 | 15.0% | .60 X |
| U.S. Bancorp | 2,814 | 2.0% | 20,134,292 | 3.4% | .59 X |
| Wells Fargo | 19,132 | 13.9% | 140,637,390 | 24.0% | .58 X |
| HSBC | 3,051 | 2.2% | Data could not be found | Data could not be found | Data could not be found |

Table ES-4. States with Most Complaints per 100,000 Residents

| Rank | State | Mortgage Complaints | Population | Complaints per 100,000 residents |
|------|-------|---------------------|------------|----------------------------------|
| 1 | DC | 631 | 601,723 | 104.9 |
| 2 | MD | 5,324 | 5,773,552 | 92.2 |
| 3 | NH | 1,096 | 1,316,470 | 83.3 |
| 4 | FL | 15,525 | 18,801,310 | 82.6 |
| 5 | DE | 674 | 897,934 | 75.1 |
| 6 | GA | 7,151 | 9,687,653 | 73.8 |
| 7 | NJ | 6,047 | 8,791,894 | 68.8 |
| 8 | CA | 24,728 | 37,253,956 | 66.4 |
| 9 | NV | 1,479 | 2,700,551 | 54.8 |
| 10 | VA | 4,224 | 8,001,024 | 52.8 |

Figure ES-5. Complaints per 100,000 Residents by State

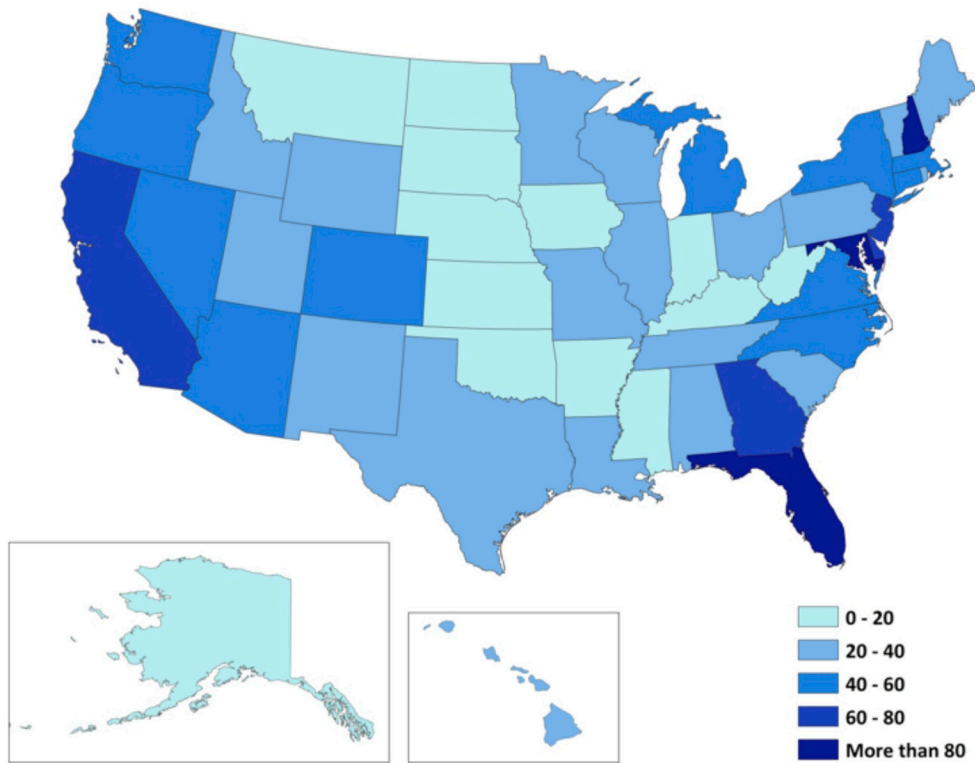
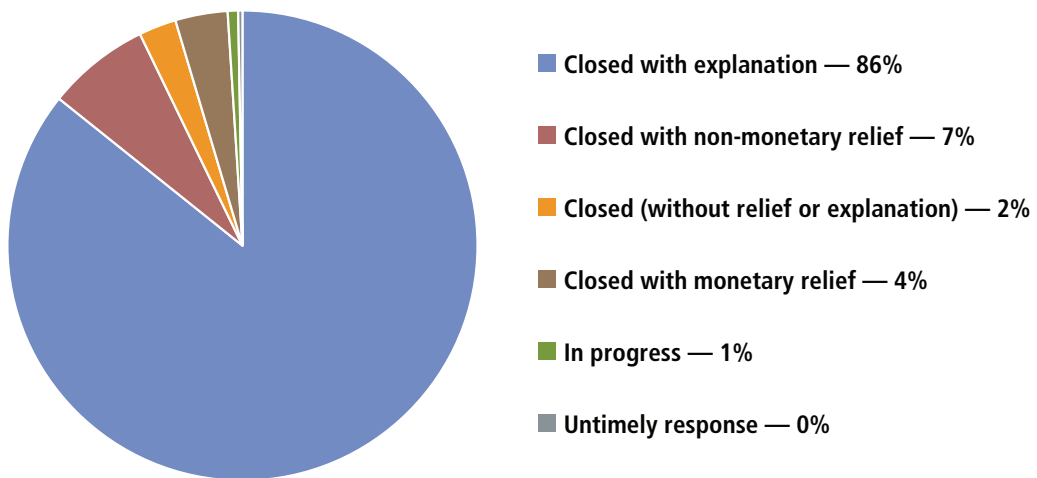


Figure ES-6. Responses to Consumer Complaints to the CFPB about Mortgages⁹



Consumers who have complained about mortgages have received monetary and non-monetary relief through the CFPB’s complaint process.

- 14,734 consumers - more than 1 in 10 mortgage complainants – received relief, either monetary or non-monetary.⁸ (See Figure ES-6.)
- Company responses to mortgage complaints are more often disputed by con-

sumers than any other financial product’s company response in the database, with about 23% of all company responses disputed. (See Table ES-5.)

- Of the 10 companies with the most overall mortgage complaints, U.S. Bancorp and Bank of America were the most likely to report extending monetary or non-monetary relief, providing relief for 20 percent and about 18 percent of complaints, respectively. (See Table ES-6.)

Table ES-5. Percentage of Responses Disputed by Product (All Products)

| Product | Total Complaints | Disputed Responses | Percent Disputed Responses |
|-------------------------|------------------|--------------------|----------------------------|
| Mortgage | 138,086 | 32,108 | 23.3% |
| Consumer loan | 11,781 | 2,657 | 22.6% |
| Credit card | 46,389 | 9,463 | 20.4% |
| Bank account or service | 42,757 | 8,426 | 19.7% |
| Student loan | 10,863 | 2,034 | 18.7% |
| Debt collection | 57,283 | 10,085 | 17.6% |
| Prepaid card | 500 | 88 | 17.6% |
| Other financial service | 152 | 25 | 16.4% |
| Credit reporting | 50,792 | 8,306 | 16.4% |
| Payday loan | 2,223 | 355 | 16.0% |
| Money transfers | 1,949 | 272 | 14.0% |

Table ES-6. Top 10 Most Complained About Companies Ranked by Percentage of Mortgage Complaints Granted Relief

| Rank | Company | Complaints | Percent Granted Relief |
|------|---------------------------|------------|------------------------|
| 1 | U.S. Bancorp | 563 | 20.0% |
| 2 | Bank of America | 5695 | 18.3% |
| 3 | JPMorgan Chase | 1465 | 11.8% |
| 4 | Citibank | 715 | 11.7% |
| 5 | PNC Bank | 278 | 10.6% |
| 6 | Wells Fargo | 1521 | 8.0% |
| 7 | Ocwen | 633 | 4.1% |
| 8 | HSBC | 96 | 3.2% |
| 9 | Green Tree Servicing, LLC | 99 | 1.9% |
| 10 | Nationstar Mortgage | 152 | 1.8% |

Recommendations:

The Consumer Complaint Database is an essential tool in the effort to protect consumers from deceptive and abusive practices in the financial marketplace. The CFPB has acted on recommendations we have made in previous reports to improve the quality of the Consumer Complaint Database and the effectiveness of the bureau. We commend the CFPB for:

- **Adding complaint narratives to the database.** In March 2015, the CFPB started allowing consumers to opt into publicly sharing the details of their complaints in the database. The first 7,700 narratives were published on June 25, 2015.¹⁰ No personally identifiable information, including demographic details, is being shared publicly.¹¹
- **Adding new complaint categories:** Complaints about prepaid cards, other consumer loans (i.e. pawn and title loans), and other financial services (i.e. credit repair and debt settlement) were added to the database in January 2015.¹²

Additional actions the CFPB should take to improve the quality of the Consumer Complaint Database include:

- Adding more detailed information to the database, such as detailed complaint categories and subcategories, complaint resolution details, consumer dispute details, and data regarding membership in classes protected from discrimination by law. Expansion of complaint-level details should also include more information about amounts and types of monetary and non-monetary relief. It is critical that the CFPB achieve the disclosure of more individual complaint details while simultaneously making every reasonable effort to protect personal

data. Ideas for more detailed categories and subcategories, include:

- Reorganize the “loan modification, collection, foreclosure” issue category. Perhaps rename it “unable to pay” and create three sub-issue categories.
 - Reorganize the “loan servicing, payments and escrow account” issue category. Rename it to “making payments” and create three sub-issue categories.
 - Reorganize the “application, originator, mortgage broker” issue category. Rename it to “applying for the loan” and create three sub-issue categories.
- Adding a field listing company subsidiaries, which are often the firms with which consumers actually interact. For example, Encore Capital Group, the company with the greatest number of debt collection complaints in the CFPB database, does business under the names of several subsidiaries. Adding subsidiary company information will enable consumers to better apply the information in the CFPB database to their own experiences, and to the choices they make in the marketplace.
 - Strengthening the new database narrative fields by finding ways to provide public access to racial, ethnic, age and gender data that can reveal discrimination in the financial marketplace. While robust protection of personal information is a must, the lack of all demographic data from narratives limits the ability to detect possible patterns of discrimination.
 - Providing regular trend analyses and monthly detailed reports on complaint resolutions and disputes (the CFPB already publishes “Snapshot” reports but should make them more frequently).

- Simplifying the current “view” interfaces that allow users to summarize complaint database reports in graphical and printable formats when using the database in its online format. For example, CFPB could create automatic pre-selected radio buttons for the most common queries to make it more user-friendly for the average consumer (researchers, typically, already download the entire database into their own computers for further analysis).
- Publicizing even more information about the CFPB complaints process in forums that are likely to be seen by consumers than it already does. The agency should develop more outreach mechanisms for consumer education about the database and its services for consumers, including through the creation of educational materials to be distributed on- and off-line, through holding more educational events outside Washington, D.C., and through partnering with non-profit organizations.
- Developing free applications (apps) for consumers to download to smartphones, allowing them to complain about a firm and receive information about how to review complaints in the database.
- Developing Application Programming Interfaces (APIs) that allow partner organizations and agencies to embed software on their own sites, allowing their members to file complaints directly from their own sites, thereby encouraging more organizations and agencies to participate in complaint collection.¹³

We commend the CFPB for two important recent actions:

- **Issuing a report on arbitration in March 2015.** We urge the CFPB to ban or regulate the use of pre-dispute mandatory arbitration in consumer financial contracts.¹⁴
- **Announcing a high-cost/payday lending rulemaking in March 2015:** Also in March, the CFPB held a field hearing to announce steps, including establishing a small business review panel required by law, preparatory to conducting a rulemaking on payday, auto title and other high-cost short term loans.¹⁵

To improve the effectiveness of the CFPB, the agency should:

- Move quickly to finalize proposed mortgage servicing rules/regulations with improvements recommended by consumer groups.¹⁶
- Move quickly to implement strong rules, based on consumer complaints and findings from recent reports, to protect consumers from other identified financial hazards. There should be a priority toward finishing rules restricting payday, auto title and other high-cost short term loans and banning pre-dispute mandatory arbitration clauses in financial contracts. Other priority projects include regulating the prepaid card market, and restricting unfair overdraft practices and high-cost, direct-deposit advance bank loans.
- Continue to use the information gathered from the Consumer Complaint Database, from supervisory and examination findings, and from other sources to require a high, uniform level of consumer protection and to ensure that responsible industry players can better compete with those who are using harmful practices.

Introduction

Predatory mortgage lenders. Excessive bank fees. Hidden credit card rip-offs. Mistake-prone credit bureaus. Abusive payday loans. Student loan scams.

The financial services industry is a minefield for American consumers, thick with tricks and traps that can ensnare even the savviest consumer, but that tend to have the greatest impacts on those most in need of protection: students, the elderly, military men and women, and the economically struggling.

For decades, Wall Street devised new strategies for extracting money from consumers with little response from Washington, D.C. In some cases, regulators lacked the authority to act. But in many cases, regulators with the power to stem abusive practices opted to sit on the sidelines. Previously, bank regulators were often charged with protecting both consumers and the financial health of banks—an inherent conflict of interest—and some engaged in a “race to the bottom” using weak regulations to lure banks to charter under their jurisdictions, bringing with them hefty fee payments.

Clearly, consumers needed a watchdog whose sole purpose was to look out for

their interests, not those of Wall Street. They needed a watchdog with the power to investigate new financial schemes, work on consumers’ behalf in disputes with financial services firms, and stop the most egregious anti-consumer practices.

Today, in the form of the Consumer Financial Protection Bureau (CFPB), consumers have that watchdog. Created in 2010 and beginning work in July 2011, the CFPB has already made a big difference for consumers. The agency has cracked down on illegal kickbacks from mortgage insurers to mortgage companies.¹⁷ It has investigated abusive “overdraft protection” policies by banks that can result in consumers paying hundreds of dollars in fees for a single overdraft. It has exposed the sale of inaccurate credit scores to consumers that differ from the scores used by lenders to make credit decisions. It has imposed over one and a half billion dollars in civil enforcement penalties and restitution to consumers for unfair practices by the nation’s largest credit card companies. And much more.

One of the most important steps taken by the CFPB has been the creation of the public Consumer Complaint Database.

The database houses records of all complaints filed by consumers with the CFPB, tracking which companies were the source of the complaints and how the complaints were resolved. Through the Consumer Complaint Database, the public, the media, consumer advocates and decision-makers can now track trends in consumer complaints, quickly identify new threats to consumers, and measure the effectiveness of the CFPB and financial institutions in responding to consumer complaints.

The CFPB's searchable complaint database is the newest of a set of federal government consumer complaint databases that help consumers make better economic and safety choices by reviewing others' experiences and searching for problems or product recalls. This transparency also helps firms improve their products and services. In short, transparency improves the

way markets work. (Information on other databases is available in Appendix B.)

In this, the sixth of a series of analyses of the Consumer Complaint Database, we focus on complaints regarding mortgages. Consumer complaints about mortgages are the most common complaint in the CFPB's database. Between December 2011, when it began accepting those complaints, and March 16, 2015, the CFPB published 138,086 complaints about mortgages, the most complaints received about any financial product (totaling 38% of all complaints through March 16, 2015, the timeline for this report). By reviewing patterns of consumer complaints, citizens can determine which mortgage companies in their region have been subject to the most complaints and which have been the most effective at resolving consumer complaints.

The Consumer Financial Protection Bureau: A Watchdog for Consumers

The U.S. financial crisis of 2008 was the product of an under-regulated financial system run amok. Millions of consumers were lured into mortgages whose terms they could not understand and which they had little hope of ever being able to repay. Easy credit inflated a housing bubble which, when it collapsed, brought down the fortunes of millions of families as well as the broader economy.

