

CONSUMER FINANCIAL PROTECTION BUREAU | SEPTEMBER 2024

# Office of Servicemember Affairs Annual Report

January – December 2023



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# Executive Summary

The Consumer Financial Protection Bureau’s (CFPB) Office of Servicemember Affairs (OSA) was created by the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).<sup>1</sup> Each year, OSA issues an annual report highlighting trends in complaints submitted by servicemembers, veterans, and military families in the previous calendar year. The reports also identify emerging risks in consumer finance and provide an update on the CFPB’s efforts toward continuing to protect the military community from harmful financial products and practices.

The 2023 annual report provides an overview of complaints about consumer financial products and services submitted to the CFPB in calendar year 2023 by members of the military community, identifying and analyzing the various unique issues faced by servicemembers, veterans, and military families. The report also highlights continuing challenges faced by active duty and veteran students such as student loan servicing and transcript withholding by some higher education institutions. Additionally, the report highlights problems faced by older veterans<sup>2</sup> such as scams and fraud.

Key findings from the 2023 OSA annual report include:

- **The number of complaints filed by servicemembers increased across all major products, including credit or consumer reporting, debt collection, credit cards, checking or savings accounts, and mortgages.** In 2023, servicemembers submitted approximately 84,600 complaints on a wide range of products and services. This is a 27 percent increase compared to 2022 and a 98 percent increase compared to 2021.
  - Among active duty servicemembers, complaints about mortgages, credit cards, and checking or savings accounts saw the largest increases. From 2022 to 2023 complaints about these products and services jumped 47 percent for mortgages, 41 percent for credit cards, and 41 percent for checking or savings accounts.

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<sup>1</sup> OSA is charged with educating and empowering servicemembers and their families to make better informed financial decisions, monitoring servicemember complaints, and coordinating military consumer financial protection efforts among federal and state agencies, as appropriate. Pub. L. No. 111-203 (2010), 124 Stat. 1376.

<sup>2</sup> The term, “older veterans”, in this report generally relies on complaint data from those who self-identified as servicemember and older American when submitting their complaint.

- Among veterans and retirees, complaints about checking or savings accounts, credit and consumer reporting, and credit cards saw the largest increases. From 2022 to 2023 complaints about these products and services jumped 34 percent for checking or savings accounts, 31 percent for credit and consumer reporting, and 30 percent for credit cards.
- **Servicemembers, military families, and veterans report challenges when trying to contact or get help from their student loan servicer.**
  - Complaints suggest that servicemembers are spending hours trying to reach their student loan servicer and that those calls often fail to resolve their issue. This challenge is particularly acute for servicemembers stationed overseas because the time-zone differences may further limit servicemembers' ability to reach their student loan servicer during regular call center hours. Some servicemembers also report that their student loan servicers' callback features do not always work as intended.
  - Servicemembers reported servicing errors and other obstacles that are preventing enrollment in income-driven repayment plans which, in turn, may affect eligibility for the federal Public Service Loan Forgiveness (PSLF) program. Many servicemembers report that their loan servicers are not correctly calculating their monthly payment amounts under income-driven repayment plans and that incorrect payments may affect their eligibility for the PSLF program in the future.
- **The withholding of transcripts by colleges and universities may prevent servicemembers and veterans from receiving promotions, securing employment, or completing their degrees.** Servicemembers' work obligations often require frequent relocations; timely access to transcripts is essential to ensure that there is as little disruption as possible when transferring from one educational institution to another. Further, when colleges and universities withhold transcripts as a means to collect a debt or disputed fees, servicemembers may be denied employment opportunities, including promotions within the military, and future higher education opportunities.
- **Older veterans are often the target of scams and fraud.** In 2023, the CFPB received approximately 9,300 complaints from older veterans or those who self-identified as both a servicemember or veteran and an older American in their complaint. This represents a 17 percent increase compared to 2022. When older veterans submitted complaints on money transfer or service in 2023, nearly half (49 percent) of those complaints were related to fraud or scams. Older veterans are also often targeted by unaccredited veteran benefits claims agents who often charge high fees in exchange for claims assistance.

