

What We Know

ARTICLES & INSIGHTS

ABOUT THE AUTHOR



[Caren Enloe](#) is a partner who concentrates her practice in consumer financial services litigation and compliance, bankruptcy, and commercial litigation with an emphasis on creditor's rights. She has a deep understanding of the complex compliance environment surrounding the financial services industry and regularly advises financial service companies on licensing and compliance issues involving state and federal consumer protection and finance statutes. Caren is the author of a daily blog titled: [Consumer Financial Services Litigation and Compliance](#) where she posts timely and informative updates regarding the CFPB, FTC, and a host of topical litigation issues involving consumer protection law.

CFPB Issues First Complaint Snapshot Under Kraninger

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For the first time in over a year, the CFPB has issued a Complaint Snapshot. A practice started by Cordray in 2015, the report is a high-level snapshot of trends in consumer complaints that summarizes the volume of complaints by product category and by state. While the Complaint Snapshot issued by Kraninger's office differs slightly in content from the reports issued under Cordray and does not promise to be a regular occurrence, it provides excellent content that will allow financial services to identify risks within their organizational structure. The January 2019 report focuses on mortgage products and looks at the period of August 2018-October 2018.

HERE'S WHAT YOU NEED TO KNOW:

- The Snapshot provides a high-level overview of trends in consumer reports over the last 24 months;
- The Snapshot continues to use the three-month rolling average, comparing the current average to the same period in the previous year;
- Since the last Report issued by Cordray, not much has changed. Credit reporting and debt collection continue to be the leading sources of complaints.
- Mortgage complaints appear to have fallen off and are no longer in the top three sources of consumer complaints, having been surpassed narrowly by credit card complaints.

National Outlook

While credit reporting and debt collection continue to provide the most significant volume of complaints, credit reporting is showing a significant decrease when compared to its complaint average for the same period in 2017 – a 14% decrease. Similarly, mortgage products, which used to always be in the top three products for complaints, have shown a 15% decrease for the same period. Picking up the slack, prepaid card complaints have increased 26% for the same period, and depository and credit card products have shown 14% and 8% increases, respectively. Debt collection remains relatively flat with a 3% decrease compared to the same period in 2017.

Featured Product or Service

This Snapshot highlights mortgage products.

The most common issue identified by consumers between August and October 2018 was trouble during the payment process. Breaking that down further, the Snapshot indicates the majority of issues involved periodic statements, applications of payment, escrow accounts and payoff requests. Specifically,

- **Periodic Payments.** According to the Snapshot, the complaints centered on consumers not receiving statements on time and periodic statements which contained inaccurate information such as late fees being assessed despite payments made on or before the due date.
- **Application of Payment.** According to the Snapshot, consumers complained of payments not being properly applied as directed.
- **Escrow Accounts.** According to the Snapshot, consumers complained of inaccurate shortages being assessed on their escrow accounts as a result of misinformation as to increases in taxes or increases in insurance premiums.
- **Payoff Requests.** Consumers also complained of payoff requests which were either ignored or delayed, resulting in inaccurate payoff information.

We hope this signals a return of the Complaint Snapshots which, if presented even-handedly, provide financial service providers with an excellent tool to identify and mitigate risks within their organizations.

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