The mortgage crisis highlighted the need for more stringent financial regulations and better consumer education. But the problem extended far beyond mortgages. For decades, consumers had increasingly fallen prey to a growing list of predatory financial practices, from payday loans to exorbitant credit card and bank fees—all while receiving little help from Washington, D.C.

In 2010, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which created the Consumer Financial Protection Bureau (CFPB), whose stated mission is to help “consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over the economic lives.”¹⁸

The CFPB Helps Mortgage Customers

The CFPB was established as Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Upon its “standup date” as a new agency on July 21, 2011, the CFPB took primary regulatory rulewriting authority over 19 existing consumer credit laws and their rules and regulations from seven existing agencies.¹⁹

Among the key existing mortgage-related laws over which the CFPB acquired authority from other agencies are the following:

- Truth In Lending Act (TILA) and its Regulation Z. TILA is a comprehensive law dealing with the advertising of all open and closed end credit, including mortgages, credit cards and other loans.
- Home Ownership and Equity Protection Act (HOEPA) is a 1994 amendment to the Truth In Lending Act intended to impose additional consumer protections when high fee or high rate mortgages exceeded certain “triggers.” The Federal Reserve Board was widely

criticized for failing to draft protective regulations until after the peak of the mortgage collapse.²⁰

- **Home Mortgage Disclosure Act (HMDA) and Regulation C.** HMDA requires many mortgage companies to provide information helpful in determining whether they are properly serving their communities; HMDA reports also “shed light on lending patterns that could be discriminatory.”²¹
- **Real Estate Settlement Procedures Act (RESPA) and Regulation X.** RESPA is a 1974 act designed to prevent kickbacks and other illegal practices between and among lenders, real estate brokers, title insurance companies and others involved in mortgages. A significant portion of the CFPB’s mortgage regulation work has been simplifying and integrating requirements and disclosures under TILA and RESPA.²²
- **Equal Credit Opportunity Act (ECOA) and Regulation B.** ECOA prevents certain forms of discrimination, including but not limited to race, gender or age in all forms of lending, including mortgages.

The CFPB was also tasked by Congress with writing a series of new mortgage rules based on Title XIV of the Dodd-Frank Act, including amendments to existing rules.²³ In addition to regulatory rulewriting and enforcement of these laws, the CFPB has statutory authority to look for patterns or practices that are unfair, deceptive, or abusive and to issue rules or conduct enforcement actions when it identifies UDAAP violations.

The CFPB has also proposed new mortgage-related rules and requests for information, including current proposals on “Information Regarding the Mortgage Closing Process” and “Minimum Requirements for Appraisal Management Companies.”²⁴

Educational Tools

The CFPB has held a number of workshops and has tested a number of mortgage education tools for consumers as part of its “Know Before You Owe” initiative. For example, it maintains an “Owning a Home” page with checklists and tools that allow consumers to explore interest rates, understand loan options, and prepare for closing.²⁵ It has also provided clearer loan estimate and closing disclosure forms.²⁶

Enforcement of the Laws

With its expanded authority from updated and new mortgage regulations, the CFPB has taken enforcement actions against more than 40 companies, halting illegal activities and securing over \$2.9 billion in relief and refunds for consumers.

Some examples of CFPB actions against unfair mortgage practices include:²⁷

- **Servicing:** The nation’s largest non-bank mortgage servicer, Ocwen, was ordered, in a December 2013 action by CFPB and 49 states, to reduce loan principal by \$2 billion for underwater borrowers²⁸ and to pay \$125 million in refunds to “185,000 borrowers who had already been foreclosed upon.”²⁹
- **Steering:** In 2013, Castle & Cook, a large mortgage company, was ordered to refund \$9 million to consumers who had been illegally steered into higher-cost loans, and the firm and its officers were ordered to pay a \$4 million penalty.³⁰
- **Kickbacks:** Four mortgage insurance companies were ordered to pay a combined \$15 million civil penalty for paying illegal kickbacks to mortgage lenders to obtain business.³¹
- **Discrimination:** In 2015, the CFPB and the Department of Justice ordered \$9 million to be refunded to African-

American and Hispanic borrowers illegally charged higher broker fees on mortgages because of their race or ethnicity.³²

Beyond the CFPB's success in addressing known instances of mortgage industry wrongdoing through enforcement or supervision, the bureau's new and updated regulations serve as important checks on the emergence of new tricks and traps. Also, enforcement activity against one firm sends a message to other firms in the marketplace, magnifying its impact.

The Consumer Complaint Database: A Critical Part of the CFPB's Mission

The CFPB engages in many tasks as part of its mission to protect consumers. According to the agency's website, the CFPB:

- Writes rules, supervises companies, and enforces federal consumer financial protection laws;
- Restricts unfair, deceptive or abusive acts or practices;
- Takes consumer complaints;
- Promotes financial education;
- Researches consumer behavior;
- Monitors financial markets for new risks to consumers; and
- Enforces laws against discrimination and other unfair treatment in consumer finance.³³

Collecting and responding to consumer complaints is a key part of the CFPB's

mission, one that contributes to achieving several of the above goals. In particular, consumer complaints enable the CFPB to:

- **Learn about new threats to consumers:** The complaint process is designed to engage consumers when they believe that they have been wronged. The CFPB Office of Consumer Response "hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints."³⁴
- **Identify trends in issues and potential unfair practices:** The CFPB can use the complaint data in aggregate to identify common issues or sectors where more enforcement is needed.
- **Hold financial services firms accountable:** Making complaint data available to the public increases the accountability of financial institutions. Ideally, these institutions will be less likely to engage in unfair practices out of the fear that they will be held accountable by the public for any resulting increase in complaints. The complaint data also alert the agency about potential enforcement actions that may need to be taken.

How the Consumer Complaint Process Works

When a consumer believes that he or she has been subject to an unfair financial practice, he or she may file a complaint with the CFPB. Filing a complaint triggers a process through which the CFPB passes the complaint along to the relevant financial institution, and later follows up with the consumer to ensure the response was adequate. The steps are as follows:³⁵

- **Filing**—The consumer submits a complaint form via the CFPB's consumer

complaint website (www.consumerfinance.gov/complaint) or by phone (at 855-411-2372). Telephone complaints are accepted in many languages. Consumers can track the progress of their complaints using a variety of tools, including e-mail updates.

- **Review and routing**—CFPB staff review the complaint and, if appropriate, send it to the relevant company (or, if the issue is outside of the CFPB’s jurisdiction, to another government agency).
- **Company response**—The company that is the subject of the complaint responds to the consumer and the CFPB and proposes a resolution to the complaint. The consumer can then provide any response or feedback to the company and the CFPB.

- **Investigation**—CFPB staff review many of the complaints, the companies’ responses, and the consumers’ feedback to prioritize any complaints for investigation or enforcement action.

- **Analysis and reporting**—The CFPB aggregates data about consumer complaints in its complaint database, analyzes those data for trends, and reports regularly to Congress and the public.

The Consumer Complaint Database

Maintaining the Consumer Complaint Database is a key part of the CFPB’s mission. The database provides the agency, the media and consumers with the information needed to monitor trends in consumer complaints and companies’ responses to

Figure 1. Screenshot of the CFPB’s Consumer Complaint Database

| | Date received | Product | Sub-product | Issue | Consumer complaint narrative |
|----|---------------|----------|--|--|---|
| 1 | 03/30/2015 | Mortgage | Conventional fixed mortgage | Loan modification, collection, foreclosure | You mean the short version : we fell behind |
| 2 | 04/22/2015 | Mortgage | Conventional fixed mortgage | Loan servicing, payments, escrow account | Yesterday I received notice from my bank ab |
| 3 | 04/27/2015 | Mortgage | FHA mortgage | Loan servicing, payments, escrow account | Years ago, my mortgage was sold to Ocwen |
| 4 | 04/02/2015 | Mortgage | FHA mortgage | Loan modification, collection, foreclosure | XXXX year old women with XXXX granddau |
| 5 | 04/14/2015 | Mortgage | Conventional fixed mortgage | Loan modification, collection, foreclosure | XXXX XXXX XXXX XXXX XXXX XXXX XXXX |
| 6 | 05/10/2015 | Mortgage | Conventional fixed mortgage | Settlement process and costs | XXXX XXXX XXXXXXXXXXXXXXX. To Whom it r |
| 7 | 04/06/2015 | Mortgage | FHA mortgage | Loan modification, collection, foreclosure | XXXX XXXXXXXXXX XXXX XXXX GA XXXXXX |
| 8 | 04/11/2015 | Mortgage | Conventional adjustable mortgage (ARM) | Loan modification, collection, foreclosure | XXXX XXXX XXXX XXXX XXXX attorneys ft |
| 9 | 06/02/2015 | Mortgage | VA mortgage | Settlement process and costs | XXXX, XXXX XXXX & XXXX (wife) XXXX X |
| 10 | 03/25/2015 | Mortgage | Conventional fixed mortgage | Loan servicing, payments, escrow account | XXXX XXXX XXXX XXXX SETERUS, INC has |
| 11 | 03/24/2015 | Mortgage | Conventional fixed mortgage | Loan modification, collection, foreclosure | XXXX XXXX XXXX XXXX (Loan XXXX) and |
| 12 | 03/27/2015 | Mortgage | Other mortgage | Loan modification, collection, foreclosure | XXXX XXXX XXXX XXXX in XXXX of XXXX |
| 13 | 05/08/2015 | Mortgage | Reverse mortgage | Loan modification, collection, foreclosure | XXXX XXXX, XXXX XXXX FEDERAL COMPL |
| 14 | 04/08/2015 | Mortgage | Conventional adjustable mortgage (ARM) | Loan servicing, payments, escrow account | XXXX XXXX, XXXX XXXX Consumer Financi |
| 15 | 04/03/2015 | Mortgage | Conventional fixed mortgage | Loan modification, collection, foreclosure | XXXX XXXX, XXXX Whom it May Concern, I' |
| 16 | 03/31/2015 | Mortgage | Conventional fixed mortgage | Loan servicing, payments, escrow account | XXXX XXXX XXXX were my mortgage comp |
| 17 | 04/06/2015 | Mortgage | Conventional fixed mortgage | Loan servicing, payments, escrow account | XXXX XXXX XXXX we obtained a home mort |
| 18 | 04/08/2015 | Mortgage | Conventional fixed mortgage | Loan modification, collection, foreclosure | XXXX XXXX, XXXX We found ourselves in X |
| 19 | 04/07/2015 | Mortgage | Other mortgage | Loan modification, collection, foreclosure | XXXX XXXX XXXX was the original mortgag |
| 20 | 04/07/2015 | Mortgage | Conventional fixed mortgage | Loan servicing, payments, escrow account | XXXX XXXX XXXX WAS MY LENDER IN XXX |
| 21 | 03/31/2015 | Mortgage | FHA mortgage | Loan modification, collection, foreclosure | XXXX X |
| 22 | 03/23/2015 | Mortgage | FHA mortgage | Loan servicing, payments, escrow account | XXXX X |
| 23 | 04/09/2015 | Mortgage | Conventional fixed mortgage | Loan servicing, payments, escrow account | XXXX X |
| 24 | 04/21/2015 | Mortgage | FHA mortgage | Loan servicing, payments, escrow account | XXXX X |

CFPB Adds Narrative Stories to Enhance Database, First Batch Published In June 2015

Each of U.S. PIRG Education Fund's five previous reports analyzing complaints in the CFPB's public database has made recommendations to make a good tool better. We are pleased that on March 19, 2015, the CFPB finalized a change to the database based on one of our priority recommendations. With the consent of the consumer, the CFPB has added an optional "narratives" field to the database, which will make future analysis of the data more robust.³⁸ More than 10,000 PIRG members urged this change during a CFPB comment period. On June 25, 2015, the first "batch" of 7,700 complaints went "live."³⁹

Excerpt from a sample mortgage narrative from a consumer in North Carolina complaining about an interaction with Suntrust Bank:

I have been trying to obtain a mortgage from a financial institution for over 3 months. In this time frame, they have requested irrelevant and personal information, neither of which pertained to my loan. I have gone above and beyond providing whatever they asked for to the best of my abilities until I had finally had enough and told them they were invading my privacy. I have an almost XXXX credit score and no debt on my credit report. I have been dragged along and promised on XXXX specific occasions that I was 100 % approved only to be followed by and now we need this, BUT you 're still 100 % approved ". I fear I am going to lose the home I am trying to purchase due to their outrageous demands for irrelevant information and being dragged along for over 3 months. If I choose to go with another lender, I will be out over {\$18000.00} due to rates rising as well as the money I have put into all the appraisals and inspections I have already put into the home.

By publishing these "consumer stories," the CFPB will enable researchers, other consumers and other firms to better analyze consumer complaints and concerns.

- Researchers will be better able to identify trends and develop more insights about good and bad marketplace practices;
- Other consumers will be better able to more wisely choose institutions based on a more robust understanding of a firm's behavior toward its customers or accountholders, or the consumers it maintains files on. Those consumers will also be able to see if a problem that they are having is the same problem other consumers are having;
- Other firms will be better able to identify patterns and practices that they might change, or affirmatively choose to avoid, and then be able to market their firm as more consumer-friendly, making it easier for good actors to gain market share and stimulating competition positively, by better aligning the interests of firms with those of their customers and potential customers. Firms without "tricks and traps" should do better in a more transparent marketplace.
- Researchers, armed with more robust data, will be better able to build models to provide early warnings of the kinds of unsafe consumer practices that could lead to a systematic collapse such as occurred in 2008.
- Of course, a critical benefit will also be that more consumers will use the database. This positive feedback loop or "network effect" will increase its value to everyone as the financial services marketplace becomes more transparent.

those complaints. (See Figure 1.) The database is useful to consumers seeking to make choices in the marketplace.

It is also helpful to the CFPB to determine patterns and practices that may lead to supervisory or public enforcement actions, rulemaking or educational outreach. For example, servicemember complaints analyzed by the CFPB's Office of Service-

member Affairs led to a settlement in May 2015 with Navient (Sallie Mae) Corp. for overcharging on student loan interest. As a result, 77,795 servicemembers will receive \$60 million in compensation.³⁶

The CFPB's complaints program and the Consumer Complaint Database have gradually expanded in scope since the agency began collecting consumer complaints

in July 2011. Initially, the CFPB received complaints only about credit cards. Complaints about mortgages were received next in December 2011. The CFPB has gradually added bank accounts and services, student loans, consumer loans, credit reporting, money transfers, debt collection, pay day loans, prepaid cards, and other financial services to the complaints program.³⁷

Complaints submitted to the CFPB include information on a variety of topics, including:

- The specific issue or problem the consumer had with that financial service,
- The company that provided the service,
- The date on which the complaint was filed and state from which it was filed,
- Several data points associated with the complaint’s resolution (including the steps taken to resolve the complaint and whether the outcome was disputed by the consumer).

As of late June 2015, at the consumer’s

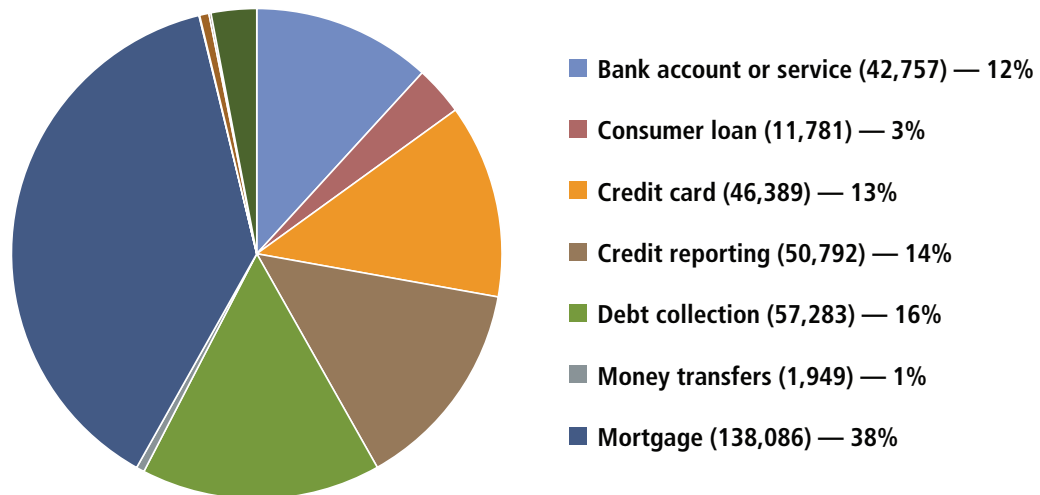
request, complaints also now may include a consumer narrative, or story.

