



March 20, 2013

Wendy Kamenshine, Ombudsman
Office of the Ombudsman
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20006

Dear Ms. Kamenshine,

Thank you very much for taking the time to meet with the American Financial Services Association (“AFSA”) at our recent meeting in Orlando. AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. Its 350 members include consumer and commercial finance companies, auto finance/leasing companies, mortgage lenders, mortgage servicers, credit card issuers, industrial banks and industry suppliers.

At the meeting, you encouraged us to write to your office with our concerns about process issues at the Consumer Financial Protection Bureau (“CFPB” or “Bureau”). We have two concerns we hope you can help us resolve. First, we need longer periods to compose adequate responses that contain the data, facts, and in-depth analysis sought by the CFPB when it invites comments. Second, we hope that you will find reason to encourage the CFPB to develop a more efficient and reliable method of disseminating information to covered persons, interested persons and the public.

I. Timeframe for Comment Letters

We ask the CFPB Ombudsman’s Office to help us resolve the issue of too-short timeframes for comment periods. Many of the CFPB’s comment requests have been for only 30 or 60 days. We have asked the CFPB in letters and in meetings for longer comment periods, but so far have been unsuccessful. We understand that that the CFPB may have imposed shorter comment periods in the past in order to meet statutory deadlines, or, in the case of procedural rules, because the Bureau was in the process of establishing itself. However, now that the CFPB has met many of those statutory deadlines and the Bureau is established, we believe that longer comment periods would benefit the industry, advocates, the CFPB, and ultimately, consumers.

A 90 day comment period is appropriate for most regulations the Bureau promulgates. Although many financial services regulations proposed by other regulators in the past only had a comment period of 60 days, that period was actually longer because the 60 days did not start until publication of the proposed rule in the Federal Register, which did not occur for several days or sometimes weeks after the proposed rule was released by the agency. The CFPB, however, starts the clock the day the rules are released to the public. For lengthy and complex rules, such as revisions to Regulation Z, commenters were often given 120 days by previous financial services regulators.

In requests for comments, the CFPB asks that commenters provide detailed analysis backed up with data, not just assertions. AFSA is more than happy to comply with this request, but we need time to do so. Companies need time to review a proposed rule, some of which number in the hundreds of pages, analyze them and gather the data that is necessary for a well-thought-out comment. Time is needed for conference calls between member companies and the association. Time is also needed for multiple drafts of comments to be circulated, reviewed, revised, and approved. It is only with an adequate period of time that AFSA can offer a well-thought-out comment that can assist the Bureau as it seeks to improve the consumer credit market.

II. Stay Connected

In addition to longer time periods for comments on proposed regulations, we ask that the CFPB Ombudsman's Office encourage the CFPB to develop a uniform system for the companies that the CFPB regulates to obtain up-to-date information from the Bureau. The Bureau's goal is to be an open and transparent agency, and it has tried many new ways to inform the public but, unfortunately, financial services companies have found it difficult to get information they need in a timely and consistent manner from the CFPB.

The CFPB's homepage has three ways to "stay connected" with the CFPB – Twitter, Facebook, and email. The compliance policies and procedures of many AFSA member companies prohibit employees from accessing social media sites such as Twitter or Facebook, and other members simply do not use them. Sometimes, actions the Bureau takes are posted in its blog, at times they are in press releases, and on other occasions an update is sent from a Bureau staff member. From time to time, actions are posted under a tab on consumerfinance.gov without an announcement.

However, we all need to know what the CFPB is communicating to the public, interested parties and covered persons. The financial services industry needs a reliable and consistent way to get information from its chief regulator. Our member companies and AFSA staff have signed up for email updates multiple times but rarely receive emails from the CFPB. In order to "stay connected" we must constantly monitor the CFPB website, which is time consuming, or rely on news sources to keep us informed.

We recommend the Bureau establish a system to which covered persons, interested persons and members of the public may subscribe to receive emails from the Bureau that will electronically announce the publication of any and all documents, announcements including those on which there is an opportunity to comment (whether it is an official ANPR, NPR, or just something the CFPB would like input on), a press release is issued, an event is planned, new guidance is issued, new supervision and examination manuals are released, a blog entry is posted, amicus briefs are submitted, there has been a change in high-level staff, information is published regarding petitions to modify or set aside a CID, and the Office of Administration Adjudication publishes a notice or proceeding, and other material activities. In addition, we believe it would be helpful for the CFPB to create a tab on its website with links to all of the announcements in chronological order.

AFSA suggests that the CFPB use the Federal Reserve Board (“Board”) as a model. On the Board’s website,¹ members of the public can sign up for information regarding banking and consumer regulatory policy. By signing up for the emails, subscribers are informed via email about all the Board’s actions having to do with banking and consumer regulatory policy including: survey releases, proposed and final rules, settlements, extensions of deadlines, changes in supervision policy, requests for comment, guidance, etc. All of these announcements are then listed by date with a short description and a link on the Board’s website for easy access.

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We look forward to working with the CFPB Ombudsman’s Office on these issues. Please contact me by phone, 202-466-8616, or e-mail, bhimpler@afsamail.org, with any questions.

Sincerely,

A handwritten signature in black ink that reads "Bill Himpler". The signature is fluid and cursive, with the first name "Bill" being larger and more prominent than the last name "Himpler".

Bill Himpler
Executive Vice President
American Financial Services Association

¹ <http://federalreserve.gov/newsevents/press/bcreg/2013bcreg.htm>