# 1. Top Servicemember Complaints in 2023

The CFPB works to ensure that servicemembers<sup>3</sup> can handle a wide range of challenging financial situations effectively, and we use the complaint process to inform this work. By monitoring servicemembers' complaints, the CFPB can identify emerging trends, help servicemembers get their problems addressed, and hold companies accountable for wrongdoing when it occurs.

The CFPB began accepting consumer complaints in July 2011.<sup>4</sup> Since then, servicemembers have submitted approximately 407,600 complaints, and these complaints have been steadily increasing every year since 2011 (Figure 17 for complaints by military status and year).<sup>5</sup> In 2023, servicemembers submitted approximately 84,600 complaints or over 230 per day on average – a 27 percent increase compared to 2022, and a 98 percent increase compared to 2021. In total, servicemember complaints represented 5.1 percent of all complaints submitted to CFPB in 2023.

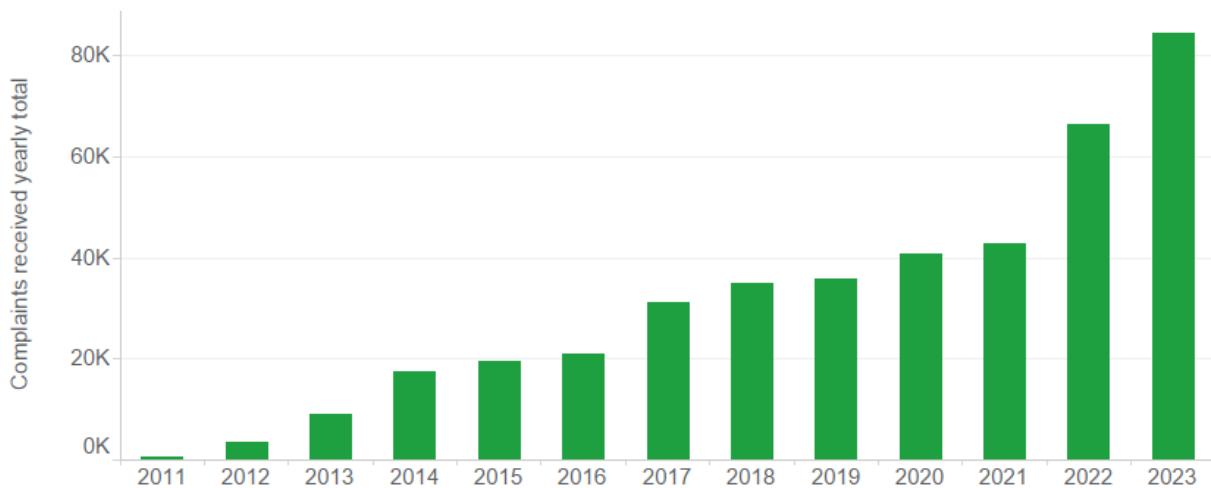
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<sup>3</sup> Servicemembers for Section 1 defined as: servicemembers, veterans, and their families who self-identify when submitting a complaint to the CFPB. In other sections complaints are disaggregated between servicemembers, veterans, and their families.

<sup>4</sup> Consumer complaints are 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. See generally Consumer Fin. Prot. Bureau, *Consumer Response Annual Report* (Mar. 2024), <https://www.consumerfinance.gov/data-research/research-reports/2022-consumer-response-annual-report/>.

<sup>5</sup> Complaint data in this Section 1 of this report are current as of April 1, 2024. This report excludes some complaints that the CFPB received, including multiple complaints submitted by a given consumer on the same issue (i.e., duplicates), whistleblower tips, and complaints that the CFPB found were submitted without the consumer's authorization. Complaint numbers are rounded throughout the report; therefore, numbers and percentages may not sum to sub-totals or 100 percent.