The Consumer Complaint Database is updated nightly and includes a breakdown of complaints by financial sector. The CFPB also publishes quarterly summaries of patterns in consumer complaints.

As of March 16, 2015 (the cut off data for this report’s analysis), the CFPB had published data on more than 362,000 complaints.⁴⁰ Of these complaints, more than 138,000 were related to mortgages, making mortgages the most complained about financial sector since the CFPB began receiving complaints about it in December 2011. About 38 percent of all complaints recorded in the database since its inception are related to mortgages. Debt collection, credit reporting, credit cards, and bank services also attracted tens of thousands of complaints each. (See Figure 2.)

This report is the sixth in a series of reports tracking trends in consumer complaints to the CFPB. Each report reviews a specific sector of the financial services industry. In this sixth report, we focus on a vital issue of importance to many Americans: mortgages.

Figure 2. Overall Complaints Received by the CFPB by Product

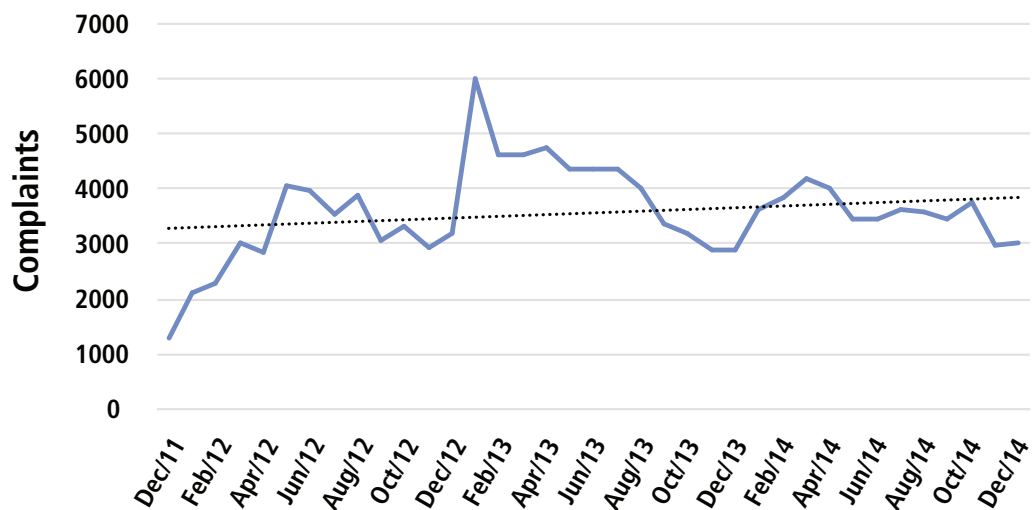


Consumer Complaints about Mortgages

The CFPB's Consumer Complaint Database provides a rich source of information about the types of mortgage issues that most frequently cause problems for consumers, as well as which companies are the most frequent subject of consumer dissatisfaction.

The Consumer Financial Protection Bureau has published more than 138,000 complaints⁴¹ about mortgages between December 2011, when it began accepting those complaints, and March 16, 2015. This number represents the highest volume of complaints received during that

Figure 3. Consumer Complaints about Mortgages over Time



time period for any product examined by the CFPB. Mortgages ranked first in complaint volume for every month until January of 2015, when debt collection complaints became the monthly leader.⁴² Mortgage complaints are still ranked second on a monthly basis and first for total complaints with 38% of all complaints published by the CFPB. (See Figure 2.)

Annual mortgage complaint volumes declined slightly in 2014 as the volume of the CFPB's 10 other product complaint categories (i.e., debt collection, credit reporting, credit card, bank account or service, consumer loan, student loan, payday loan, money transfers, prepaid card, and other financial services) continued to grow. (See Figure 3 and Table 1.) However, data are inadequate to suggest whether the decline in mortgage complaints is significant or not. As Figure 3 shows, the linear trend is still slightly upward.

Complaints by Service and Issue

The CFPB collects data on complaints about eight categories of mortgage services: conventional fixed mortgage, conventional adjustable mortgage (ARM), FHA mortgage, home equity loan or line of credit, VA mortgage, reverse mortgage, other mortgage, and second mortgage. "Other mortgage" accounts for the most mortgage-related complaints with 58,878 (43%)⁴⁴, followed by conventional fixed mortgages with 41,174 (30%). (See Figure 4.)

Across seven of eight mortgage services, issues most commonly arose when consumers were unable to pay (i.e., "loan modification, collection, foreclosure.") The most common issue for consumers who complained about home equity loan or line of credit services was problems

Table 1. Difference in Complaints by Product (All Products) in 2014, Compared to 2013

| Product | When CFPB Started Taking Complaints ⁴³ | Total Complaints 2011 – March 16, 2015 | Complaints in 2012 | Complaints in 2013 | Complaints in 2014 | Difference from 2013 to 2014 | % Difference from 2013 to 2014 |
|-------------------------|---|--|--------------------|--------------------|--------------------|------------------------------|---|
| Mortgage | 1-Dec-11 | 138,086 | 38,217 | 49,427 | 43,012 | (6,415) | -13.0% |
| Credit card | 21-Jul-11 | 46,389 | 15,386 | 13,109 | 13,977 | 868 | 6.6% |
| Bank account or service | 1-Mar-12 | 42,757 | 12,245 | 13,383 | 14,675 | 1,292 | 9.7% |
| Student loan | 1-Mar-12 | 10,863 | 2,842 | 3,002 | 4,285 | 1,283 | 42.7% |
| Consumer loan | 1-Mar-12 | 11,781 | 1,991 | 3,118 | 5,460 | 2,342 | 75.1% |
| Credit reporting | 22-Oct-12 | 50,792 | 1,873 | 14,389 | 29,239 | 14,850 | 103.2% |
| Money transfers | 4-Apr-13 | 1,949 | - | 560 | 1,168 | 608 | Not applicable due to partial year data |
| Debt collection | 10-Jul-13 | 57,283 | - | 11,075 | 39,186 | 28,111 | Not applicable |
| Payday loan | 6-Nov-13 | 2,223 | - | 194 | 1,707 | 1,513 | Not applicable |
| Other financial service | 19-Jul-14 | 152 | - | - | 117 | 117 | Not applicable |
| Prepaid card | 19-Jul-14 | 500 | - | - | 335 | 335 | Not applicable |

Figure 4. Breakdown of Complaints by Service

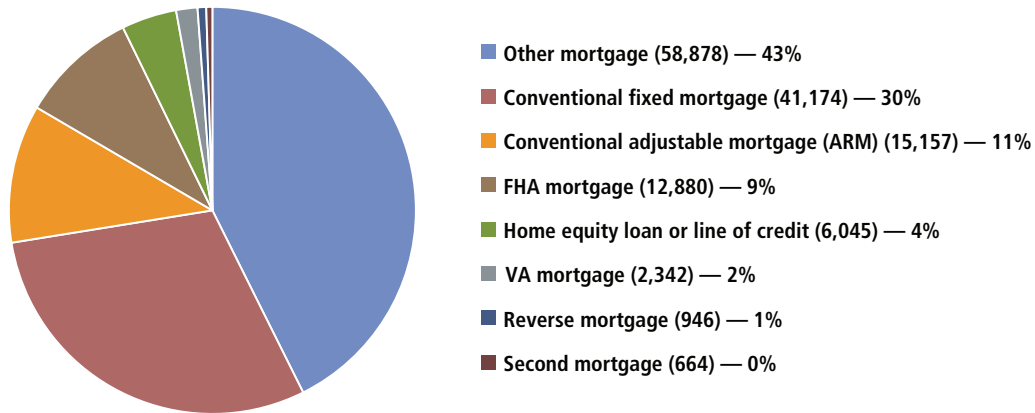


Figure 5. Issue of Complaint by Mortgage Service

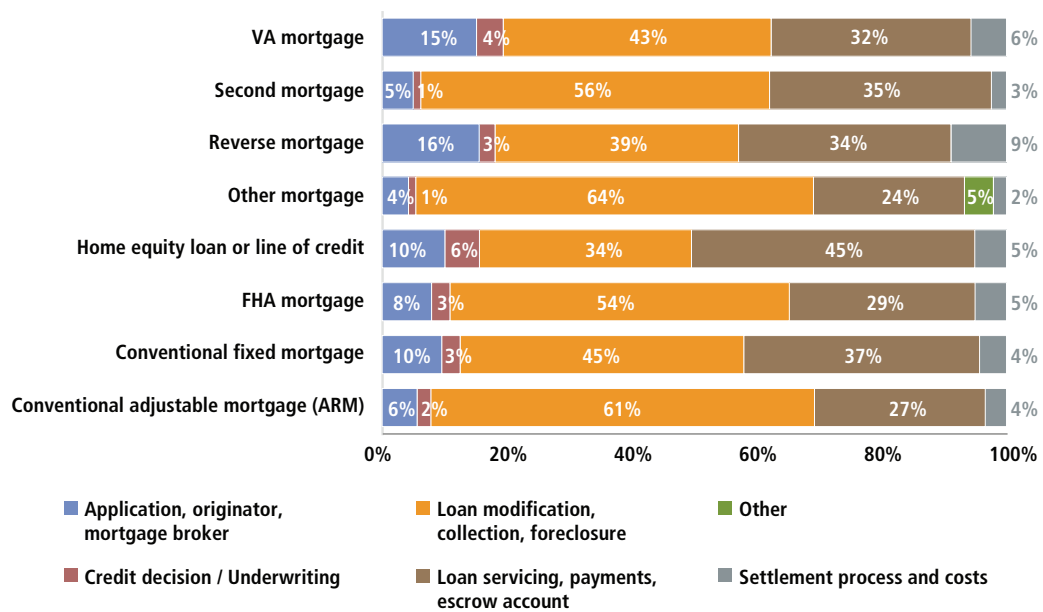
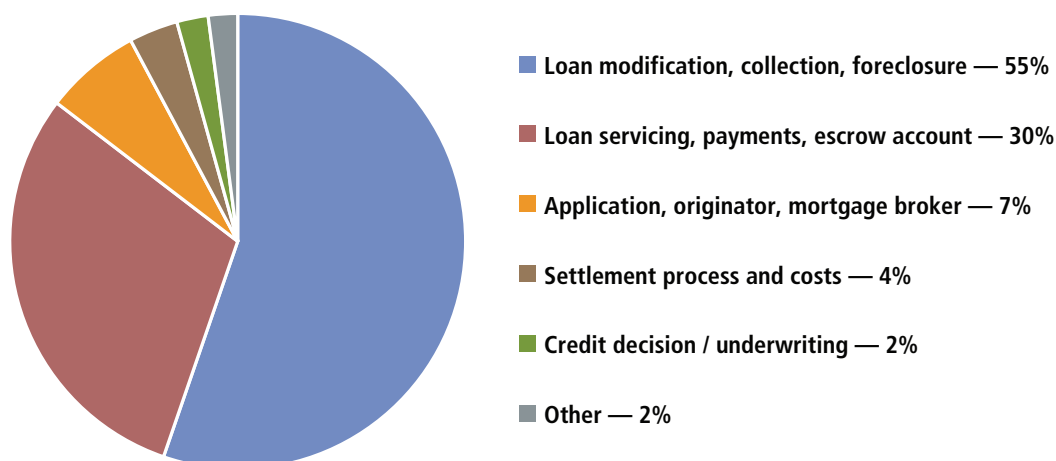


Figure 6. Breakdown of Complaints by Issue



with loan servicing, payments and escrow accounts. (See Figure 5.)

The vast majority of all mortgage complaints (85%) fall into two issue categories:⁴⁵ (See Figure 6.)

- Problems when consumers are unable to pay (categorized in the database as “loan modification, collection, foreclosure”): 76,333 complaints (55%).
- Problems making payments (categorized in the database as “loan servicing, payments and escrow account”): 41,583 complaints (30%)

15% of all complaints fall into the other four categories⁴⁶: (See Figure 6.)

- Problems applying for the loan (categorized in the database as “application, originator, mortgage broker”): 9,417 complaints (7%)

- Problems signing the agreement (categorized in the database as “settlement process and costs”): 4,806 complaints (4%)
- Problems receiving a credit offer (categorized in the database as “credit decision/underwriting”): 3,075 complaints (2%)
- Other: 2,872 (2%)

In 2014, five of the six issue categories saw a decrease in complaints, compared to 2013. (See Figure 7.) However, an increase in complaints by 19% was seen for problems making payments (loan servicing, payments and escrow account) with 2,521. (See Table 2.) While an overall decrease in complaints shows improvements in the marketplace, an increase in the second-largest category of mortgage complaints also suggests a need for continued and enhanced oversight to fix persistent problems in the market.

