

Bureau of Consumer Financial Protection
1700 G Street NW
Washington, D.C. 20552



June 29, 2020

The Honorable Tim Scott
United States Senate
104 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mike Crapo
United States Senate
239 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Senator Scott and Senator Crapo,

Thank you for your letter of May 22, 2020, regarding consumers' access to credit and the consumer credit markets. The Consumer Financial Protection Bureau (Bureau) appreciates your support of the actions taken to-date to provide guidance to the financial industry as well as to the American consumer in response to concerns raised by the COVID-19 pandemic.

At the Bureau, we are focused on protecting consumers in the financial marketplace. That entails ensuring consumers have information on their rights, protections, and options as well as ensuring financial institutions are in compliance with federal consumer financial law. Over the past few months, the Bureau has actively engaged with regulated entities, interagency partners, consumer advocates, State partners, and other stakeholders to ensure we are providing appropriate flexibilities to benefit consumers during this time. The Bureau, along with other regulators, released guidance¹ publicly over the past few months to financial institutions, lenders, and creditors encouraging them to work constructively with borrowers and customers affected by COVID-19.

¹ See <https://www.consumerfinance.gov/about-us/newsroom/agencies-provide-additional-information-encourage-financial-institutions-work-borrowers-affected-covid-19/>; <https://www.consumerfinance.gov/about-us/newsroom/cfpb-provides-flexibility-during-covid-19-pandemic/>; and <https://www.consumerfinance.gov/about-us/newsroom/federal-agencies-encourage-banks-savings-associations-credit-unions-to-offer-responsible-small-dollar-loans-consumers-small-businesses-affected-covid-19/>.

In response to Congress passing the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Bureau informed credit reporting companies and lenders that they must comply with the CARES Act.² The Bureau is dedicating significant resources toward reviewing for compliance with the Fair Credit Reporting Act amendments. We also encouraged lenders to continue to voluntarily provide payment relief to consumers, where an accommodation is not required by the CARES Act. The Bureau noted in its statement, “The continued operation of the consumer reporting system will play a critical role in the functioning of the consumer financial services market, promoting fair and efficient access to credit and benefiting consumers and creditors alike.”³ Additionally, the Bureau, along with other federal and state regulators, issued guidance encouraging mortgage servicers to work with homeowners affected by COVID-19, a revised interagency statement on loan modifications, and a joint statement to address challenges relating to appraisals and evaluations for real estate-related financial transactions affected by COVID-19.⁴ We are using our regulatory guidance to encourage industry actors to show flexibility with consumers and help them through this national emergency – while reminding industry of their obligations under the CARES Act and other applicable laws.

The Bureau also is temporarily modifying its supervisory program to gain a greater understanding of industry responses to pandemic-related challenges and help ensure that entities are attentive to practices that may result in consumer harm. We are prioritizing markets where Congress provided special provisions to help consumers in the CARES Act. That means some of the top risk areas we will be evaluating are mortgage servicing, consumer reporting and furnishing.

As we continue to monitor the evolving landscape across all the markets we regulate, the Bureau continues to consider what guidance it can issue to regulated entities that will help consumers through this time. We will continue to provide relief as needed to ensure that resources can be focused on consumers and to ensure that consumers have choice and protection in the financial marketplace. Thank you for your engagement with the Bureau’s work in this area.

² See <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-credit-reporting-guidance-during-covid-19-pandemic/>.

³ See <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-credit-reporting-guidance-during-covid-19-pandemic/>.

⁴ See <https://www.consumerfinance.gov/about-us/newsroom/federal-agencies-encourage-mortgage-servicers-work-struggling-homeowners-affected-covid-19/>; <https://www.consumerfinance.gov/about-us/newsroom/agencies-issue-revised-interagency-statement-loan-modifications-coronavirus/>; and <https://www.consumerfinance.gov/about-us/newsroom/federal-banking-agencies-to-defer-appraisals-evaluations-for-real-estate-transactions-covid-19/>.

Should you have any questions about this response, please do not hesitate to contact me, or have your staff contact Kate Fink of the Bureau's Office of Legislative Affairs. Ms. Fink can be reached at (202) 435-7532.

Sincerely,

A handwritten signature in blue ink that reads "Kathleen L. Kraninger". The signature is fluid and cursive, with the first name being the most prominent.

Kathleen L. Kraninger
Director

cc: The Honorable M. Michael Rounds, United States Senator
The Honorable Thom Tillis, United States Senator
The Honorable Richard Shelby, United States Senator
The Honorable Jerry Moran, United States Senator
The Honorable Pat Toomey, United States Senator
The Honorable Kevin Cramer, United States Senator
The Honorable David Perdue, United States Senator
The Honorable Kelly Loeffler, United States Senator
The Honorable John Cornyn, United States Senator