**FIGURE 1: YEARLY TOTAL COMPLAINTS SUBMITTED BY SERVICEMEMBERS FROM 2011 - 2023<sup>6</sup>**

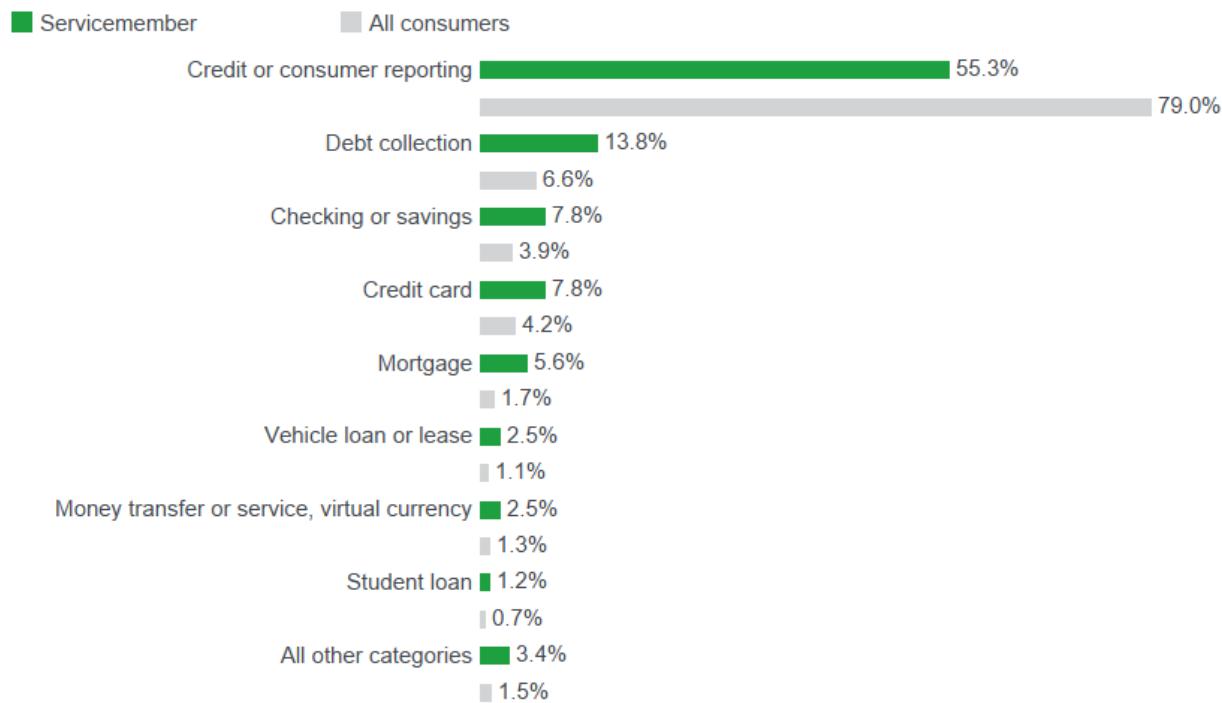


In 2023, credit or consumer reporting remains the most frequent complaint category among the military community, followed by complaints about debt collection and checking or savings accounts (Figure 2). In 2023, 55.3 percent of servicemember complaints were about credit or consumer reporting compared to 79 percent of complaints from all consumers. Credit or consumer reporting remains the highest complaints by product but was the only category where the general population reported a higher percentage than their servicemember counterparts. The next three highest complaints from servicemembers by product were debt collection (13.8 percent versus 6.6 percent for all consumers), checking or savings (7.8 percent versus 3.9 percent for all consumers), and credit cards (7.8 percent versus 4.2 percent for all consumers).

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<sup>6</sup> The CFPB expanded its complaint handling and public Consumer Complaint Database over several years. See generally Consumer Fin. Prot. Bureau, Consumer Complaint Database Release Notes, <https://cfpb.github.io/api/ccdb/release-notes.html> for information on when specific products/services were added to the database.