Figure 7. Consumer Complaints about Mortgages by Issue over Time

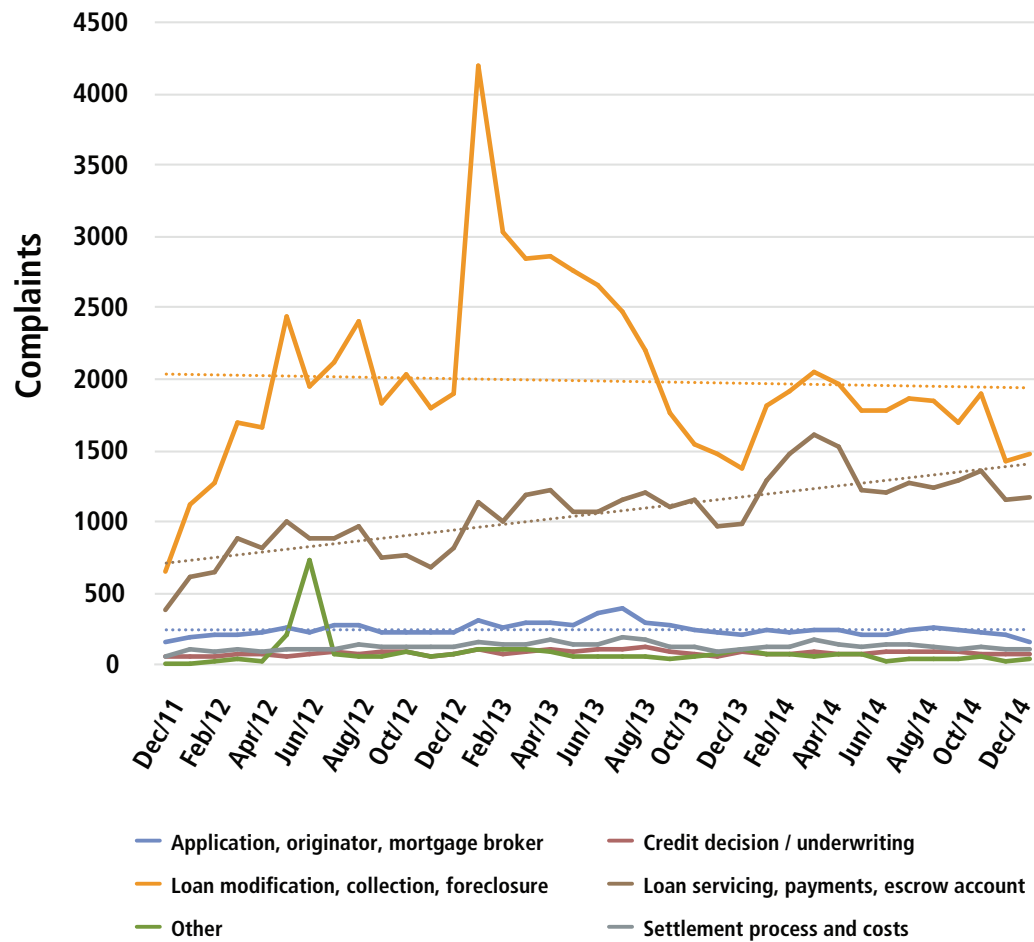


Table 2. Difference in Mortgage Complaints by Issue from 2013 to 2014

| Issues | Total Complaints | Complaints in 2012 | Complaints in 2013 | Complaints in 2014 | Difference from 2013 to 2014 | % Difference from 2013 to 2014 |
|--|------------------|--------------------|--------------------|--------------------|------------------------------|--------------------------------|
| Other | 2,872 | 1,390 | 865 | 565 | -300 | -34.68% |
| Loan modification, collection, foreclosure | 76,333 | 22,199 | 29,142 | 21,507 | -7,635 | -26.20% |
| Application, originator, mortgage broker | 9,417 | 2,738 | 3,417 | 2,690 | -727 | -21.28% |
| Credit decision / underwriting | 3,075 | 850 | 1,087 | 933 | -154 | -14.17% |
| Settlement process and costs | 4,806 | 1,330 | 1,655 | 1,535 | -120 | -7.25% |
| Loan servicing, payments, and escrow account | 41,583 | 9,710 | 13,261 | 15,782 | 2,521 | 19.01% |

Complaints by Issue

The CFPB has just started populating the database with a voluntary narrative field. (See Sidebar, page 17). Without that additional detail for this report, it is difficult for us to extrapolate details from the current sub-categories of complaints listed in the database and discussed in this report. The CFPB has, however, published its own reports on the complaint database that offer some details⁴⁷ about the following issues:

Unable to Pay (i.e. loan modifications, collections, or foreclosures)

“In particular, consumers still complain about delays and ambiguity in the review of their modification applications. Some consumers expressed concerns about the documentation requests they receive and argue that they were not provided a reasonable date by which the required documents had to be returned but instead were instructed to return the documents ‘immediately’. ... Consumers with successfully completed loan modifications have complained that some servicers do not amend derogatory credit reporting accrued by consumers during trial periods although documents provided to the consumers by servicers indicated that they would do so.”⁴⁸

“Consumers facing foreclosure have expressed confusion about fees assessed in connection with the foreclosure process. The fees often seem to represent a substantial barrier to a consumer’s ability to reinstate the loan and avoid foreclosure, as many servicers will not roll the fees into the loan balance. Consumers are then required to pay hundreds or thousands of dollars, in addition to the loan reinstatement amount, to avoid foreclosure, and the actual amount of fees the consumer must pay to reinstate the loan can be confusing. Foreclosure fees are sometimes listed as one line-item on a reinstatement quote, with no itemization provided unless the consumer

specifically requests more information on what fees are being assessed.”⁴⁹

“Finally, some consumers...express concern that the servicer is proceeding with foreclosure proceedings although their modification application is still under review.”⁵⁰

Making Payments (i.e. loan servicing, posting of payments, or management of escrow accounts)

“For example, consumers express concern over difficulties they experience when the servicing of their loan is transferred, including complaints about fees charged by the prior servicer, unexplained escrow deficiencies, issues with the new servicer accepting the previous servicer’s modification, and communication between the old and new servicer (especially when loss mitigation efforts are ongoing).”⁵¹

“Consumers also complain that the servicer has not made timely disbursements for tax payments or insurance premiums...In some cases, the untimely disbursement of tax payments has resulted in late fees and penalties being assessed to the consumer’s account. Additionally, [those who inherit property under mortgage] complain that they were not assigned a single point of contact and report general confusion about the documents required to obtain authorization to an account when the borrower is deceased.”⁵²

Applying for the Loan (i.e. application, originator, mortgage broker)

“Consumer complaints about mortgage originations tend to involve the lengthy application and approval processes and unauthorized credit inquiries. Consumers also complained about delayed loan denials that occurred just before settlement but were based upon information that was disclosed early in the application process (e.g., bankruptcy, lack of employment history, etc.). They expressed frustration that fees were charged even though they believe the loan originator knew that the

loan would not be approved. A number of complaints involved the lender's refusal to honor rate-locks, and concerns that the terms of loans with variable interest rates were not clearly disclosed."⁵³

Signing the Agreement (i.e. settlement process and costs)

According to a report the CFPB published about the mortgage closing process, consumers are frustrated by the timing of closing document delivery, errors in documents, the large number of documents, difficulty in understanding documents, and a lack of explanations or educational resources.⁵⁴

Complaints by Company

The CFPB has authority to regulate and investigate any institution that offers a consumer financial product or service, including mortgage companies. The CFPB database enables consumers to compare the number of complaints filed against mortgage originators and servicers—providing a window into consumers' level of overall satisfaction with mortgage services.

Total Complaints

Table 3 ranks the 10 most complained-about companies by total number of complaints. The company receiving the most complaints was Bank of America, which

Table 3. Top 10 Companies by Complaints to the CFPB about Mortgages

| Rank | Company | Complaints | Percent of Overall Complaints |
|------|---------------------------|------------|-------------------------------|
| 1 | Bank of America | 31,123 | 22.5% |
| 2 | Wells Fargo | 19,132 | 13.9% |
| 3 | Ocwen | 15,473 | 11.2% |
| 4 | JPMorgan Chase | 12,392 | 9.0% |
| 5 | Nationstar Mortgage | 8,704 | 6.3% |
| 6 | Citibank | 6,117 | 4.4% |
| 7 | Green Tree Servicing, LLC | 5,317 | 3.9% |
| 8 | HSBC | 3,051 | 2.2% |
| 9 | U.S. Bancorp | 2,814 | 2.0% |
| 10 | PNC Bank | 2,627 | 1.9% |

Table 4. Top 10 Most Complained About Companies, Adjusted For Market Share of Loans Serviced from Q4 2011 – Q3 2014⁵⁶

| Company | Total Complaints | Share of Complaints (Out of 138,086 Total Complaints) | Total Loans Serviced | Share of Market (Out of 585,717,199 Total Loans) | Share of Complaints is How Many Times Its Share of the Market? |
|---------------------------|------------------|---|-------------------------|--|--|
| Ocwen | 15,473 | 11.2% | 15,667,189 | 2.7% | 4.1 X |
| Nationstar Mortgage | 8,704 | 6.3% | 18,360,733 | 3.1% | 2.0 X |
| Bank of America | 31,123 | 22.5% | 98,450,318 | 16.8% | 1.3 X |
| Green Tree Servicing, LLC | 5,317 | 3.9% | 19,779,049 | 3.4% | 1.1 X |
| PNC Bank | 2,627 | 1.9% | 10,696,210 | 1.8% | 1.0 X |
| Citibank | 6,117 | 4.4% | 37,954,741 | 6.5% | .68 X |
| JPMorgan Chase | 12,392 | 9.0% | 87,891,233 | 15.0% | .60 X |
| U.S. Bancorp | 2,814 | 2.0% | 20,134,292 | 3.4% | .59 X |
| Wells Fargo | 19,132 | 13.9% | 140,637,390 | 24.0% | .58 X |
| HSBC | 3,051 | 2.2% | Data could not be found | Data could not be found | Data could not be found |

Table 5. Difference in Complaints from 2013 to 2014 among the Top 10 Most Complained about Companies to the CFPB about Mortgages

| Company | Complaints in 2012 | Complaints in 2013 | Complaints in 2014 | Difference from 2013 to 2014 | Percent Difference from 2013 to 2014 |
|---------------------------|--------------------|--------------------|--------------------|------------------------------|--------------------------------------|
| Nationstar Mortgage | 952 | 3,046 | 4,019 | 973 | 31.9% |
| Ocwen | 3,739 | 4,742 | 6,088 | 1,346 | 28.4% |
| U.S. Bancorp | 643 | 903 | 1,109 | 206 | 22.8% |
| Green Tree Servicing, LLC | 826 | 1,969 | 2,170 | 201 | 10.2% |
| PNC Bank | 661 | 906 | 931 | 25 | 2.7% |
| HSBC | 885 | 1,168 | 892 | -276 | -23.6% |
| JPMorgan Chase | 3,722 | 4,564 | 3,474 | -1,090 | -23.9% |
| Citibank | 1,775 | 2,391 | 1,649 | -742 | -31.0% |
| Wells Fargo | 5,948 | 7,313 | 4,978 | -2,335 | -31.9% |
| Bank of America | 11,798 | 12,405 | 5,827 | -6,578 | -53.0% |

received 22.5% of all complaints about mortgages. The top 10 companies make up 77% of all complaints.

To account for differences in company size, we compared the share of complaints for each of the 10 most complained about companies to each company’s market share of loans serviced.⁵⁵ (See Table 4.)

Ocwen’s share of complaints was more than four times its share of the market, ranking first by this measure. On the other hand, Wells Fargo, which has the highest market share, is ranked ninth for share of complaints to market share.

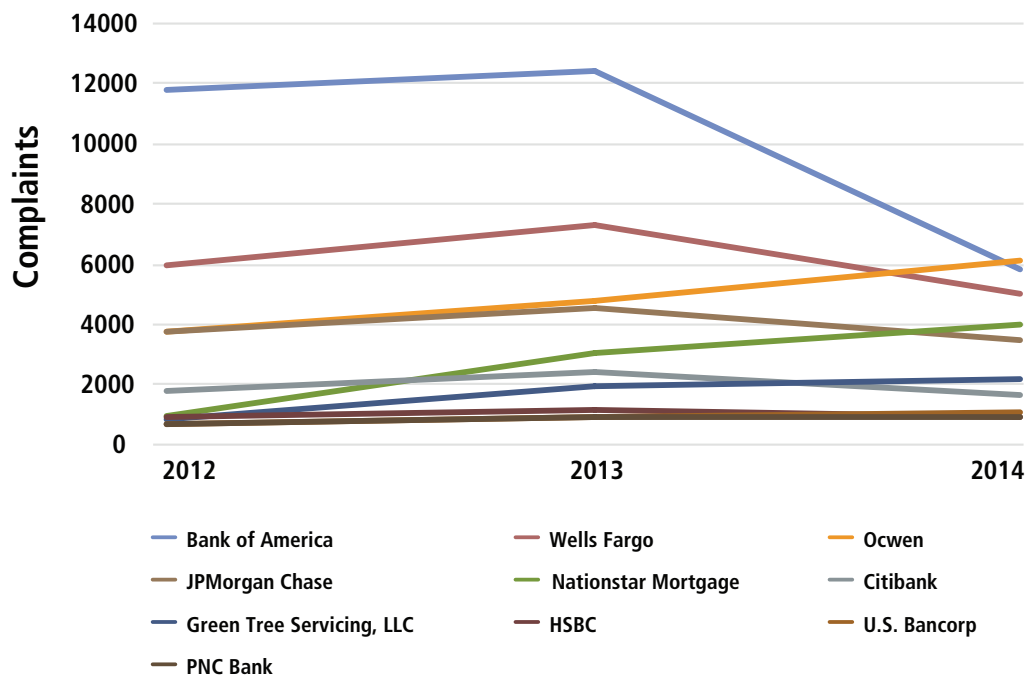
Of the top 10 most complained about companies, five companies saw decreases in complaints in 2014 compared to 2013, while the other half saw increases. Bank of America saw the biggest decrease in complaints with a 53% drop, while Nationstar had the biggest increase with a 31.9% bump. (See Table 5 and Figure 8.)

Responses to Complaints

The CFPB tracks how companies respond to complaints by consumers, and whether consumers disputed the companies’ responses.

A total of 118,403 consumers— 86 percent of those who complained—received an explanation from their mortgage company directly through the CFPB complaints process. An additional 9,764 complaints were closed with non-monetary relief. Monetary relief was provided to 4,970 consumers. In sum, 14,734 consumers—more than 1 in 10 complainants— received some form of relief, either monetary or non-monetary, as a result of a complaint to the CFPB. (See Figure 9.) Due to the limits of the company response categories in the database, it is difficult to determine if this rate of relief is poor. It is hoped that the recent inclusion of narra-

Figure 8. Top 10 Most Complained about Companies over Time



tives in the database will help researchers make that determination in the future.

Figure 10 shows the slight differences in the propensity of companies to offer relief, depending on the issue.

Mortgage companies vary greatly in the degree to which they report extending relief, either monetary or non-mon-

etary, to consumers who complain. Of the 10 companies with the most overall complaints, U.S. Bancorp and Bank of America were the most likely to report extending monetary or non-monetary relief, providing relief for 20 percent and 18 percent of complaints, respectively. (See Table 6.)

Figure 9. Responses to Consumer Complaints to the CFPB about Mortgages

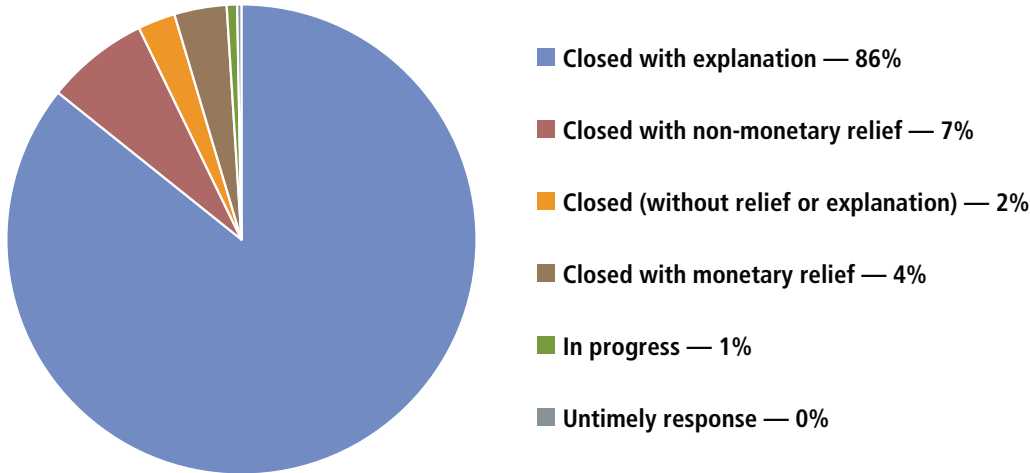


Figure 10. Breakdown of Company Response by Issue

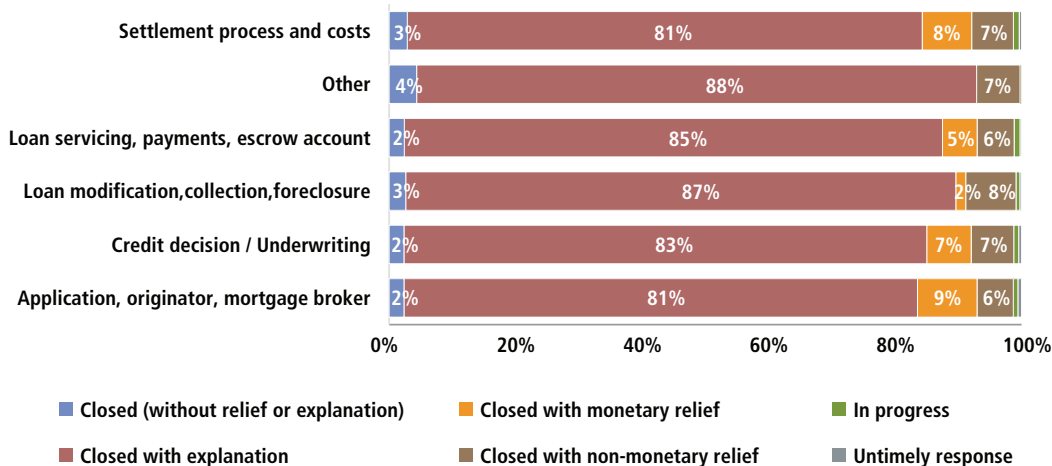


Table 6. Top 10 Most Complained About Companies by Percentage of Complaints Granted Relief

| Rank | Company | Complaints | Percent Granted Relief |
|------|---------------------------|------------|------------------------|
| 1 | U.S. Bancorp | 563 | 20.0% |
| 2 | Bank of America | 5,695 | 18.3% |
| 3 | JPMorgan Chase | 1,465 | 11.8% |
| 4 | Citibank | 715 | 11.7% |
| 5 | PNC Bank | 278 | 10.6% |
| 6 | Wells Fargo | 1,521 | 8.0% |
| 7 | Ocwen | 633 | 4.1% |
| 8 | HSBC | 96 | 3.2% |
| 9 | Green Tree Servicing, LLC | 99 | 1.9% |
| 10 | Nationstar Mortgage | 152 | 1.8% |

Disputed Responses

In about 23 percent of cases, a consumer is sufficiently dissatisfied with the mortgage company’s response to the complaint that he or she disputes it via the CFPB. Mortgages rank the highest among all CFPB complaint category products for percentage of disputed responses. (See Table 7.)

