

February 2018

Consumer Advisory Board Consumer Lending Subcommittee

February 28, 2018



Meeting of the Consumer Advisory Board Consumer Lending Subcommittee

The Consumer Advisory Board (CAB) Consumer Lending Subcommittee of the Bureau of Consumer Financial Protection (Bureau) convened via conference call at 1:00 p.m. Eastern on February 28, 2018 to discuss debt collection.

Board members present	CFPB staff present
Chair, Josh Zinner	Zixta Martinez
Kathleen C. Engel	Anthony Welcher
Max Levchin	Delicia Hand
Ohad Samet	Matt Cameron
Dr. Howard Slaughter	Crystal Dully
James M. Wehmann	John McNamara
Chi Chi Wu	K. (Gandhi) Eswaramoorthy
Ann Baddour, CAB Chair	Kristin McPartland
Brent Neiser	
Kathleen Engel	
Lynn Drysdale, Chair for CAB Mortgages & Small Business Lending Markets	
Judith Fox	

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Welcome

**Delicia Hand, Assistant Director, Advisory Board and Councils Office
Josh Zinner, Chair, CAB Consumer Lending Subcommittee**

Assistant Director Delicia Hand called the meeting to order at 1:05 p.m. Eastern and welcomed CAB Consumer Lending Subcommittee members, Bureau staff, and members of the public. She provided background information about the Consumer Advisory Board (CAB) and the vital role the CAB's subcommittees play in fulfilling the CAB's statutory responsibility to advise and consult with the Bureau. Next, she provided an overview of the meeting agenda and highlighted that debt collection would be the topic of the conversation with subcommittee members.

Following Ms. Hand's remarks, CAB Consumer Lending Subcommittee Chair Josh Zinner provided introductory remarks and invited Assistant Director John McNamara to provide background on the Bureau's work to date on debt collection. Assistant Director John McNamara welcomed attendees and thanked CAB Consumer Lending Subcommittee members for their participation and suggestions on policy matters relating to small dollar lending, consumer reporting, auto lending, student lending, and debt collection. He then provided a brief update on the Bureau's debt collection rulemaking process.

Members highlighted the impact of debt collection on consumers and shared solutions to improve communication and the collections process. Members discussed the option of incorporating electronic communication to improve the consumer experience and some members suggested that this change may also lessen the need for litigation by collectors. Other members suggested that the traditional underwriting process should be reassessed as it appears some consumers are not truly aware of their borrowing terms and what will happen if they were to default on a loan. Members stated that many consumers are unaware of their rights when they enter the debt collection process, which often makes it easier for illegal tactics to be used in the marketplace. Additionally, members suggested that a new debt collection rulemaking would help modernize the Fair Debt Collection Practices Act (FDCPA), and they also encouraged the Bureau to address time-barred debt and substantiation of the debt in the final rulemaking. Members noted that any new regulation should encourage experimentation in the disclosure requirements and find ways to allow for relationship development between the collector and the consumer. A number of members concluded that the Bureau's role in issuing regulations for

third party debt collection is crucial to ensure consumers are treated fairly in the marketplace, understand their rights, and that there is clear accountability for all parties involved in the debt collection process.

Adjournment

CAB Consumer Lending Subcommittee Chair Josh Zinner adjourned the meeting on February 28, 2018 at **2:15 p.m.** Eastern.

Certification

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

A handwritten signature in black ink, appearing to read "D Hand".

Delicia Reynolds Hand
Assistant Director, Office of Advisory Board and Councils
Bureau of Consumer Financial Protection