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Consumer Financial Protection Bureau Releases Its 2020 Supervisory Highlights Report

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The Consumer Financial Protection Bureau (CFPB) recently released the latest version of its *Supervisory Highlights* report, which summarizes the findings of the Bureau's supervisory examinations in 2020. The CFPB identified four findings from the report as "particularly concerning":

1. **Consumer Reporting Companies' Use of Data From "Unreliable" Furnishers**: The CFPB reported that its examiners found that consumer reporting companies have accepted and reported consumer data received from third-party furnishers, while ignoring signs that the data furnishers were unreliable. The CFPB warned that it "will remain diligent and consumer reporting companies are on notice with respect to risks posed by accepting data from furnishers where there are indications of unreliability."

2. **Redlining**: The report states that CFPB examiners found evidence of redlining, including direct mail marketing materials showcasing pictures of only white people and locating credit loan offices "almost exclusively" in majority-white neighborhoods. CFPB examiners found that these actions "lowered the number of applications from minority neighborhoods relative to other comparable lenders."

3. **Regulation X Foreclosure Issues**: The report states CFPB examinations identified "several violations" by mortgage servicers of the servicing rules in Regulation X, including filing for a foreclosure before evaluating borrower's appeals or initiating a foreclosure prior to the date that they told consumers they would. On June 28, 2021, the CFPB issued a final rule that it contends will help consumers avoid foreclosures as the emergency federal foreclosure protections expire.

4. **Student Loan Servicing for the PSLF Program**: CFPB examiners found violations in the type of information that student loan servicers gave consumers about the Public Service Loan Forgiveness (PSLF) program. Examiners found that student loan servicers were giving consumers incorrect information that could potentially bar access to the program and could result in thousands of dollars lost for these consumers.

If you would like to read more about the areas mentioned above and other consumer law violations that the CFPB report discusses, please click here for access to the full supervisory highlights report and press release.

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