**FIGURE 2: SERVICEMEMBER VS ALL CONSUMERS COMPLAINTS BY PRODUCT IN 2023**



Credit reporting issues remained the top complaint category among active duty servicemembers, members of the National Guard and Reserves, and veterans, followed by problems with debt collection. Among active duty servicemembers, mortgage problems represented the largest increase in complaints between 2022 and 2023, increasing by 47 percent. Among members of the National Guard and Reserves, complaints related to debt collection and credit cards saw the largest increases, at 48 percent and 46 percent, respectively. Complaints related to vehicle loan or lease problems saw the largest increase (47 percent increase) among retired servicemembers and veterans (Figure 3).

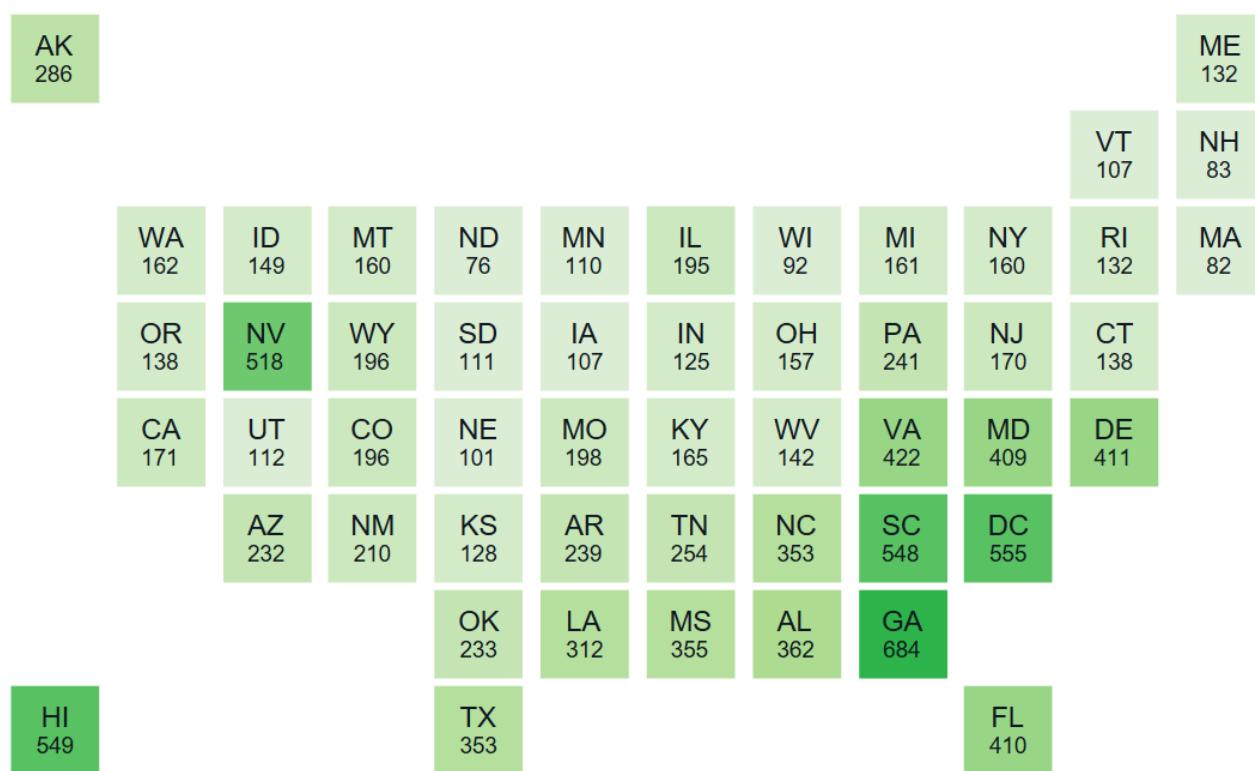
**FIGURE 3: COMPLAINT SUBMISSION BY PRODUCT (PERCENT INCREASE COMPARED TO 2022)**

