



CFPB Readiness Series: Consumer Complaint Resolution and Tracking

Who is KirkpatrickPrice?

KirkpatrickPrice is a licensed CPA firm, providing assurance services to over 300 clients in more than 40 states, Canada, Asia and Europe. The firm has over 10 years of experience in information assurance by performing assessments, audits, and tests that strengthen information security, and compliance controls.



Welcome

Todd Stephenson is an Information Security Specialist helping collection agencies and law firms prepare for a CFPB examination.

- Certified Information Systems Auditor (CISA)
- Information Security Specialist
- Over five years working with the ARM industry



Services Overview

- Regulatory Compliance

- CFPB Guidance and audit services:

- Policy & Procedure
- Risk Assessment
- Vendor Compliance Management
- CFPB Mock Audit

- Information Security

- Guidance and audit services:

- PCI DSS 3.0
- SSAE 16
- SOC 2
- FISMA
- ISO 27001 / 27002



Complaints

- Exam procedures reference:
 - Determine if complaint data and individual cases drive adjustments to the business practices as appropriate.
 - Determine whether the entity has a process for analyzing complaints to identify patterns of debt collection practices that violate the law or pose risks to consumers. For example, such analysis might indicate violations by a particular employee or service provider or data integrity problems associated with a particular set of accounts or portfolio.



CFPB Consumer Complaint Portal

As of July 10, 2013 the CFPB is accepting consumer complaints related to debt collection.

All debt collection companies are expected to follow resolution procedures regardless of size.



CFPB Complaint Resolution Process

- Consumer Submits Complaint
- CFPB Review & Routing
- Company Response
- Consumer Review & Response
- Investigation
- Analyze & Report



CFPB Complaint Data

- Public Information
- Reporting
- Investigation
- Enforcement



CFPB Complaint Portal Highlights

- Registration is recommended:
<http://www.consumerfinance.gov/company-signup>
- “You’re not required to sign up using this form, but if you don’t, and we need your response to outstanding consumer complaints, we’ll contact you directly to help you sign up.” –CFPB Website
- Registered companies must manually check for complaints



Welcome

Jessie Skibbe is a former Chief Compliance Officer with 10 years of ARM industry experience. As Director of Compliance Services for KirkpatrickPrice, she is focused on assisting clients in meeting regulatory compliance & information security objectives.

- ACA Certified Credit & Collections Compliance Officer (CCCO)
- ACA Scholar Designation
- ISC2 Certified Information Systems Security Professional (CISSP)
- DBA Certified Receivables Compliance Professional (CRCP)
- PCI SSC Qualified Security Assessor (QSA)



Compliance Management System



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How Do I Get Started?



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Plan

- What is your definition of a complaint?
 - Risk Assessment Approach
 - Evaluate all stages of the process and types of complaints received at each stage.
 - Review all possible sources of complaints.
 - Client input
 - CFPB Complaint Portal



Plan

- Policies, Procedures & Work Instructions
 - Definition
 - Escalation Procedures
 - Documentation requirements
 - Response Procedures
 - Data Collection & Use
 - Communication Requirements



Do

- Gather Complaint Data
 - Telephone Lines
 - Who is answering the phone & what training have they received.
 - Website
 - Web form for consumers utilize
 - Consider regular testing to ensure functionality
 - CFPB, FTC, State AG, Consumer Lawsuit



Do

- Tracking Complaint Data
 - Source of the complaint
 - How & when it was received
 - Describe the complaint
 - Status of the complaint
 - Resolution
 - Complaint Category
 - Collector



CFPB Complaint Categories

Communication Tactics

- Frequent or repeated calls

- Called outside of 8am-9pm

- Used obscene, profane or other abusive language

- Threatened to take legal action

- Called after sent written cease of communication notice

Continued attempts to collect debt I do not owe

- Debt was discharged in bankruptcy

- Debt was resulted from identity theft

- Debt was paid

- Debt is not mine

Disclosure verification of debt

- Did not receive notice of right to dispute

- Not enough information to verify debt (i.e. amount of debt & name of creditor)

- Did not disclose communication was an attempt to collect a debt.



CFPB Complaint Categories

False statements or representation

- Attempted to collect wrong amount
- Impersonated attorney, law enforcement or government official
- Indicated committing crime by not paying debt
- Indicated should not respond to lawsuit

Improper contact or sharing of information

- Contacted me after I asked not to
- Contacted my employer
- Contacted me instead of my attorney
- Talked to a third party about my debt

Taking or threatening to take an illegal action

- Threatened to arrest me or take me to jail if I do not pay
- Threatened to sue me on debt that is too old to be sued on
- Sued me where I did not live or did not sign for the debt
- Attempted to/Collected exempt funds (i.e. unemployment, child support, etc.)
- Seized or attempted to seize property



Do

- Training employees & compliance staff
 - Conduct training on policies, procedures & work instructions
 - Identify key words that will assist collectors in identifying a complaint.
 - Teach them to become a “complaint magnet”



Check

- Complaint Monitoring
 - The Chief Compliance Officer's role
 - Ensure complaints are:
 - Promptly addressed
 - Categorized appropriately
 - Review of complaints
 - Analysis of complaints
 - Identify weaknesses in the Compliance Management System
 - Challenges



Check

- **Monitoring Best Practices**
 - Board of Directors: Total number of complaints received by category.
 - Management: Utilize complaint data in order to identify areas for improvement.
 - Internal Auditors: Monitor the complaint process.



Written Complaints Received

Category	First Quarter 2014			Previous Quarter Monthly Avg.
	January	Feb	March	
BBB	2	2	1	1
CFPB/FTC	3	2	3	3
AG/State Agency	0	1	2	1
Consumer Law Suit	0	1	0	1
Total	5	6	6	5

Consumer Direct Complaints - Written and Verbal

Category	First Quarter 2014			Previous Quarter Monthly Avg.
	January	Feb	March	
Communication Tactics	2	1	3	2
Cont'd attempts to collect debt I do not owe	10	12	9	10
Disclosure verification of debt	0	0	1	1
False statements or representation	1	1	1	1
Improper contact or sharing of information	2	2	2	2
Taking or threatening to take an illegal action	1	4	1	2
Total	16	20	17	16



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Check

- Complaint Monitoring
 - Taking it to the next level:
 - Portfolio ID
 - Client
 - Collector



Act

- Document changes made to your process as a result of monitoring efforts.
- Corrective Actions
- Continue the cycle



Thank you for attending our Webinar

Q & A

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Coming up Next

CFPB Readiness Series: Policy & Procedure
Drafting 101

When: November 2014

Learn the basics of policy and procedure drafting.

