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August 31, 2015

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

Re: Docket No. CFPB-2015-0030, Request for Information Regarding the Consumer Complaint Database: Data Normalization

Dear Ms. Jackson:

The Independent Community Bankers of America<sup>1</sup> appreciates the opportunity to provide comments on the Request for Information (RFI) by the Consumer Financial Protection Bureau (CFPB or Bureau) on data normalization efforts for the Bureau's Consumer Complaint Database (Complaint Database). The Bureau is requesting feedback on best practices for "normalizing" the raw complaint data it makes available via its Complaint Database with the goal of making the data easier for the public to use and understand.

ICBA and its member community banks take consumer complaints seriously. While ICBA understands the CFPB's intent to provide consumers meaningful metrics for comparing data regarding the providers of financial services and products, we encourage the Bureau to address important data integrity and information security concerns before undertaking any normalization of complaint data. ICBA also urges the Bureau to open any proposed data normalization metrics

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<sup>1</sup> The Independent Community Bankers of America®, the nation's voice for more than 6,000 community banks of all sizes and charter types, is dedicated exclusively to representing the interests of the community banking industry and its membership through effective advocacy, best-in-class education and high-quality products and services.

With 52,000 locations nationwide, community banks employ 700,000 Americans, hold \$3.6 trillion in assets, \$2.9 trillion in deposits, and \$2.4 trillion in loans to consumers, small businesses and the agricultural community. For more information, visit ICBA's website at [www.icba.org](http://www.icba.org).

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to public comment. Finally, ICBA recommends that if the CFPB moves forward with this normalization initiative, it should use overall market share by product type as the metric for data normalization.

### **Normalization of unsubstantiated and invalid complaint data will mislead consumers**

The CFPB has defined consumer complaints as “submissions that express dissatisfaction with, or communicate suspicion of wrongful conduct by, an identifiable entity related to a consumer’s personal experience with a financial product or service.”<sup>2</sup> Consumer complaints in the Complaint Database are subjective in nature and many are not fully verified, and as such, could misrepresent companies and the products and services they offer. Moreover, the CFPB noted in conjunction with its most recent report on the Database that over 70 percent of complaints it receives from consumers are “closed with an explanation” or “closed without relief or explanation” by the responding entity.<sup>3</sup>

Normalizing data that is unsubstantiated and, in some cases invalid, will not improve consumer decision-making. In fact, by normalizing data that relies on unsubstantiated or invalid complaints, the Bureau runs the risk of misleading the very consumers it is charged with protecting. Before any efforts are undertaken to disclose normalized data to the public, ICBA urges the CFPB to develop processes to independently confirm the facts in all consumer complaints submitted to the Complaint Database before the associated data is released to the public.

### **The Bureau should address data security concerns before beginning data normalization efforts**

ICBA has long been concerned that public or non-public information drawn from the Complaint Database poses a threat to consumers’ privacy. Public data from the Complaint Database could be combined with other publicly-accessible data to identify consumers who have submitted complaints, exposing them to embarrassment or worse. Recently, the Office of Inspector General (OIG) for the Federal Reserve and the CFPB issued an executive summary of a report on the data security of the Bureau’s Complaint Database.<sup>4</sup> The executive summary indicated that the OIG report identified several security deficiencies and recommended steps for the CFPB to strengthen its information security efforts.

Before it considers establishing data normalization metrics, ICBA urges the Bureau to first address data security concerns related to the Complaint Database. Protection of personal consumer information must be a primary goal of the federal government, especially in light of the ongoing and highly-publicized public- and private-sector security breaches involving consumer financial and personal information.

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<sup>2</sup> CFPB, Consumer Response Annual Report (March 2015), p. 5.

<sup>3</sup> *Id.* at 41.

<sup>4</sup> Office of the Inspector General, Board of Governors of the Federal reserve System and Consumer Financial Protection Bureau, Executive Summary: Security Control Review of the CFPB’s Data Team Complaint Database (July 2015).

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### **Proposed data normalization metrics should be released for public comment**

In its RFI, the Bureau states it “does not anticipate publishing a proposed policy statement on” data normalization. It is possible certain data normalization metrics that are employed could provide an inaccurate or even misleading view of complaint data to the public. Considering the potential effects of any data normalization efforts, ICBA strongly believes any metrics the Bureau develops should be accompanied by a rigorous analysis of the costs and benefits to consumers and the financial services industry with an opportunity for public comment.

### **If the Bureau proceeds with establishing data normalization metrics, it should use overall market share as the quantitative metric for normalizing data**

If the Bureau moves forward with implementing data normalization, ICBA believes the simplest and most transparent way to do is to use market share across the United States in each product type as the metric. Creating divisions by geographical area could mislead consumers regarding complaint data especially in those areas that are rural and/or underserved and are served by a limited number of financial service providers.

### **Conclusion**

ICBA appreciates the opportunity to provide comments on this RFI. We believe that by taking the steps outlined in this letter, the CFPB could improve the Complaint Database for consumers and industry. If you have any questions regarding ICBA’s comments, please contact me at [joseph.gormley@icba.org](mailto:joseph.gormley@icba.org) or 202.659.8111.

Sincerely,

/s/

Joseph M. Gormley  
Assistant Vice President and Regulatory Counsel

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