

CFPB Announces Priorities at Consumer Advisory Board Meeting

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On February 25, 2016, the Consumer Financial Protection Bureau convened a meeting of its Consumer Advisory Board. At the meeting, it announced nine policy priorities it plans to focus on over the next two years.

The Bureau's near-term priority goals are:

- Arbitration
- Consumer Reporting
- Debt Collection
- Demand-Side Consumer Behavior
- Household Balance Sheets
- Mortgages
- Open-Use Credit
- Small Business Lending
- Student Lending

Of note, the Bureau introduced the term "open-use credit," which is intended to capture any non-purpose credit product, including credit cards, overdraft products, installment lending, payday loans, and title loans. Some members of the Consumer Advisory Board expressed concern about the term "open-use credit," explaining that each of these products works differently and is used by different types of consumers in different circumstances. The Bureau did not indicate it would regulate all of these products in the same way, but officials explained that because most consumers in open-use credit products have low to moderate income and are disproportionately female and persons of color, the Bureau is particularly concerned about issues of fairness and non-discrimination in connection with these products.

With respect to the mortgage market, Bureau officials emphasized their expectation that

lenders serve the entire array of creditworthy borrowers in a way that produces fair and efficient outcomes for consumers. Officials did not elaborate what it meant by "serving the entire array of borrowers" other than to note that discrimination and credit access remain significant risks for people of color. The Bureau also noted that half of consumers do not shop for a mortgage loan even though it might result in significant savings.

Bureau officials also addressed debt collection and indicated that they will continue to focus on this area, with the goal over the next two years of ensuring that "debt collectors" substantiate debts, identify debtors, and provide information about debtor rights. The Bureau indicated that its debt collection rule will cover both first- and third-party collections.

Finally, with respect to credit reporting, the Bureau will explore ways to incorporate alternative data into the credit reporting system in order to help consumers without a traditional credit report obtain credit.

Officials emphasized that the Bureau plans to continue its work in other areas, which would include fair lending oversight of indirect auto finance and its rulemaking on prepaid cards.

Policy Priorities

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