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CONFERENCE OF STATE BANK SUPERVISORS

September 19, 2014

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Docket Number: CFPB-2014-0016

Dear Ms. Jackson,

The Conference of State Bank Supervisors (CSBS) appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (the Bureau) proposal to disclose consumer narratives in the Consumer Complaint Database.

CSBS recognizes the importance of a transparent, public database and the Bureau's desire to effect consumer protection through an informed public exchange of information. We appreciate the opportunity to raise supervisory concerns and questions the Bureau should thoroughly consider before making its final determination to publish narratives.

First, our understanding is that third parties are able to file complaints with the Bureau directly on behalf of consumers. What controls will be in place to ascertain that only the consumer, and not the consumer's representative, has made the request for narrative publication?

Many states operate under strict confidentiality laws that prohibit the public release of confidential information, including consumer complaint information, regardless of whether the consumer desires for the information to be made public. These states must ensure that information sharing for supervisory purposes does not inadvertently violate state confidentiality laws. As a result, the proposal may unintentionally inhibit a more robust system of complaint information sharing between state regulators and the Bureau.

We are unclear whether consumer complaints filed directly with the Bureau will be treated differently than complaints obtained by referral or delivery from the states (e.g. through a state website). We caution the Bureau to consider the impact the proposal will have on future complaint information sharing efforts between state regulators and the Bureau. Clearly, some states may find it legally impossible to participate in complaint information sharing if the appropriate controls are not firmly in place.

The Bureau should clarify when the consumer narratives will be made publically available. Specifically, the Bureau should consider posting consumer narratives only after the financial institution has had a

reasonable opportunity to respond. The timing is important to ensure a balance between consumer allegation and company response. The consumer's desire for public disclosure, evidenced through an expedited opt in process, should not outweigh the industry's right to an opportunity to respond.

Again, we recognize the consumer protection importance of a transparent, public database; however, we are also cognizant of the possibility of meritless complaints adversely impacting the reputation of financial firms. The process by which the Bureau validates consumer complaints should be clearly articulated for both the consumers and the industry. While a fully automated opt in process may be the most efficient, it may not be the most effective in determining that narratives should be published. Further, we are concerned with potential imbalances in published narratives if consumers with grievances opt in to disclosure more often than consumers who simply seek resolution of an issue.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Ryan". The signature is fluid and cursive, with a prominent initial "J" and "R".

John W. Ryan
President & CEO