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Consumer Financial Protection Bureau

Consumer Financial Protection Bureau

OECD Conference on Financial Education
May 10-11, 2012

A (very brief) timeline

2007

- The United States starts facing its most significant financial crisis since the Great Depression.

2009

- President Obama proposes a consumer-protection bureau as part of Wall Street reform.

July 21, 2010

- The Dodd-Frank Wall Street Reform and Consumer Protection Act becomes law. Implementation of CFPB begins immediately under the Treasury Department.

July 21, 2011

- The CFPB becomes a bureau.

January 4, 2012

- Richard Cordray named the first Director of the CFPB

Our Vision

A consumer finance marketplace...

*where **customers** can see prices and risks up front and where they can easily make product comparisons;*

*in which **no one** can build a business model around unfair, deceptive, or abusive practices;*

*that **works for** American consumers, responsible providers and the economy as a whole.*

The CFPB Toolbox: Many Different Approaches

- Supervision/Examination/Enforcement
- Research, Markets & Regulations
- Consumer Response
- Consumer Education & Engagement
- External Affairs

The CFPB and Consumer Credit

Some examples of financial education efforts:

- Credit Bureaus
- Pay Day Lending
- Mortgage Credit Regulation
- Student lending

Consumer Response

www.ConsumerFinance.gov

- Consumer Response now accepts complaints related to all bank products, including:
 - credit cards
 - mortgages
 - all bank accounts
 - private student loans
- Help available in 187 languages
- Also refers distressed homeowners to housing counselors via Homeowner's HOPE Hotline
- Information from consumers for all matters via Tell Your Story portal
- Website: www.ConsumerFinance.gov
- (855) 411-CFPB (2372) (Eng./Esp.)
- TTY/TDD (855) 729-CFPB (2372)

CEE's Offices

Financial Education

- Provide targeted educational content
- Identify and promote effective financial practices

Consumer Engagement

- Create interactive, informative relationship with consumers

Servicemembers

- Improve financial protection
- Escalate complaints
- Coordinate w/ DoD, etc.
- 26- 29 million

Older Americans

- Protect against financial abuse
- Improve financial literacy
- Planning for life events
- 50 million aged 62+

Students


- Increase awareness of debt in college choice
- Escalate complaints
- Build campus awareness
- 22-28 million (age 16-26)


Financial Empowerment

- Improve financial stability for working families/new entrants
- 30 million underbanked
- 46 million lower income

Welcome to the CFPB



An official website of the United States Government 

 (855) 411-2372

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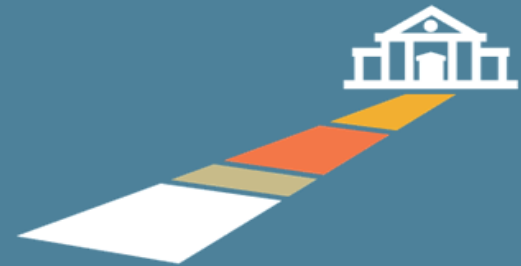
[REGULATION](#)

[SUBMIT A COMPLAINT](#)

How will you pay for college?

Students and families across the country are sifting through acceptance letters and financial aid information. Borrowing for school is a big decision, but you don't have to make it alone. We are testing a new [Financial Aid Comparison Shopper](#) to help students make smart choices about student loans.

[Learn more and compare schools side-by-side.](#)



[The CFPB's source code policy: open and shared](#)

The Consumer Financial Protection Bureau was fortunate to be born in the digital era. We've been able to rethink many of the practices that make financial products confusing to consumers and certain regulations burdensome for businesses.

Many of the things we're doing are new to government, which has made them difficult to achieve. But the hard part lies ahead. Our goal is not to tie the Bureau to 2012's technology, but to create something that stays modern and relevant – no matter the year. Good internal technology policies can help, especially the policy that governs our use of software source code. We are unveiling that policy today. [Read more](#)

APR 11


[Paying for College: Help us make it easier for you to choose](#)

APR 10

[What the proposed mortgage servicing rules could mean for you](#)

APR 3

[Utah: A Leader in Protecting Seniors from Exploitation](#)

 Internet | Protected Mode: On

What we offer to consumers – feedback?