Of consumer mortgage complaints about HSBC, 24.7 percent resulted in consumers disputing the company’s response to their complaint—the highest percentage of disputed responses among the 10 companies with the most overall complaints. Citibank had the lowest per-

centage of disputed responses among the 10 most complained-about companies, at 21.3 percent. (See Table 8.)

Consumers disputed fewer responses from mortgage companies that involved monetary relief than they did other responses. While less than 16 percent of consumers who were offered monetary relief disputed the company’s response to their complaint, 19 percent of consumers whose complaints were closed with non-monetary relief and about 24 percent of consumers who received an explanation from the company disputed the response. (See Figure 11.)

Figure 11. Disputes by Company Response

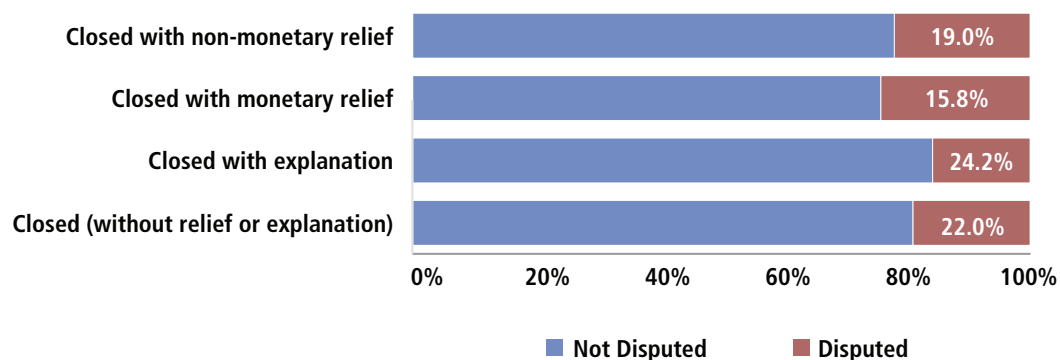


Table 7. Percentage of Responses Disputed by Product (All Products)

| Product | Total Complaints | Disputed Responses | Percent Disputed Responses |
|-------------------------|------------------|--------------------|----------------------------|
| Mortgage | 138,086 | 32,108 | 23.3% |
| Consumer loan | 11,781 | 2,657 | 22.6% |
| Credit card | 46,389 | 9,463 | 20.4% |
| Bank account or service | 42,757 | 8,426 | 19.7% |
| Student loan | 10,863 | 2,034 | 18.7% |
| Debt collection | 57,283 | 10,085 | 17.6% |
| Prepaid card | 500 | 88 | 17.6% |
| Other financial service | 152 | 25 | 16.4% |
| Credit reporting | 50,792 | 8,306 | 16.4% |
| Payday loan | 2,223 | 355 | 16.0% |
| Money transfers | 1,949 | 272 | 14.0% |

Table 8. Top Ten Most Complained About Mortgage Companies by Dispute-to-Complaint Ratio

| Company | Disputed Responses | Percent of Responses Disputed |
|---------------------------|--------------------|-------------------------------|
| HSBC | 754 | 24.7% |
| Wells Fargo | 4,687 | 24.5% |
| U.S. Bancorp | 688 | 24.5% |
| Ocwen | 3,702 | 23.9% |
| Bank of America | 7,391 | 23.8% |
| Nationstar Mortgage | 2,058 | 23.6% |
| Green Tree Servicing, LLC | 1,175 | 22.1% |
| JPMorgan Chase | 2,730 | 22.0% |
| PNC Bank | 567 | 21.6% |
| Citibank | 1,303 | 21.3% |

Complaints by State

The number of complaints about mortgages varies from state to state, even when adjusted for the number of residents living in each state. (See Figure 12.)

The District of Columbia had the greatest number of complaints per capita with about 105 complaints per 100,000 residents. Maryland, New Hampshire, Florida, Delaware, Georgia, New Jersey, California, Nevada, and Virginia all

had between 50 and 100 complaints per 100,000 residents. (See Table 9.)

The states with the fewest complaints per capita were North Dakota, Iowa, West Virginia, Arkansas, Alaska, South Dakota, Mississippi, Oklahoma, Kansas, and Kentucky, all with fewer than 18 complaints per 100,000 residents. (See Table 10.)

Bank of America was the most complained about company in 45 states and the District of Columbia. Wells Fargo was complained about the most in five states. (See Figure 13.)

Figure 12. Complaints per 100,000 Residents by State

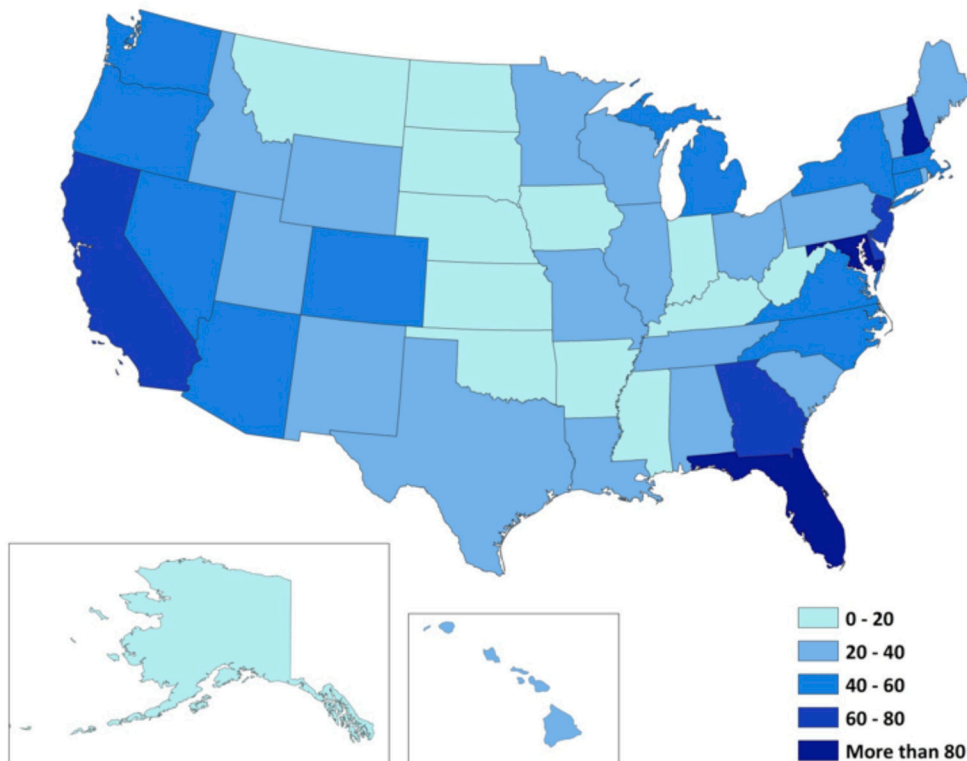


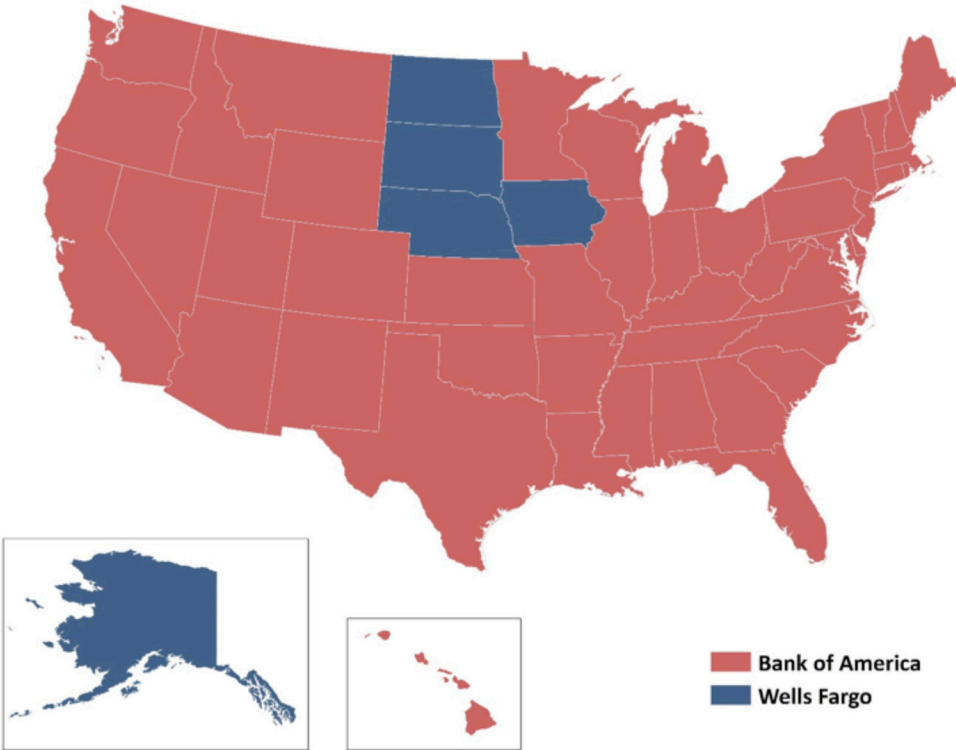
Table 9. States with Most Complaints per 100,000 residents

| Rank | State | Mortgage Complaints | Population | Complaints per 100,000 residents |
|------|-------|---------------------|------------|----------------------------------|
| 1 | DC | 631 | 601,723 | 104.9 |
| 2 | MD | 5,324 | 5,773,552 | 92.2 |
| 3 | NH | 1,096 | 1,316,470 | 83.3 |
| 4 | FL | 15,525 | 18,801,310 | 82.6 |
| 5 | DE | 674 | 897,934 | 75.1 |
| 6 | GA | 7,151 | 9,687,653 | 73.8 |
| 7 | NJ | 6,047 | 8,791,894 | 68.8 |
| 8 | CA | 24,728 | 37,253,956 | 66.4 |
| 9 | NV | 1,479 | 2,700,551 | 54.8 |
| 10 | VA | 4,224 | 8,001,024 | 52.8 |

Table 10. States with Fewest Complaints per 100,000 residents

| Rank | State | Mortgage Complaints | Population | Complaints per 100,000 residents |
|------|-------|---------------------|------------|----------------------------------|
| 42 | KY | 767 | 4,339,367 | 17.7 |
| 43 | KS | 493 | 2,853,118 | 17.3 |
| 44 | OK | 625 | 3,751,351 | 16.7 |
| 45 | MS | 482 | 2,967,297 | 16.2 |
| 46 | SD | 127 | 814,180 | 15.6 |
| 47 | AK | 109 | 710,231 | 15.3 |
| 48 | AR | 422 | 2,915,918 | 14.5 |
| 49 | WV | 261 | 1,852,994 | 14.1 |
| 50 | IA | 383 | 3,046,355 | 12.6 |
| 51 | ND | 65 | 672,591 | 9.7 |

Figure 13. Bank of America is the Most Complained-About Company in 45 States and the District of Columbia



Conclusions and Recommendations

Conclusions:

The CFPB's Consumer Complaint Database provides a rich source of information about the issues facing consumers in the financial marketplace. An analysis of the Consumer Complaint Database for complaints about mortgages reveals that:

- Consumer complaints about mortgages are the most common type of complaint in the CFPB's database. Between December 2011, when it began accepting those complaints, and March 16, 2015, **the CFPB published 138,086 complaints about mortgages, the most complaints received about any financial product.**
- The vast majority of mortgage complaints (85%) fall into two issue categories: Problems when consumers are unable to pay (categorized in the database as “loan modification, collection, foreclosure”) make up 55% of the total; problems making payments (categorized in the database as “loan servicing, payments and escrow account”) make up 30%. The other four issue categories total 15%.⁵⁷
- There has been a notable increase in one mortgage complaint issue, payment-related mortgage problems, which increased by 19% in 2014, compared to 2013. While we need more information about the nature of the consumer problems, it suggests more oversight is needed in this part of the market.
- Bank of America was the most complained about company in 45 states and the District of Columbia. Wells Fargo was complained about the most in five states.
- The states with most complaints per capita are the District of Columbia, followed by Maryland, New Hampshire, Florida, Delaware, Georgia, New Jersey, California, Nevada, and Virginia.

Recommendations:

The Consumer Complaint Database is an essential tool in the effort to protect consumers from deceptive and abusive practices in the financial marketplace. The CFPB has acted on recommendations we have made in previous reports to improve the quality of the Consumer Complaint Database and the effectiveness of the bureau. We commend the CFPB for:

- **Adding complaint narratives to the database.** In March 2015, the CFPB started allowing consumers to opt into publicly sharing the details of their complaints in the database. The first 7,700 narratives were published on June 25, 2015.⁵⁸ No personally identifiable information, including demographic details, is being shared publicly.⁵⁹
- **Adding new complaint categories:** Complaints about prepaid cards, other consumer loans (i.e. pawn and title loans), and other financial services (i.e. credit repair and debt settlement) were added to the database in January 2015.⁶⁰

Additional actions the CFPB should take to improve the quality of the Consumer Complaint Database include:

- Adding more detailed information to the database, such as detailed complaint categories and subcategories, complaint resolution details, consumer dispute details, and data regarding membership in classes protected from discrimination by law. Expansion of complaint-level details should also include more information about amounts and types of monetary and non-monetary relief. It is critical that the CFPB achieve the disclosure of more individual complaint details while simultaneously making ev-

ery reasonable effort to protect personal data. Ideas for more detailed categories and subcategories, include:

- Reorganize the “loan modification, collection, foreclosure” issue category. Perhaps rename it, “unable to pay” and create three sub-issue categories.
- Reorganize the “loan servicing, payments and escrow account” issue category. Rename it to “making payments” and create three sub-issue categories.
- Reorganize the “application, originator, mortgage broker” issue category. Rename it to “applying for the Loan” and create three sub-issue categories.
- Adding a field listing company subsidiaries, which are often the firms with which consumers actually interact. For example, Encore Capital Group, the company with the greatest number of debt collection complaints in the CFPB database, does business under the names of several subsidiaries. Adding subsidiary company information will enable consumers to better apply the information in the CFPB database to their own experiences, and to the choices they make in the marketplace.
- Strengthening the new database narrative fields by finding ways to provide public access to racial, ethnic, age and gender data that can reveal discrimination in the financial marketplace. While robust protection of personal information is a must, the lack of all demographic data from narratives limits the ability to detect possible patterns of discrimination.

