



October 13th, 2023 | Volume 17 | Issue 39

League InfoSight Highlight: CFPB Advisory Opinion – Fees for Basic Customer Service

I'd like to preface this article by saying that the CFPB's most recent [Advisory Opinion](#) technically only applies to institutions they supervise - credit unions (and banks) over \$10 billion in assets. However, when these Advisory Opinions are issued, it's important for all credit unions to take note.

This particular legal analysis addresses section 1034(c) of the Consumer Financial Protection Act, which is entitled "Response to Consumer Complaints and Inquiries." This section addresses consumer rights to access information and states that covered financial institutions must "in a timely manner, comply with a consumer request for information in the control or possession of the financial institution concerning the consumer financial products or service that the consumer obtained from the financial institution, including supporting written documentation, concerning the account of the consumer."

The CFPB sought feedback from consumers in a request for information back on June 14, 2022, specifically about customer service obstacles they faced when interacting with their financial institution. The comments indicated frustration and difficulty in obtaining critical information about their accounts. This included information consumers needed to stay current and to avoid fees or penalties; to identify and resolve errors; and to close accounts that no longer served their interests.

The Advisory Opinion indicated that as a general matter, financial institutions requiring a consumer to pay a fee or charge to request account information is likely to unreasonably impede the consumers' ability to exercise the rights granted by the Act and violate provision 1034(c), which could significantly impact credit unions. The Advisory Opinion stated that regardless of how a fee is labeled or categorized on a fee schedule, if it unreasonably impedes a request for information about a consumer's account, it is not permitted. That includes fees:

1. To respond to consumer inquiries regarding their deposit account balance;
2. To respond to consumer inquiries seeking the amount necessary to pay a loan balance;
3. To respond to a request for a specific type of supporting document, such as a check image or an original account agreement; and
4. For the time spent on consumer inquiries seeking information and supporting documents regarding an account.

Also depending on the circumstances, other conditions such as forcing consumers to endure excessive wait times, requiring consumers to submit the same request multiple times, requiring consumers to interact with a chatbot that does not adequately respond to requests or directing consumer to obtain information from a third party, were also listed as impediments.

There was certainly more detail that is worth the read, but as we've noted in previous articles, it's very important for credit unions to consider these publications from the CFPB and analyze their operational procedures and processes accordingly.

Glory LeDu,
CEO, League InfoSight and CU Risk Intelligence

News and Alerts!

NCUA Board Approves Final Rule on Financial Innovation

The National Credit Union Administration Board held its eighth open meeting of 2023 and unanimously approved a final rule that amends the NCUA's regulations regarding indirect lending, the purchase of loan participations, and the purchase, sale, and pledge of eligible obligations and notes of liquidating credit unions. In addition, the NCUA's Chief Financial Officer briefed the Board on the performance of the National Credit Union Share Insurance Fund during the second quarter of 2023.

[Read More](#)

CFPB Issues Guidance to Halt Large Banks from Charging Illegal Junk Fees for Basic Customer Service

The Consumer Financial Protection Bureau (CFPB) issued an advisory opinion regarding a provision enacted by Congress which generally prohibits large banks

and credit unions from imposing unreasonable obstacles on customers, such as charging excessive fees, for basic information about their own accounts.

[Read More](#)

Credit Union Assets, Lending, and Delinquencies Rise in 2nd Quarter

According to the latest financial performance data released today by the National Credit Union Administration, total assets in federally insured credit unions increased \$82 billion, or 3.8 percent, over the year ending in the second quarter of 2023, to \$2.22 trillion.

[Read More](#)

CFPB Exams Return \$140 Million to Consumers Hit by Illegal Junk Fees in Banking, Auto Loans, and Remittances

The Consumer Financial Protection Bureau (CFPB) released a special edition of its Supervisory Highlights focused on the agency's efforts to protect consumers from illegal junk fees. The junk fees discussed in the report – including fees for fake paper statements and worthless add-on products for auto loans – can strain the financial stability of even the most financially savvy families. As a result of the CFPB's supervisory work, the companies in today's report are refunding \$140 million to consumers, \$120 million of which is for surprise overdraft fees and double-dipping on non-sufficient funds fees.

[Read More](#)

NCUA Awards \$3.1 Million Through Expanded CDRLF Grants

The National Credit Union Administration awarded \$3.1 million in Community Development Revolving Loan Fund grants to 142 low-income and minority depository institutions, the agency announced today. The NCUA awarded grants ranging from \$1,000 to \$50,000 to credit unions in 40 states and the District of Columbia. Forty-two awardees were MDIs, and 23 were first-time applicants.

[Read More](#)

Upcoming Events:

CDRLF Success Stories Webinar

Community Development Revolving Loan Fund grants provide significant benefits for credit unions, their members, and their communities. You can learn how credit unions have put their grants to work at a National Credit Union Administration webinar on October 25, 2023.

[Read More](#)

Register Now for NCUA & FTC Webinar on Protecting Your Credit and Identity

In recognition of National Cybersecurity Awareness Month, the NCUA and Federal Trade Commission are hosting a webinar titled "Protect Your Credit and Identity with Cybersecurity Awareness" on October 26, 2023.

[Read More](#)



**TRYING TO MANAGE YOUR POLICIES ALONE
CAN BE A NIGHTMARE**



With CU PolicyPro, it's a dream.

Questions, Comments, Concerns? We are here to help! Email us at info@leagueinfosight.com