

REPORT 2: Mortgage Complaints Report

Link to the Looker Studio report:

<https://lookerstudio.google.com/reporting/50df81f3-2f47-4cc8-813c-73c467c71084>

Analysis questions

During the period [2/1/2023-3/1/2023](#):

1. Total number of complaints?

The total number of complaints was 2,197, down 21.2% from the previous period (30 days before).

A significant decrease in complaints suggests improved customer satisfaction or company processes. However, it might be essential to investigate whether this reduction is consistent over time or a short-term fluctuation.

2. What was the percentage of complaints that had untimely responses, and was that below the 2% acceptable rate?

The untimely response rate was 0.64%, up 0.03% but still within the acceptable range.

Although the untimely response rate is still acceptable, the slight increase suggests companies need to monitor response efficiency to prevent further increases.

3. What was the average time it took for the CFPB to process complaints received and forward them to companies? How did that compare to the desired time of 1 day?

It took 1.3 days, higher than the desired time (despite being down 0.33% from the previous period).

4. What types of issues were most common, and how did companies handle different types of issues?

The most common types of issues were trouble during the payment process, struggling to pay a mortgage, and applying for a mortgage or refinancing an existing mortgage. Most of these issues were resolved "closed with an explanation" by the company.

5. What percentage of complaints came from older Americans and service members?

The percentage of complaints coming from older Americans was 13.2% (290 complaints), 0.7% more than service members (274 complaints, 12.5%).

6. Which 5 states had the highest complaint density?

5 states had the highest complaint density: DC, Maryland, Florida, Georgia, and Virginia.

States with higher complaint density may reflect specific regional or regulatory challenges. Companies operating in these areas should investigate local factors contributing to complaints and improve their service offerings in these regions.

7. Which geographic locations had higher complaint density, and how did it differ between high-income and low-income geographic areas?

There are many large low-income dots on the map. Complaint density appears to be higher in low-income states than in high-income areas.

Higher complaint densities in low-income areas suggest that financial services may not be adequately addressing the needs of lower-income populations. Targeted efforts to improve financial knowledge, accessibility to financial services, and service quality in these areas could reduce complaints.

8. What are the top companies by total number of complaints, untimely responses, and ongoing responses?

Wells Fargo & Company, Nationstar Mortgage LLC, Shellpoint Partners LLC, and Ocwen Financial Corporation.

Companies like Wells Fargo, Nationstar, and others should focus on addressing the **root** causes of complaints to avoid reputational damage. Given their high volume of complaints and untimely responses, they may need to review their customer service and issue-resolution processes to enhance consumer trust.

Conclusion

The total number of complaints (2,197) decreased by 21.2%, but the CFPB's average processing time exceeded the desired 1-day target, reaching 1.3 days.

Common issues involved payment troubles and mortgage-related challenges, with most resolved by providing explanations. While the untimely response rate of 0.64% remained within the acceptable limit, it increased slightly.

Complaints were more prevalent in low-income areas, with Wells Fargo & Company and other major financial institutions leading in complaints and untimely responses. Special attention should be given to vulnerable groups, including older Americans and service members, who accounted for a significant portion of the complaints.

Implications for CFPB's Mortgage Regulatory Group

- **Complaint volume and trends:** The decrease in complaints by 21.2% is a positive trend. However, the total volume (2,197 complaints) is still significant, suggesting current issues with mortgage-related services.
- **Untimely responses:** The 0.64% untimely response rate remains within the acceptable range but has increased slightly. This could be a warning sign that some firms are

struggling to meet the 15-day response deadline, which needs closer monitoring. Wells Fargo & Company and other top firms could be subject to penalties if untimely responses rise further.

- **Processing time:** The CFPB is not meeting its goal of forwarding complaints within 1 day, with an average of 1.3 days. While this has improved slightly, the group needs to implement strategies to speed up the process to meet its operational goals.
- **High-risk areas:** Complaints are more frequent in low-income geographic areas, suggesting that vulnerable populations are more affected by mortgage issues. The CFPB might consider implementing interventions in these regions or strengthening protections for low-income consumers.
- **Common issues and firm resolution:** The most common issues—trouble during payment processes and mortgage struggles—are frequently resolved by providing explanations. This may indicate a lack of deeper resolutions for consumers. Firms may need to offer more substantial assistance rather than just explanations.
- **At-risk groups:** The percentage of complaints from older Americans and service members is significant (13.2% and 12.5%, respectively), indicating that these groups are facing challenges. The CFPB may need to prioritize protections for these populations.