- Providing regular trend analyses and monthly detailed reports on complaint resolutions and disputes (the CFPB already publishes “Snapshot” reports but should make them more frequently).
- Simplifying the current “view” interfaces that allow users to summarize complaint database reports in graphical and printable formats when using the database in its online format. For example, CFPB could create automatic pre-selected radio buttons for the most common queries to make it more user-friendly for the average consumer (researchers, typically, already download the entire database into their own computers for further analysis).
- Publicizing information about the CFPB complaints process in forums that are likely to be seen by consumers. The agency should develop more outreach mechanisms for consumer education about the database and its services for consumers, including through the creation of educational materials to be distributed on- and off-line, through holding more educational events outside Washington, D.C., and through partnering with non-profit organizations.
- Developing free applications (apps) for consumers to download to smartphones allowing them to complain about a firm and providing information about how to review complaints in the database.
- Developing Application Programming Interfaces (APIs) that allow partner organizations and agencies to embed software on their own sites allowing their members to file complaints directly from their own sites, thereby encouraging more organizations and agencies to participate in complaint collection.⁶¹

We commend the CFPB for two important recent actions:

- **Issuing a report on arbitration in March 2015.** We urge the CFPB to ban or regulate the use of pre-dispute mandatory arbitration in consumer financial contracts.⁶²
- **Announcing a high-cost/payday lending rulemaking in March 2015:** Also in March, the CFPB held a field hearing to announce steps, including establishing a small business review panel required by law, preparatory to conducting a rulemaking on payday, auto title and other high-cost short term loans.⁶³

To improve the effectiveness of the CFPB, the agency should:

- Move quickly to finalize proposed mortgage servicing rules/regulations with improvements recommended by consumer groups.⁶⁴
- Move quickly to implement strong rules, based on consumer complaints and findings from recent reports, to protect consumers from other identified financial hazards. There should be a priority toward finishing rules restricting payday, auto title and other high-cost short term loans and banning pre-dispute mandatory arbitration clauses in financial contracts. Other priority projects include regulating the prepaid card market, and restricting unfair overdraft practices and high-cost, direct-deposit advance bank loans.
- Continue to use the information gathered from the Consumer Complaint Database, from supervisory and examination findings, and from other sources to require a high, uniform level of consumer protection and to ensure that responsible industry players can better compete with those who are using harmful practices.

Methodology

The Consumer Complaint Database

The Consumer Financial Protection Bureau (CFPB) maintains a database of complaints submitted by customers about banks and other financial institutions. The database is available for download online at www.consumerfinance.gov/complaintdatabase. Our analysis of the mortgage sector focuses on the distribution of complaints by state, by company, by “service” (equivalent to the “sub-product” field in the CFPB database), and by “issue.” It includes complaints posted to the database from December 2011 when the CFPB began to collect mortgage complaints, through March 16, 2015.

Normalizing Complaints by Company Size

The CFPB’s database publishes mortgage complaints for 754 companies. For this report, we looked at the 10 most complained about companies, which make up 77% of all complaints. (See Table 2.) (Appendix A includes a list of the 30 most complained about companies, which make up 91% of all complaints.)

To allow for comparisons across mortgage companies of different sizes, we compared the share of complaints for each of the 10 most complained about companies to each company’s market share of loans serviced.

While not all of the 10 most complained about companies originate

loans, all of them service loans, which is why we looked at market share for loans serviced by each of these 10 companies. We referenced mortgagestats.com, published by Source Media, for the total number of loans serviced by each company from Q4 2011 through Q3 2014, the last quarter for which data is provided on the site.

In order to account for differences in company size, we compared the market share of loans serviced by each of the 10 most complained about companies to each company’s share of complaints.

We used the data on mortgagestats.com for Walter Investment Management Corp. as a proxy for the data of Green Tree Servicing, which is the exclusive servicer for Walter Investment Management Corp.

Loan data could not be found for HSBC, which has its loans serviced by PHH Mortgage. Although PHH Mortgage is listed on the site, its numbers include servicing it provides for other companies.

Normalizing Complaints by State Population

2010 U.S. Census data were taken from the U.S. Census Bureau, apportionment data for 2010. We then divided the number of consumer complaints by individual state populations to normalize for state population size.

Appendix A: Detailed Data Tables for Complaints Regarding Mortgages

Table A-1. Top 30 Most Complained About Companies to the CFPB about Mortgages

| Rank | Company | Complaints (out of 138,086 Total) | Percent of Overall Complaints |
|------|----------------------------------|--------------------------------------|----------------------------------|
| 1 | Bank of America | 31,123 | 22.5% |
| 2 | Wells Fargo | 19,132 | 13.9% |
| 3 | Ocwen | 15,473 | 11.2% |
| 4 | JPMorgan Chase | 12,392 | 9.0% |
| 5 | Nationstar Mortgage | 8,704 | 6.3% |
| 6 | Citibank | 6,117 | 4.4% |
| 7 | Green Tree Servicing, LLC | 5,317 | 3.9% |
| 8 | HSBC | 3,051 | 2.2% |
| 9 | U.S. Bancorp | 2,814 | 2.0% |
| 10 | PNC Bank | 2,627 | 1.9% |
| 11 | Select Portfolio Servicing, Inc. | 2,540 | 1.8% |
| 12 | SunTrust Bank | 1,960 | 1.4% |
| 13 | Seterus | 1,484 | 1.0% |
| 14 | Flagstar Bank | 1,313 | 1.0% |
| 15 | OneWest Bank | 1,160 | 0.8% |
| 16 | Specialized Loan Servicing LLC | 1,091 | 0.8% |
| 17 | M&T Bank | 1,024 | 0.7% |
| 18 | PHH Mortgage | 998 | 0.7% |
| 19 | Bayview Loan Servicing, LLC | 838 | 0.6% |
| 20 | Caliber Home Loans, Inc. | 756 | 0.6% |
| 21 | RBS Citizens | 730 | 0.5% |
| 22 | Fifth Third Bank | 730 | 0.5% |
| 23 | EverBank | 637 | 0.5% |
| 24 | Capital One | 619 | 0.5% |
| 25 | Quicken Loans | 567 | 0.4% |
| 26 | Carrington Mortgage | 523 | 0.4% |
| 27 | BB&T Financial | 518 | 0.4% |
| 28 | Residential Credit Solutions | 467 | 0.3% |
| 29 | TD Bank | 461 | 0.3% |
| 30 | PennyMac Loan Services, LLC | 415 | 0.3% |

Table A-2. Difference in Complaints from 2013 to 2014 among the Top 30 Most Complained-about Companies to the CFPB about Mortgages

| Company | Total Complaints Since 2011 | Complaints in 2013 | Complaints in 2014 | Difference from 2013 to 2014 | % Difference from 2013 to 2014 |
|---------------------------------|------------------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------------------|
| Bank of America | 31,123 | 12,405 | 5,827 | -6,578 | -53.0% |
| Wells Fargo | 19,132 | 7,313 | 4,978 | -2,335 | -31.9% |
| Ocwen | 15,473 | 4,742 | 6,088 | 1,346 | 28.4% |
| JPMorgan Chase | 12,392 | 4,564 | 3,474 | -1,090 | -23.9% |
| Nationstar Mortgage | 8,704 | 3,046 | 4,019 | 973 | 31.9% |
| Citibank | 6,117 | 2,391 | 1,649 | -742 | -31.0% |
| Green Tree Servicing, LLC | 5,317 | 1,969 | 2,170 | 201 | 10.2% |
| HSBC | 3,051 | 1,168 | 892 | -276 | -23.6% |
| U.S. Bancorp | 2,814 | 903 | 1,109 | 206 | 22.8% |
| PNC Bank | 2,627 | 906 | 931 | 25 | 2.8% |
| Select Portfolio Servicing, Inc | 2,540 | 795 | 1,299 | 504 | 63.4% |
| SunTrust Bank | 1,960 | 642 | 500 | -142 | -22.1% |
| Seterus | 1,484 | 423 | 617 | 194 | 45.9% |
| Flagstar Bank | 1,313 | 392 | 383 | -9 | -2.3% |
| OneWest Bank | 1,160 | 469 | 230 | -239 | -51.0% |
| Specialized Loan Servicing LLC | 1,091 | 360 | 472 | 112 | 31.1% |
| M&T Bank | 1,024 | 303 | 402 | 99 | 32.7% |
| PHH Mortgage | 998 | 341 | 330 | -11 | -3.2% |
| Bayview Loan Servicing, LLC | 838 | 245 | 427 | 182 | 74.3% |
| Caliber Home Loans, Inc | 756 | 185 | 418 | 233 | 126.0% |
| Fifth Third Bank | 730 | 241 | 208 | -33 | -13.7% |
| RBS Citizens | 730 | 225 | 222 | -3 | -1.3% |
| EverBank | 637 | 254 | 205 | -49 | -19.3% |
| Capital One | 619 | 205 | 170 | -35 | -17.1% |
| Quicken Loans | 567 | 198 | 213 | 15 | 7.6% |
| Carrington Mortgage | 523 | 147 | 240 | 93 | 63.3% |
| BB&T Financial | 518 | 166 | 166 | 0 | 0.00% |
| Residential Credit Solutions | 467 | 147 | 228 | 81 | 55.1% |
| TD Bank | 461 | 172 | 104 | -68 | -39.5% |
| PennyMac Loan Services, LLC | 415 | 94 | 233 | 139 | 147.9% |

Table A-3. Top 30 Most Complained-about Companies by Service

| Rank | Conventional adjustable mortgage (ARM) | Conventional fixed mortgage | FHA mortgage | Home equity loan or line of credit | Other mortgage | Reverse mortgage | Second mortgage | VA mortgage |
|------|--|---------------------------------|---------------------------|------------------------------------|---------------------------------|------------------------------------|--------------------------------|--------------------------------|
| 1 | Bank of America | Bank of America | Bank of America | Bank of America | Bank of America | Nationstar Mortgage | Bank of America | Wells Fargo |
| 2 | Ocwen | Ocwen | Wells Fargo | Wells Fargo | Wells Fargo | Wells Fargo | JPMorgan Chase | Bank of America |
| 3 | Wells Fargo | Wells Fargo | Nationstar Mortgage | JPMorgan Chase | Ocwen | OneWest Bank | Citibank | Ocwen |
| 4 | Nationstar Mortgage | JPMorgan Chase | JPMorgan Chase | Ocwen | JPMorgan Chase | Reverse Mortgage Solutions | Ocwen | JPMorgan Chase |
| 5 | JPMorgan Chase | Nationstar Mortgage | Ocwen | Citibank | Nationstar Mortgage | Bank of America | HSBC | Nationstar Mortgage |
| 6 | Select Portfolio Servicing, Inc | Green Tree Servicing, LLC | Citibank | PNC Bank | Citibank | American Advisors Group | Wells Fargo | Citibank |
| 7 | Green Tree Servicing, LLC | Citibank | U.S. Bancorp | HSBC | Green Tree Servicing, LLC | Generation Mortgage | Green Tree Servicing, LLC | U.S. Bancorp |
| 8 | Citibank | HSBC | Green Tree Servicing, LLC | RBS Citizens | HSBC | James B. Nutter & Company | PNC Bank | USAA Savings |
| 9 | HSBC | PNC Bank | Flagstar Bank | Green Tree Servicing, LLC | U.S. Bancorp | Sun West Mortgage Company, Inc. | U.S. Bancorp | PNC Bank |
| 10 | Specialized Loan Servicing LLC | U.S. Bancorp | PNC Bank | U.S. Bancorp | Select Portfolio Servicing, Inc | Urban Financial of America, LLC | SunTrust Bank | Flagstar Bank |
| 11 | OneWest Bank | Select Portfolio Servicing, Inc | M&T Bank | Nationstar Mortgage | PNC Bank | JPMorgan Chase | Specialized Loan Servicing LLC | PHH Mortgage |
| 12 | U.S. Bancorp | Seterus | SunTrust Bank | SunTrust Bank | SunTrust Bank | Liberty Home Equity Solutions, Inc | Nationstar Mortgage | Freedom Mortgage |
| 13 | PNC Bank | SunTrust Bank | PHH Mortgage | TD Bank | Seterus | MetLife Bank | RBS Citizens | Quicken Loans |
| 14 | Capital One | PHH Mortgage | Seterus | Specialized Loan Servicing LLC | Flagstar Bank | Proficio Mortgage Ventures, LLC | Regions | Mortgage Investors Corporation |
| 15 | Bayview Loan Servicing, LLC | Caliber Home Loans, Inc | Selene Finance | Sovereign Bank | OneWest Bank | Deval LLC | TD Bank | Navy FCU |
| 16 | Seterus | Flagstar Bank | HSBC | Capital One | M&T Bank | One Reverse Mortgage | Real Time Resolutions | Residential Credit Solutions |
| 17 | SunTrust Bank | Specialized Loan Servicing LLC | Carrington Mortgage | BMO Harris | Specialized Loan Servicing LLC | Ocwen | USAA Savings | Green Tree Servicing, LLC |

Table A-3 (cont'd). Top 30 Most Complained-about Companies by Service

| Rank | Conventional adjustable mortgage (ARM) | Conventional fixed mortgage | FHA mortgage | Home equity loan or line of credit | Other mortgage | Reverse mortgage | Second mortgage | VA mortgage |
|------|--|------------------------------|---------------------------------------|------------------------------------|------------------------------|---------------------------------|---------------------------------|-----------------------------|
| 18 | Caliber Home Loans, Inc | Quicken Loans | PennyMac Loan Services, LLC | Fifth Third Bank | Fifth Third Bank | Green Tree Servicing, LLC | OneWest Bank | SunTrust Bank |
| 19 | Carrington Mortgage | Bayview Loan Servicing, LLC | Loan Care | Regions | Bayview Loan Servicing, LLC | Live Well Financial, Inc. | Select Portfolio Servicing, Inc | M&T Bank |
| 20 | Residential Credit Solutions | M&T Bank | EverBank | KeyBank NA | PHH Mortgage | Citibank | KeyBank NA | Dovenmuehle Mortgage Inc. |
| 21 | PHH Mortgage | EverBank | Fifth Third Bank | USAA Savings | RBS Citizens | U.S. Bancorp | First Tennessee Bank | Loan Care |
| 22 | Servis One, Inc. | Fifth Third Bank | Quicken Loans | Santander Bank US | Capital One | M&T Bank | Springleaf Finance Corporation | EverBank |
| 23 | PennyMac Loan Services, LLC | RBS Citizens | Freedom Mortgage | BB&T Financial | EverBank | GE Capital Retail | BB&T Financial | Planet Home Lending, LLC |
| 24 | Arvest Bank | Residential Credit Solutions | Select Portfolio Servicing, Inc | First Tennessee Bank | Caliber Home Loans, Inc | HSBC | TCF National Bank | HSBC |
| 25 | EverBank | OneWest Bank | Caliber Home Loans, Inc | M&T Bank | BB&T Financial | Select Portfolio Servicing, Inc | Fifth Third Bank | BB&T Financial |
| 26 | Flagstar Bank | BB&T Financial | Bayview Loan Servicing, LLC | Navy FCU | Carrington Mortgage | Flagstar Bank | Sovereign Bank | Fifth Third Bank |
| 27 | M&T Bank | Provident Funding | BB&T Financial | OneWest Bank | TD Bank | Bayview Loan Servicing, LLC | New York Community Bank | PennyMac Loan Services, LLC |
| 28 | Morgan Stanley | Shellpoint Partners, LLC | Dovenmuehle Mortgage Inc. | The Huntington National Bank | Regions | BB&T Financial | BBVA Compass | Selene Finance |
| 29 | Rushmore Loan Management Services LLC | PennyMac Loan Services, LLC | Servis One, Inc. | Springleaf Finance Corporation | Residential Credit Solutions | PennyMac Loan Services, LLC | Bayview Loan Servicing, LLC | New Day Financial, LLC |
| 30 | Shellpoint Partners, LLC | Capital One | Rushmore Loan Management Services LLC | BBVA Compass | PennyMac Loan Services, LLC | TCF National Bank | Capital One | WestStar Mortgage Inc. |

