

What We Know

ARTICLES & INSIGHTS

ABOUT THE AUTHOR



[Caren Enloe](#) leads Smith Debnam's consumer financial services litigation and compliance group. In her practice, she defends consumer financial service providers and members of the collection industry in state and federal court, as well as in regulatory matters involving a variety of consumer protection laws. Caren also advises fintech companies, law firms, and collection agencies regarding an array of consumer finance issues. An active writer and speaker, Caren currently serves as chair of the Debt Collection Practices and Bankruptcy subcommittee for the American Bar Association's Consumer Financial Services Committee. She is also a member of the Defense Bar for the National Creditors Bar Association, the North Carolina State Chair for ACA International's Member Attorney Program and a member of the Bank Counsel Committee of the North Carolina Bankers Association. Most recently, she was elected to the Governing Committee for the Conference on Consumer Finance Law. In 2018, Caren was named one of the "20 Most Powerful Women in Collections" by *Collection Advisor*, a national trade publication. Caren oversees a blog titled: [Consumer Financial Services Litigation and Compliance](#) dedicated to consumer

CFPB Issues Annual Report on Servicemember Complaints

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The CFPB issued its annual report detailing complaints submitted to the CFPB by servicemembers, veterans, and their families. According to the Report, the CFPB received 271,600 complaints in 2015. Of those, 19,200 (approximately 7 percent) were from the military community. Consistent with the CFPB's monthly reports, the three most common complaints involved debt collection, mortgage, and credit reporting.

The CFPB report notes servicemembers' complaints are twice as likely to involve debt collection activity when compared to complaints received from the general population. Chief among their most common debt collection complaint is collection activity on debts not owed. The Report clarifies that in many cases, the collection attempt itself is not the problem – rather, at root is the calculation of the amount owed because the calculation is either inaccurate or unfair according to the complaints. The Report also notes that medical debt issues comprise 13 percent of servicemember debt complaints, coming largely from the veteran population.

Regarding mortgage-related complaints, the most common servicemember complaint concerns issues with servicers and loss mitigation, though on a positive note, these complaints are down 8 percent from 2014 (falling from 48 to 40 percent). Occurrences of incorrect information appearing on servicemembers' credit report remains a central complaint issue.

So what can we draw from this Report? The Report indicates the complaints received from the general population and the products involved are very similar to servicemember complaints. However, the report demonstrates a higher prevalence of consumer loan issues among the military as compared with the general population. Specifically, the Report identifies problems with auto financing that may in part be attributable to the unique travel requirements military personnel often face. Of particular interest, the Report suggests that a top complaint from servicemembers involves a common auto financing product that prohibits servicemembers from taking a financed vehicle out of the country. On a positive note, according to the Report, the majority of complaints across all the various product types are closed with explanation.

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