Paying for College ^{BETA}

Military Benefit Calculator ▾

COST COMPARISON WORKSHEET

New York University

On Campus Off Campus

STICKER PRICE: \$58,858 FOR FIRST YEAR

Average Grants
& Scholarships
\$25,572

Total Borrowing
\$33,286



ESTIMATED DEBT AFTER SCHOOL

You'll pay approx.
\$2,018
per month for 10 years
to cover your Total
Borrowing

[Learn more](#)

This equals
41
\$50
TEXTBOOKS
every month

DEBT BURDEN



HIGH
Based on your
estimated debt
and the average
national salary for
Bachelors
graduates, not
school specific

[Enter Financial Aid](#)

Average Public University (4 yr, In-State)

STICKER PRICE: \$21,447 FOR FIRST YEAR

Average Grants
& Scholarships
\$5,750

Total Borrowing
\$15,697



ESTIMATED DEBT AFTER SCHOOL

You'll pay approx.
\$938
per month for 10 years
to cover your Total
Borrowing

[Learn more](#)

This equals
19
\$50
TEXTBOOKS
every month


DEBT BURDEN



HIGH
Based on your
estimated debt
and the average
national salary for
Bachelors
graduates, not
school specific

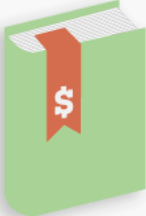
Know Before You Owe: Student Loans

cfpb Consumer Financial Protection Bureau

An official website of the United States Government  (855) 411-2372


HOME INSIDE THE CFPB GET ASSISTANCE PARTICIPATE REGULATION **SUBMIT A COMPLAINT**

HOME > STUDENTS > KNOW BEFORE YOU OWE



Know Before You Owe student loans

This is a financial aid shopping sheet “thought starter” – an example (not a proposal) of how schools might improve the information they present to prospective students and their families. Tell us what you think of it. [More information about this project.](#)

 **University of the United States (UUS)**
Private 4-year Example only, fictional data

How to pay for college Prepared for Abigail Adams, first year student

How much will it cost each year?		
TOTAL COST FOR FULL TIME ATTENDANCE \$ 29,000 /yr		
Tuition and Fees	\$ 21,000	
Housing and Meals	\$ 5,000	
Books and Supplies	\$ 2,000	
Transportation and other personal expenses	\$ 1,000	
TOTAL GRANTS AND SCHOLARSHIPS \$ 11,000 /yr		
Grants from your school	\$ 3,000	
Federal Pell Grant	\$ 4,500	


How does your cost compare?			
4-year public school average	\$9,819		
UUS average cost	\$16,198		
Your cost	\$18,000		
4-year private school average	\$23,343		


What do you like about it? What don't you like? Think about these questions:

- Which information is absolutely critical?
- What other information would be helpful?
- Can you tell from this sample format which aid requires repayment?
- What will that repayment cost? For one year of school? For four years?

ConsumerFinance.gov/askcfpb



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HOME > ASK CFPB



Credit Cards

- interest rates
- payment
- interest
- APR
- fees
- credit card agreement
- billing dispute
- credit limit
- minimum payment
- unauthorized use
- Servicemembers
- married

Mortgages

- housing counseling
- housing counselor
- lender
- GFE
- Good Faith Estimate
- reverse mortgage
- closing
- Older Americans
- servicer
- settlement
- broker
- credit report

Other categories

- Credit Reports and Scores
- Debt Collection

Especially for

- Servicemembers
- Students
- Older Americans

COMMONLY ASKED QUESTIONS

MORTGAGES

What's the difference between a mortgage lender and a servicer?

UPDATED MARCH 22, 2012

Your mortgage lender is the financial institution that loaned you the money. Your mortgage servicer handles the day-to-day tasks of

Office of Financial Education Objectives:

- **Build a comprehensive approach to financial education in the U.S.** Develop knowledge about what works in financial education and provide opportunities for financial educators to learn about effective strategies
- **Promote innovation:** Test new ideas and share successful innovations with the field
- **Educate consumers:** Provide understandable information to consumers that helps them make informed financial decisions
- **Increase federal coordination:** Director of the CFPB serves as the Vice Chair of the Financial Literacy and Education Commission

Build a comprehensive approach to financial education

Build knowledge about what works

- Commission evaluations of promising financial education projects
- Link financial educators and researchers with each other in a learning network

Strengthen the field

- Share best practices
- Four listening sessions with financial education practitioners
- Additional webinars
- Tax-time savings materials for VITA sites

Promote Innovation

Identify existing innovations
in the field

Seed new innovations in the
field

Educate Consumers

- Become a trusted resource for information for consumers and practitioners
- Identify and share innovative practices and communication strategies in financial education
- Work to provide consumer-focused materials in everyday language
 - Inform
 - Motivate
 - Help consumers achieve their own financial goals

How to Participate

CFPB Blog: <http://www.consumerfinance.gov/blog/>

 TELL YOUR STORY :

<https://help.consumerfinance.gov/app/tellyourstory>

CFPB Twitter: [@CFPB](#)

CFPB Facebook: <http://www.facebook.com/CFPB>

Go to ConsumerFinance.gov to sign up for our newsletter.

Weigh in on current rulemakings:

<http://www.consumerfinance.gov/notice-and-comment/>

Contact us:
financialeducation@cfpb.gov

Or visit
www.ConsumerFinance.gov

Questions?



Consumer Financial
Protection Bureau