Table A-4. Top 30 Most Complained about-Companies by Issue

| Rank | Applying for the Loan (i.e. application, originator, mortgage broker) | Receiving a Credit Offer (credit decision / underwriting) | Unable to Pay (loan modification, collection, foreclosure) | Making Payments (loan servicing, payments, escrow account) | Other | Signing the Agreement (settlement process and costs) |
|------|---|---|--|--|---------------------------------|--|
| 1 | Bank of America | Bank of America | Bank of America | Bank of America | Bank of America | Bank of America |
| 2 | Wells Fargo | Wells Fargo | Wells Fargo | Wells Fargo | Ocwen | Wells Fargo |
| 3 | JPMorgan Chase | JPMorgan Chase | Ocwen | Ocwen | Wells Fargo | JPMorgan Chase |
| 4 | Citibank | Ocwen | JPMorgan Chase | JPMorgan Chase | JPMorgan Chase | Ocwen |
| 5 | Ocwen | Citibank | Nationstar Mortgage | Nationstar Mortgage | Nationstar Mortgage | Nationstar Mortgage |
| 6 | Nationstar Mortgage | Nationstar Mortgage | Citibank | Citibank | HSBC | Citibank |
| 7 | Quicken Loans | PNC Bank | Green Tree Servicing, LLC | Green Tree Servicing, LLC | Citibank | Green Tree Servicing, LLC |
| 8 | U.S. Bancorp | U.S. Bancorp | Select Portfolio Servicing, Inc | Select Portfolio Servicing, Inc | Select Portfolio Servicing, Inc | U.S. Bancorp |
| 9 | PNC Bank | Green Tree Servicing, LLC | HSBC | HSBC | Green Tree Servicing, LLC | PNC Bank |
| 10 | Green Tree Servicing, LLC | Quicken Loans | U.S. Bancorp | U.S. Bancorp | SunTrust Bank | HSBC |
| 11 | SunTrust Bank | SunTrust Bank | PNC Bank | PNC Bank | Specialized Loan Servicing LLC | SunTrust Bank |
| 12 | HSBC | HSBC | SunTrust Bank | SunTrust Bank | U.S. Bancorp | Select Portfolio Servicing, Inc |
| 13 | TD Bank | TD Bank | Flagstar Bank | Flagstar Bank | Seterus | Quicken Loans |
| 14 | RBS Citizens | RBS Citizens | OneWest Bank | OneWest Bank | OneWest Bank | RBS Citizens |
| 15 | Fifth Third Bank | USAA Savings | Seterus | Seterus | Carrington Mortgage | PHH Mortgage |
| 16 | USAA Savings | Fifth Third Bank | Specialized Loan Servicing LLC | Specialized Loan Servicing LLC | PNC Bank | Fifth Third Bank |

Table A-4 (cont'd). Top 30 Most Complained about-Companies by Issue

| Rank | Applying for the Loan (i.e. application, originator, mortgage broker) | Receiving a Credit Offer (credit decision / underwriting) | Unable to Pay (loan modification, collection, foreclosure) | Making Payments (loan servicing, payments, escrow account) | Other | Signing the Agreement (settlement process and costs) |
|------|---|---|--|--|-----------------------------|--|
| 17 | PHH Mortgage | Select Portfolio Servicing, Inc | PHH Mortgage | PHH Mortgage | Bayview Loan Servicing, LLC | OneWest Bank |
| 18 | Amerisave | Capital One | Bayview Loan Servicing, LLC | Bayview Loan Servicing, LLC | Flagstar Bank | Flagstar Bank |
| 19 | Capital One | PHH Mortgage | M&T Bank | M&T Bank | Caliber Home Loans, Inc | Seterus |
| 20 | Select Portfolio Servicing, Inc | BB&T Financial | Caliber Home Loans, Inc | Caliber Home Loans, Inc | PHH Mortgage | Capital One |
| 21 | Flagstar Bank | EverBank | EverBank | EverBank | M&T Bank | BB&T Financial |
| 22 | M&T Bank | Flagstar Bank | Carrington Mortgage | Carrington Mortgage | BB&T Financial | TD Bank |
| 23 | BB&T Financial | Seterus | Fifth Third Bank | Fifth Third Bank | EverBank | Specialized Loan Servicing LLC |
| 24 | Navy FCU | Navy FCU | Residential Credit Solutions | Residential Credit Solutions | Capital One | M&T Bank |
| 25 | OneWest Bank | Pentagon FCU | RBS Citizens | RBS Citizens | Selene Finance | Bayview Loan Servicing, LLC |
| 26 | Pentagon FCU | OneWest Bank | Capital One | Capital One | Regions | EverBank |
| 27 | LoanDepot | M&T Bank | BB&T Financial | BB&T Financial | PennyMac Loan Services, LLC | Freedom Mortgage |
| 28 | Provident Funding | Specialized Loan Servicing LLC | PennyMac Loan Services, LLC | PennyMac Loan Services, LLC | Fifth Third Bank | USAA Savings |
| 29 | EverBank | Carrington Mortgage | Servis One, Inc. | Servis One, Inc. | Servis One, Inc. | BMO Harris |
| 30 | Seterus | Regions | Selene Finance | Selene Finance | Statebridge Company | Prospect Mortgage |

Table A-5. Complaints per 100,000 Residents, by State

| State | Mortgage Complaints | Population | Complaints per 100,000 residents |
|-------|---------------------|------------|----------------------------------|
| DC | 631 | 601,723 | 104.9 |
| MD | 5,324 | 5,773,552 | 92.2 |
| NH | 1,096 | 1,316,470 | 83.3 |
| FL | 15,525 | 18,801,310 | 82.6 |
| DE | 674 | 897,934 | 75.1 |
| GA | 7,151 | 9,687,653 | 73.8 |
| NJ | 6,047 | 8,791,894 | 68.8 |
| CA | 24,728 | 37,253,956 | 66.4 |
| NV | 1,479 | 2,700,551 | 54.8 |
| VA | 4,224 | 8,001,024 | 52.8 |
| AZ | 3,241 | 6,392,017 | 50.7 |
| CT | 1,712 | 3,574,097 | 47.9 |
| MI | 4,663 | 9,883,640 | 47.2 |
| WA | 3,147 | 6,724,540 | 46.8 |
| CO | 2,352 | 5,029,196 | 46.8 |
| OR | 1,656 | 3,831,074 | 43.2 |
| NC | 4,115 | 9,535,483 | 43.2 |
| NY | 8,121 | 19,378,102 | 41.9 |
| MA | 2,674 | 6,547,629 | 40.8 |
| VT | 249 | 625,741 | 39.8 |
| HI | 533 | 1,360,301 | 39.2 |
| RI | 379 | 1,052,567 | 36.0 |
| IL | 4,437 | 12,830,632 | 34.6 |
| ME | 455 | 1,328,361 | 34.3 |
| PA | 4,264 | 12,702,379 | 33.6 |
| OH | 3,846 | 11,536,504 | 33.3 |

| State | Mortgage Complaints | Population | Complaints per 100,000 residents |
|-------|---------------------|------------|----------------------------------|
| MN | 1,750 | 5,303,925 | 33.0 |
| SC | 1,409 | 4,625,364 | 30.5 |
| MO | 1,817 | 5,988,927 | 30.3 |
| ID | 414 | 1,567,582 | 26.4 |
| UT | 725 | 2,763,885 | 26.2 |
| TN | 1,656 | 6,346,105 | 26.1 |
| WI | 1,475 | 5,686,986 | 25.9 |
| NM | 526 | 2,059,179 | 25.5 |
| TX | 6,394 | 25,145,561 | 25.4 |
| LA | 1,006 | 4,533,372 | 22.2 |
| AL | 991 | 4,779,736 | 20.7 |
| WY | 116 | 563,626 | 20.6 |
| NE | 362 | 1,826,341 | 19.8 |
| IN | 1,219 | 6,483,802 | 18.8 |
| MT | 181 | 989,415 | 18.3 |
| KY | 767 | 4,339,367 | 17.7 |
| KS | 493 | 2,853,118 | 17.3 |
| OK | 625 | 3,751,351 | 16.7 |
| MS | 482 | 2,967,297 | 16.2 |
| SD | 127 | 814,180 | 15.6 |
| AK | 109 | 710,231 | 15.3 |
| AR | 422 | 2,915,918 | 14.5 |
| WV | 261 | 1,852,994 | 14.1 |
| IA | 383 | 3,046,355 | 12.6 |
| ND | 65 | 672,591 | 9.7 |

Table A-6. Dispute-to-Complaint Ratio among the Top 30 Most Complained-About Companies

| Company | Total Complaints | Disputed Responses | Percent of Responses Disputed |
|---------------------------------|-------------------------|---------------------------|--------------------------------------|
| TD Bank | 461 | 144 | 31.2% |
| RBS Citizens | 730 | 195 | 26.7% |
| OneWest Bank | 1,160 | 295 | 25.4% |
| Capital One | 619 | 154 | 24.9% |
| HSBC | 3,051 | 754 | 24.7% |
| Quicken Loans | 567 | 139 | 24.5% |
| Wells Fargo | 19,132 | 4,687 | 24.5% |
| U.S. Bancorp | 2,814 | 688 | 24.5% |
| Ocwen | 15,473 | 3,702 | 23.9% |
| Bank of America | 31,123 | 7,391 | 23.8% |
| Nationstar Mortgage | 8,704 | 2,058 | 23.6% |
| Bayview Loan Servicing, LLC | 838 | 198 | 23.6% |
| Select Portfolio Servicing, Inc | 2,540 | 594 | 23.4% |
| PHH Mortgage | 998 | 229 | 23.0% |
| Flagstar Bank | 1,313 | 301 | 22.9% |
| Seterus | 1,484 | 339 | 22.8% |
| Green Tree Servicing, LLC | 5,317 | 1,175 | 22.1% |
| SunTrust Bank | 1,960 | 433 | 22.1% |
| Specialized Loan Servicing LLC | 1,091 | 241 | 22.1% |
| JPMorgan Chase | 12,392 | 2,730 | 22.0% |
| Fifth Third Bank | 730 | 159 | 21.8% |
| PNC Bank | 2,627 | 567 | 21.6% |
| Caliber Home Loans, Inc | 756 | 162 | 21.4% |
| BB&T Financial | 518 | 111 | 21.4% |
| Citibank | 61,17 | 1,,303 | 21.3% |
| Carrington Mortgage | 523 | 103 | 19.7% |
| EverBank | 637 | 121 | 19.0% |
| Residential Credit Solutions | 467 | 88 | 18.8% |
| M&T Bank | 1,024 | 176 | 17.2% |
| PennyMac Loan Services, LLC | 415 | 61 | 14.7% |

Table A-7. Percentage of Complaints Granted Relief among the Top 30 Most Complained about Companies

| Company | Total Complaints | Percent Granted Relief |
|---------------------------------|-------------------------|-------------------------------|
| PHH Mortgage | 998 | 33.8% |
| TD Bank | 461 | 28.9% |
| Fifth Third Bank | 730 | 27.8% |
| SunTrust Bank | 1,960 | 22.7% |
| Capital One | 619 | 22.0% |
| U.S. Bancorp | 2,814 | 20.0% |
| Bank of America | 31,123 | 18.3% |
| M&T Bank | 1,024 | 14.5% |
| RBS Citizens | 730 | 13.7% |
| JPMorgan Chase | 12,392 | 11.8% |
| Citibank | 6,117 | 11.7% |
| PennyMac Loan Services, LLC | 415 | 11.1% |
| PNC Bank | 2,627 | 10.6% |
| Carrington Mortgage | 523 | 9.0% |
| BB&T Financial | 518 | 8.3% |
| Wells Fargo | 19,132 | 8.0% |
| OneWest Bank | 1,160 | 7.4% |
| Flagstar Bank | 1,313 | 6.3% |
| Caliber Home Loans, Inc | 756 | 6.1% |
| Ocwen | 15,473 | 4.1% |
| Seterus | 1,484 | 4.0% |
| Quicken Loans | 567 | 3.9% |
| HSBC | 3,051 | 3.2% |
| EverBank | 637 | 2.8% |
| Specialized Loan Servicing LLC | 1,091 | 2.1% |
| Green Tree Servicing, LLC | 5,317 | 1.9% |
| Select Portfolio Servicing, Inc | 2,540 | 1.9% |
| Nationstar Mortgage | 8,704 | 1.8% |
| Bayview Loan Servicing, LLC | 838 | 1.6% |
| Residential Credit Solutions | 467 | 0.9% |

Appendix B: Searchable Public Databases of Complaints to Government Agencies

The CFPB's searchable complaint database is the newest of a set of federal government complaint databases that help consumers make better economic and safety choices by reviewing others' experiences and searching for problems or product recalls. This transparency also helps firms improve their products and services. Here is information on how to contact the CFPB and some of the other public databases maintained by government agencies. U.S. PIRG Education Fund visited each of the other databases, and a quick overview of their contents and ease of use is below. A more detailed review can be found at www.uspirgedfund.org/issues/usf/consumer-tips.

CFPB's Searchable Financial Services Complaint Database: The CFPB Consumer Complaint Database discloses data associated with financial institutions and their practices to help provide consumers with recent and comprehensive information to make responsible decisions

concerning their finances and to enhance the market's ability to operate efficiently and transparently. The CFPB provides public access to an electronic database that contains individual fields for each unique complaint. In short, this allows consumer complaints to be easily accessible in a data-rich format. The CFPB's goal is to improve the transparency and efficiency of the monetary market and further empower the American consumer.

The database can be viewed at: www.consumerfinance.gov/complaintdatabase.

Consumers may submit complaints to the CFPB at www.consumerfinance.gov/complaint.

Consumer complaints can also be made by phone (855) 411-2372, fax (855) 237-2392, postal mail (P.O. Box 4503, Iowa City, Iowa 52244), and e-mail (info@consumerfinance.gov).

Safecar.gov: The National Highway Traffic Safety Administration (NHTSA), according to its website, was established

in 1970 to direct highway safety and consumer programs. Safercar.gov, established online in 1994, allows consumers to identify and report problems or file a complaint about their vehicle, tires, equipment or car seats by phone, by filling out a PDF for email, or through an electronic form on the agency's website. All information to file a complaint or search the database can be found on the website's home page, www.safercar.gov. Logging onto the website, consumers can quickly and easily navigate to see other complaints (www-odi.nhtsa.dot.gov/owners/SearchSafetyIssues) as well as find the link to file their own complaint and access investigations, complaints or recall reports). The database can also be exported (downloaded) for further analysis at www-odi.nhtsa.dot.gov/downloads/.

U.S. PIRG Education Fund's Overall Review for Safercar.gov: This user website is generally easy to navigate and accessible for the average consumer. The homepage clearly gives the consumer specific tabs on the homepage labeled "vehicle shoppers," "vehicle owners," "vehicle manufacturers" and "parents central" for general navigation. Also included on the homepage are direct links (on the right side of the page by the scroll bar) to file a complaint, search for recalls and previous complaints, and get help with a car seat. The actual process of filing a complaint is straightforward and is broken down in such a way that is not time consuming.