Product	Active duty	Change from prior year	National Guard and Reserve	Change from prior year	Retired and veteran	Change from prior year
Credit or consumer reporting	5,217	24%	2,052	32%	27,525	31%
Debt collection	717	23%	489	48%	6,613	18%
Credit card	401	41%	267	46%	3,746	30%
Checking or savings	346	41%	209	40%	3,663	34%
Mortgage	227	47%	162	17%	3,133	9%
Vehicle loan or lease	162	-5%	101	98%	1,193	47%
Money transfer or service	182	6%	93	4%	1,185	11%
Student Loan	73	3%	47	9%	452	16%
All other categories	193	10%	110	36%	1,643	32%
<b>TOTAL</b>	<b>7,518</b>	<b>23%</b>	<b>3,530</b>	<b>35%</b>	<b>49,153</b>	<b>27%</b>

\*For a full detailed breakdown of complaints by geographic location see Appendix B

The CFPB received servicemember complaints from across the United States and from those stationed overseas. In 2023 of all the complaints submitted to the CFPB, states with the highest rate of servicemember complaints per one million people were Georgia (684), Hawaii (549), South Carolina (548), and Nevada (518). States with the lowest rate of complaints per one million people were North Dakota (76), Massachusetts (82), New Hampshire (83), and Wisconsin (92) (Figure 4). A complete list of complaints received by state and military status is provided in Appendix B.

**FIGURE 4: COMPLAINT SUBMISSIONS BY SERVICEMEMBERS PER 1 MILLION PEOPLE**



As of April 1, 2024, the CFPB received 203 complaints from Puerto Rico and more than 300 complaints from servicemembers living abroad or in other U.S. territories in 2023. For complaints by geographic location and servicemember status see Appendix B (Figure 15).

As part of the complaint process, companies are expected to review the information provided in the complaint, communicate with the consumer as needed, determine what action to take in response, and provide a written response to the CFPB and the consumer. When a company cannot take action on a complaint, it can provide an administrative response that includes a statement or other evidence supporting its non-action.

In 2023, the CFPB sent complaints from servicemembers to more than 3,400 companies for their review and response. Companies have up to 60 days from the date they received the complaint to provide a final response to the CFPB and the consumer. Figure 5 below assesses how well companies performed in providing complete, accurate, and timely responses to servicemembers and the outcome of those responses in 2023.

**FIGURE 5: COMPANY RESPONSE TO SERVICEMEMBER COMPLAINTS IN 2023**

Financial product or service	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Admin response	Company reviewing	Company did not provide a timely response
Credit or consumer reporting	<1%	38.7%	59.7%	1.2%	0%	<1%
Debt collection	<1%	12.6%	82.0%	2.2%	0%	2.7%
Credit card	17.4%	12.8%	65.4%	4.0%	0%	<1%
Checking or savings	12.8%	5.1%	78.9%	2.4%	0%	<1%
Mortgage	1.8%	2.3%	93.2%	1.7%	0%	1.1%
Vehicle loan or lease	3.6%	6.0%	88.6%	<1%	0%	1.1%
Money transfer or service, virtual currency	7.7%	4.4%	84.1%	1.4%	<1%	2.3%
Student loan	1.1%	9.2%	84.3%	<1%	0%	4.6%
Personal loan	4.8%	4.5%	86.7%	1.3%	0%	2.7%
Prepaid card	18.6%	5.2%	71.0%	2.0%	0%	3.2%
All others	4.0%	6.0%	82.1%	2.0%	0%	6.0%
<b>TOTAL</b>	2.9%	27.1%	67.6%	1.6%	<1%	0.8%

