CFPB’s Office of Servicemember Affairs Update and Consumer Law Issues in the Military

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Disclaimer

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CFPB Website

consumerfinance.gov

We’re on your side

We are the Consumer Financial Protection Bureau, a U.S. government agency that makes sure banks, lenders, and other financial companies treat you fairly.

FEATURED
Our new arbitration rule will make it easier for consumers to band together
Our new resources help older homeowners learn about and decide
Centralizing Consumer Financial Protection Accountability

- Scattered approach resulted in regulatory gaps covering consumer financial products or services

- Centralized consumer financial protection responsibilities
  - Created by statute July 21, 2010
  - Launched July 21, 2011

Federal agencies with consumer financial protection duties, in addition to their many other responsibilities:

- FDIC
- OCC
- Federal Reserve (OTS)
- FTC
- HUD
- NCUA

CFPB
Introduction – CFPB

The Bureau’s mission

- Regulate the offering and provision of consumer financial products or services under the Federal consumer financial laws, and,
- Educate and empower consumers to make better informed financial decisions
- Pursue unlawful practices by financial services providers and recover money for affected consumers

* Note: the Bureau has returned more than $200 million to servicemembers, veterans and their families
Introduction – OSA

Established by statute to:

• Educate and empower military families to make more informed financial decisions,

• Monitor complaints submitted by members of the military and their families, and,

• Coordinate with interagency partners, such as the DOD and the VA
Updates and Trends – Security Clearances and Credit Checks

• DOD announced new security clearance rules
  • Previously, periodic background checks
  • Now: “continuous monitoring policy”
• 4,500-8000 servicemembers are separated each year from the military for financial issues (e.g., losing their security clearance due to unpaid debts)
Updates and Trends – Security Clearances and Credit Checks

Must proactively protect credit history

- Personal financial readiness
  - Know before you owe
  - Car buying guide and worksheet
  - Other Bureau publications
  - FTC identity theft materials
- Fair Credit Reporting Act
- Fair Debt Collection Practices Act
- Fair Credit Billing Act
- Electronic Fund Transfer Act
Updates and Trends – Security Clearances and Credit Checks

- Security freeze
  - Free to freeze and unfreeze with nationwide CRAs since September 21, 2018

- Only a limited number of entities can see your file while a freeze is in place, including:
  - Creditors of accounts you currently hold
  - Certain government entities like child support agencies
  - Companies that you've hired to monitor your credit file

- Does not apply to screening for employment, tenant-screening, or insurance purposes
Updates and Trends – Annual Report

Annual report highlights

• New security clearance guidelines
• Medical debt
• Veterans struggle repaying VA debts
• Military moves and telecommunications debt
• Military Lending Act protections and credit card accounts
• Student loan servicing
• Car buying and add-on products
Consumer Complaints

Help consumers

- Interactive Bureau complaint process: [www.consumerfinance.gov/complaint](http://www.consumerfinance.gov/complaint)
- Connect with financial companies to:
  - Understand issues
  - Correct errors
  - Get direct responses about problems
- Most responses within 15 days
Consumer Complaints

Help the Bureau

• Highlight and address critical issues and emerging trends
• Assist our work with our federal and state partners to protect military consumers
• Inform our work in Enforcement and other Bureau Offices

• 1.4 million+ consumer complaints
• 123,000+ complaints from servicemembers, veterans, and military families
Education – Misadventures in Money Management (MiMM)

• Online training tool [http://MiMM.gov](http://MiMM.gov)

• Users engage with real life financial choices

• Topics include: consumer financial decision-making, SCRA protections, avoiding impulse purchases, and understanding indebtedness in the military

• Users significant increases in their financial knowledge scores
Education – the Military Lifecycle

• Navigate the Military Financial Lifecycle (MLC)

• From basic training until retirement or separation
  • New recruit? Simple guide to select a bank account
  • Servicemember at their first duty post? Car buying guide and worksheet
  • New officer struggling with student loans? Find strategies for tackling student loans and qualifying for public student loan forgiveness (PSLF)
  • Veteran living on social security and/or VA disability benefits? Find information on whether those benefits are protected from debt collectors.

Office of Enforcement

Core Work

- Auto loans
- Bank accounts and deposit products
- Consumer credit reporting
- Credit cards
- Debt collection
- Debt relief and credit counseling
- Electronic fund transfers
- Fair lending
- General consumer finance
- Mortgage origination
- Mortgage servicing
- Payday lending
- Prepaid cards
- Student loans
Office of Enforcement

Selected laws the CFPB enforces

- Alternative Mortgage Transaction Parity Act (AMTPA)
- **Consumer Financial Protection Act (Title X of Dodd-Frank)**
- Consumer Leasing Act (CLA)
- Electronic Fund Transfer Act
- Equal Credit Opportunity Act (ECOA)
- Fair Credit Billing Act (FCBA)
- Fair Credit Reporting Act (FCRA)
- Fair Debt Collection Practices Act (FDCPA)
- Federal Deposit Insurance Act (FDIA)
- Gramm-Leach-Bliley Act
- Home Mortgage Disclosure Act (HMDA)
- Home Owners Protection Act (HOPA)
- Home Ownership and Equity Protection Act (HOEPA)
- Interstate Land Sales Full Disclosure Act (ILSA)
- **Military Lending Act (MLA)**
- Omnibus Appropriations Act 2009
- Real Estate Settlement Procedures Act (RESPA)
- S.A.F.E. Mortgage Licensing Act
- Truth in Lending Act (TILA)
- Truth in Savings Act (TISA)
Military consumer vignettes

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OSA

- OSA webpage: https://www.consumerfinance.gov/practitioner-resources/servicemembers/
  - Note: Submit email address to receive information

- Email: military@cfpb.gov

- FREE bulk publications: https://pueblo.gpo.gov/CFPBPubs/CFPBPubs.php

- Follow OSA on social media:
  - https://twitter.com/cfpbmilitary
  - https://www.facebook.com/CFPBMilitary
Selected Bureau publications


Questions? OSA

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