Saferproducts.gov: The United States Consumer Product Safety Commission (CPSC), created in 1972 through the Consumer Product Safety Act, is an independent agency of the United States government. It has authority to investigate and recall 15,000 different types of consumer products ranging from toasters and dishwashers to bicycles, clothing, cribs and children's toys. In 2008 the Consumer Product Safety Improvement Act was passed; the new law established authority

for a searchable public consumer products database that went live in 2011.

The main page for the website is: www.saferproducts.gov. Complaints may be filed at www.saferproducts.gov/CPSRM-SPublic/Incidents/ReportIncident.aspx. At the main page, (www.saferproducts.gov/Search/default.aspx) consumers and researchers can view incident reports or recalls or both, by product category, or they can export the database for additional analysis.

U.S. PIRG Education Fund's Overall Review for Saferproducts.gov: When searching recalls on saferproducts.gov, consumers are easily able to search directly for what they're looking for. The website is broken down into easily identifiable sections; whether the consumer is seeking to file a report or review reports and recalls, the site offers links to each popular section on the homepage. The actual database of consumer reports and recalls is somewhat difficult to download, understand and read. However, there is also an easy-to-use online search engine, which includes photos and icons for complaint categories, and specific tabs and links to navigate to the pages of the site they wish to view.

Air Travel Consumer Report: The United States Department of Transportation (DOT), established by act of Congress in 1966, supervises vital means of transportation throughout the United States, including travel by air. The Air Travel Consumer Report is a monthly product of the Department of Transportation's Office of Aviation Enforcement and Proceedings (OAEP). The report is designed to assist consumers with information on the quality of services provided by airlines.

The home page for the U.S. DOT is www.dot.gov. The link for filing complaints is www.dot.gov/airconsumer/file-consumer-complaint. The link for reviewing monthly reports is www.dot.gov/

airconsumer/air-travel-consumer-reports. U.S. DOT maintains a fact sheet of air travel tips for consumers available here: www.dot.gov/airconsumer/air-travel-tips.

U.S. PIRG Education Fund's Overall Review for U.S. DOT's Air Travel Consumer Report: Air travel complaint reports are issued monthly. Unlike the other databases, which can be searched and downloaded, the DOT air travel database is summarized into monthly reports in PDF format. It includes information on air travel problems including late arrivals and lost luggage disputes. U.S. PIRG Education Fund has on several occasions urged U.S. DOT to make these data more user-friendly to consumers and researchers. U.S. DOT does maintain other pages of downloadable information, but not for air travel complaints.

MyEdDebt.com: The U.S. Department of Education, at the urging of the National Consumer Law Center, has recently improved the borrower complaint

process by allowing access to a centralized complaint system. This has been a crucial step forward for defaulted borrowers who previously could not find the complaints section when visiting the federal student aid website, and were not given specific guidance with the most common concerns. **Note:** Depending on the browser you use, accessing this site may require you to allow a security exception, since the site's certificate appears out-of-date.

U.S. PIRG Education Fund's Recommendations: Using the CFPB's complaints database as a model, we recommend that the Department of Education also create a searchable database to track all federal borrower complaints, outside of those for which the borrower is in default. Additionally, the department should make aggregated complaint data public. Tracking the data will help borrowers and advocates, and will also help the agency drive oversight and compliance actions.

Endnotes

- 1 This list comes from the CFPB's annual report on consumer complaints and is how the CFPB describes the issues as they are actually categorized in the database. The six issue categories used in the database are as follows: 1) Problems when consumers are unable to pay are categorized as **loan modification, collection, foreclosure**; 2) problems making payments are categorized as **loan servicing, payments and escrow account**; 3) problems applying for the loan are categorized as **application, originator, mortgage broker**; 4) problems signing the agreement are categorized as **settlement process and cost**; 5) problems receiving a credit offer are categorized as **credit decision/underwriting**; and 6) **other**. See CFPB, *Consumer Response Annual Report*, March 2015.
- 2 Our report looks at data published in the database as of 16 March 2015. The CFPB cites a higher number of total complaints *received*. However, the CFPB's online complaint database only publishes complaints with enough information to be sent to companies for responses.
- 3 The CFPB has phased in the product categories for complaints they take. See CFPB, *Consumer Response Annual Report, March 2015*.
- 4 According to the CFPB's annual consumer complaint report, more debt collection complaints than mortgage complaints were received in 2014. However, the CFPB's online complaint database only publishes complaints with enough information to be sent to companies for responses. Published debt collection complaints surpassed published mortgage complaints on a monthly basis in January 2015. See CFPB, *Consumer Response Annual Report*, March 2015.
- 5 Regarding the lower percentages of origination problems, it is quite possible that people without loans might not have specific companies to complain about even though they are having problems obtaining mortgages.
- 6 CFPB, *Consumer Response Annual Report*, March 2015.
- 7 See Methodology.
- 8 Due to the limits of the company response categories in the database, it is difficult to determine if this rate of relief is poor. It is hoped that the recent inclusion of narratives in the database will help make that determination in the future.

- 9 The CFPB changed the way it categorized resolutions in mid-2012 to provide greater detail. Previously, the CFPB had characterized resolutions as “closed with relief” or “closed without relief,” with “relief” defined as equivalent to “monetary relief.” To account for the frequent practice by banks of offering non-monetary forms of relief, the CFPB changed its categorization to include four categories: “closed with monetary relief,” “closed with non-monetary relief,” “closed without relief,” and “closed.” To capture the full history of CFPB activity, complaints listed in the former “closed with relief” category are included in the “closed with monetary relief” category, while those in the former “closed without relief” category are included in the “closed with explanation” category. The “closed with non-monetary relief” category only includes complaints since June 2012. Complaints categorized as “closed” are described here as “closed with no relief or explanation” for the sake of clarity. See CFPB, *Semi-annual Report of the Consumer Financial Protection Bureau*, June 2015.
- 10 CFPB, *CFPB Publishes Over 7,700 Consumer Complaint Narratives About Financial Companies* (press release), 25 June 2015.
- 11 CFPB, *CFPB Finalizes Policy to Give Consumers the Opportunity to Voice Publicly Complaints about Financial Companies* (press release), 19 March 2015.
- 12 CFPB, *Consumer Response Annual Report*, March 2015.
- 13 Any organization can link directly to the CFPB complaint site today, of course; however, many organizations may prefer to keep their members visiting their own sites, not leaving for a different site.
- 14 CFPB, *CFPB Study Finds that Arbitration Agreements Limit Relief for Consumers* (press release), 10 March 2015.
- 15 CFPB, *Prepared Remarks of CFPB Director Richard Cordray at the Field Hearing on Payday Lending*, 26 March 2015, available at www.consumerfinance.gov/newsroom/prepared-remarks-of-cfpb-director-richard-cordray-at-the-field-hearing-on-payday-lending/.
- 16 CFPB, *Proposed Rule, Amendments to the 2013 Mortgage Rules under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z)*, Docket # 3170-AA49, 15 December 2014. For needed improvements, see National Consumer Law Center et al, Comment on CFPB-2014-0033-0001, 16 March 2015, available at www.regulations.gov/#!documentDetail;D=CFPB-2014-0033-0136.
- 17 CFPB, *The CFPB Takes Action Against Mortgage Insurers to End Kickbacks to Lenders* (press release), 4 April 2013.
- 18 CFPB, *About Us*, accessed at www.consumerfinance.gov/the-bureau, 3 June 2015.
- 19 See Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111-203). Title X establishes the Bureau of Consumer Financial Protection; its Subtitle H (Conforming Amendments) lists 19 consumer protection laws where authority is transferred from one or more of 7 agencies to the CFPB.
- 20 See, e.g., *Consumer Group Letter to Federal Reserve Board on HOEPA Authority*, August 2007, available at www.nclc.org/images/pdf/foreclosure_mortgage/archive/letterhoepa-authority.pdf.
- 21 CFPB, *The Home Mortgage Disclosure Act*, accessed at www.consumerfinance.gov/hmda/, 1 July 2015.
- 22 See, e.g., CFPB, *TILA-RESPA Integrated Disclosure rule implementation*, accessed at www.consumerfinance.gov/regulatory-implementation/tila-respa/, 1 July 2015.
- 23 These provisions are generally amendments to existing mortgage laws. For all CFPB mortgage rules, see CFPB, *Title XIV Rule Implementation*, accessed at www.consumerfinance.gov/regulatory-implementation/title-xiv/, 3 June 2015.
- 24 The CFPB maintains a page of proposed rules, including the status (open or closed) of any comment period. See CFPB, *Notice and Comment*, accessed at www.consumerfinance.gov/notice-and-comment/, 3 June 2015.

- 25 CFPB, *Owning a Home*, accessed at www.consumerfinance.gov/owning-a-home/, 3 June 2015).
- 26 CFPB, *Know Before You Owe*, accessed at www.consumerfinance.gov/knowbeforeyouowe, 3 June 2015. For an explanation of the CFPB's development of the Know Before You Owe disclosure forms, see CFPB, *Know Before You Owe: Just One Example of Our Approach to Policy-Making*, accessed at www.consumerfinance.gov/blog/know-before-you-owe-just-one-example-of-the-cfpbs-approach-to-policy-making/, 3 June 2015.
- 27 CFPB, *Consumer Financial Protection Bureau: Enforcing Consumer Protection Laws* (fact sheet), 21 July 2014, available at files.consumerfinance.gov/f/201407_cfpb_fact-sheet_supervision-and-enforcement.pdf; Consumer Financial Protection Bureau, *Newsroom*, filtered by mortgages and enforcement topics, accessed at www.consumerfinance.gov/newsroom/?topic=mortgages+enforcement, 3 June 2015.
- 28 An underwater borrower is a borrower who owes more on their mortgage than the free market value of the home.
- 29 Ocwen broke the law in several ways, including “failing to timely and accurately apply payments made by borrowers and failing to maintain accurate account statements; failing to properly process borrowers’ applications and calculate their eligibility for loan modifications; and Robo-signing foreclosure documents, including preparing, executing, notarizing, and filing affidavits in foreclosure proceedings with courts and government agencies without verifying the information.” See CFPB, *CFPB, State Authorities Order Ocwen to Provide \$2 Billion in Relief to Homeowners for Servicing Wrongs* (press release), 19 Dec 2013.
- 30 CFPB, *Consumer Financial Protection Bureau: Enforcing Consumer Protection Laws* (fact sheet), 21 July 2014, available at files.consumerfinance.gov/f/201407_cfpb_fact-sheet_supervision-and-enforcement.pdf; Consumer Financial Protection Bureau, *Newsroom*, filtered by mortgages and enforcement topics, accessed at www.consumerfinance.gov/newsroom/?topic=mortgages+enforcement, 3 June 2015.
- 31 Ibid.
- 32 CFPB, *CFPB and Department of Justice Take Action Against Provident Funding Associates for Discriminatory Mortgage Pricing* (press release), 28 May 2015.
- 33 CFPB, *About Us*, accessed at www.consumerfinance.gov/the-bureau, 3 June 2015.
- 34 CFPB, *Consumer Response Annual Report*, March 2015.
- 35 CFPB, *Submit a Complaint*, accessed at www.consumerfinance.gov/complaint/process/, 1 June 2015.
- 36 Department of Justice, *Nearly 78,000 Service Members to Begin Receiving \$60 Million Under Department of Justice Settlement with Navient for Overcharging on Student Loans* (press release), 28 May 2015.
- 37 CFPB, *Consumer Response Annual Report*, March 2015.
- 38 CFPB, *CFPB Finalizes Policy to Give Consumers the Opportunity to Voice Publicly Complaints about Financial Companies* (press release), 19 March 2015.
- 39 For the main database site, see CFPB, *Consumer Complaint Database*, accessed at www.consumerfinance.gov/complaintdatabase/, 1 July 2015. The CFPB has also created a “view” which generates only complaints containing narratives. See CFPB, *Consumer Complaints with Consumer Complaint Narratives*, accessed at data.consumerfinance.gov/d/nsyy-je5y, 1 July 2015.
- 40 As of 1 July 2015, the CFPB has published over 412,000 complaints in the database.
- 41 The CFPB cites a higher number of total complaints received. However, the CFPB’s online complaint database only publishes complaints with enough information to be sent to companies for responses.
- 42 According to the CFPB’s annual consumer complaint report, more debt collection complaints than mortgage complaints were received in 2014. However, the CFPB’s online complaint database only publishes complaints with enough information to be sent to companies for responses. Published debt collection complaints surpassed published mortgage complaints on a monthly basis in January 2015. See CFPB, *Consumer Response Annual Report*, March 2015.

- 43 The CFPB has phased in the product categories for complaints they take. See CFPB, *Consumer Response Annual Report, March 2015*.
- 44 It was explained in a conversation with a CFPB staff member that for many complaints received by non-webform sources, including phone, referrals from other agencies, mail, email, and fax, the sub-product is not explicitly mentioned. Therefore, these complaints are categorized as “other mortgage” by default, which explains why this category is relatively high. Also, note that 33% of the CFPB’s complaints for all products come from non-webform sources. See CFPB, *Consumer Response Annual Report, March 2015*.
- 45 The way we describe the issues before the parentheses comes from the CFPB’s annual report on consumer complaints and is how the CFPB describes the issues as they are actually categorized in the database. See CFPB, *Consumer Response Annual Report, March 2015*.
- 46 Regarding the lower percentages of origination problems, it is possible that people without loans might not have specific companies to complain about even though they are having problems accessing mortgages.
- 47 CFPB, *Consumer Response Annual Report, March 2015*.
- 48 Ibid.
- 49 Ibid.
- 50 Ibid.
- 51 Ibid.
- 52 Ibid.
- 53 Ibid.
- 54 These examples of closing-related problems were not exclusively sourced from the database. The CFPB collected consumer feedback from responses to the CFPB’s public request for information (RFI), complaints, and interviews. See CFPB, *Mortgage Closings Today: A preliminary look at the role of technology in improving the closing process for consumers*, April 2014.
- 55 While not all of the 10 most complained about companies originate loans, all of them service loans. Therefore, we looked at market share for loans serviced by each of these 10 companies. See Methodology for more on how we normalized this data.
- 56 Ibid.
- 57 Regarding the lower percentages of origination problems, it is possible that people without loans might not have specific companies to complain about even though they are having problems accessing mortgages.
- 58 CFPB, *CFPB Publishes Over 7,700 Consumer Complaint Narratives About Financial Companies* (press release), 25 June 2015.
- 59 CFPB, *CFPB Finalizes Policy to Give Consumers the Opportunity to Voice Publicly Complaints about Financial Companies* (press release), 19 March 2015.
- 60 CFPB, *Consumer Response Annual Report, March 2015*.
- 61 Any organization can link directly to the CFPB complaint site today, of course; however, many organizations may prefer to keep their members visiting their own sites, not leaving for a different site.
- 62 CFPB, *CFPB Study Finds that Arbitration Agreements Limit Relief for Consumers* (press release), 10 March 2015.
- 63 CFPB, *Prepared Remarks of CFPB Director Richard Cordray at the Field Hearing on Payday Lending*, 26 March 2015, available at www.consumerfinance.gov/newsroom/prepared-remarks-of-cfpb-director-richard-cordray-at-the-field-hearing-on-payday-lending/.
- 64 CFPB, *Proposed Rule, Amendments to the 2013 Mortgage Rules under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z), Docket # 3170-AA49*, 15 December 2014. For needed improvements, see National Consumer Law Center et al, Comment on CFPB-2014-0033-0001, 16 March 2015, available at www.regulations.gov/#!documentDetail;D=CFPB-2014-0033-0136.