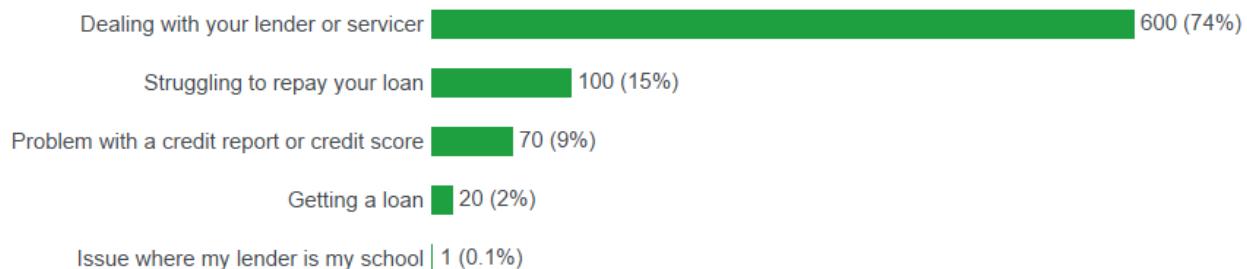
Servicemember complaints were closed with monetary relief 2.9 percent of the time (2,038 complaints). Complaints were closed with non-monetary relief 27 percent of the time (18,734 complaints). The outcomes of complaints by product are discussed in more detail in Appendix A.

Companies provided a timely response to 99.2 percent of the approximately 69,300 servicemember complaints sent to them for review in 2023. Approximately 36 percent of complaints were closed within the first 15 days and 99.6 percent were closed within the period of 60 days.

## 2. Servicemembers reported problems with student loan servicers and schools that withhold transcripts

In October 2023, payments for federally owned student loans became due for the first time in over three years. The return to repayment was followed by an increase in student loan complaints from consumers, including servicemembers.<sup>7</sup> As illustrated in Figure 6, and outlined in more detail in Appendix A.6, 74 percent of closed student loan complaints submitted by servicemembers were related to student loan servicing.

**FIGURE 6: STUDENT LOAN COMPLAINTS BY ISSUE, 2023**



<sup>7</sup> In 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act paused student loan borrowers' obligations to make payments on their federally owned student loans, and the pause was subsequently extended administratively by the Department of Education. Those payment obligations resumed in October of 2023 because of the Fiscal Responsibility Act of 2023.

CFPB analysis of the complaints submitted by servicemembers is consistent with many of the CFPB's supervisory findings from the same period on federally owned student loans.<sup>8</sup> In January 2024, the CFPB issued a report detailing its supervisory findings regarding the return to repayment of federally owned student loans, focusing on potential consumer risks due to the number of consumers affected and prior servicer compliance issues. In their supervisory review, CFPB examiners identified long hold times and abandoned calls, significant delays in processing income-driven repayment plans, and inaccurate and untimely billing statements.<sup>9</sup>

Servicemembers' federal student loan complaints reported challenges similar to those identified in the CFPB's supervisory findings. Some servicemembers complained that when trying to get in touch with a loan servicer, they faced long hold times and frequent disconnections. Complaints highlighted that servicemembers were forced to spend hours waiting on the phone or waiting for a call back which never occurred. Especially when those servicemembers were stationed overseas, it was difficult for them to engage in meaningful communications with the servicer. Long waits and other communication difficulties can also prevent servicemembers from accessing the right repayment option or getting the cancellation to which, they were entitled.

Some military stakeholders have also raised with the CFPB that some colleges and universities are withholding transcripts to collect amounts allegedly owed by consumers to these institutions. Military families rely on timely access to transcripts because changes in duty stations may require multiple transfers of credits before finishing their degree. The CFPB has previously found that the blanket withholding of transcripts in conjunction with the extension of credit can be an abusive practice under the Consumer Financial Protection Act.<sup>10</sup>

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<sup>8</sup> Consumer Fin. Prot. Bureau, *Issue Spotlight: Federal Student Loan Return to Repayment* (Jan. 2024) [https://files.consumerfinance.gov/f/documents/cfpb\\_federal-student-loan-return-to-repayment-report\\_2024-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_federal-student-loan-return-to-repayment-report_2024-01.pdf).

<sup>9</sup> Id. at pp. 4-8

<sup>10</sup> Consumer Fin. Prot. Bureau, *CFPB Supervisory Examinations Find Violations of Federal Law by Student Loan Servicers and University-Owned Lenders* (Sept. 2022), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-supervisory-examinations-find-violations-of-federal-law-by-student-loan-servicers-and-university-owned-lenders>.

## 2.1 Call center hours could exacerbate servicemembers' customer service problems, especially for those overseas

Being stationed at locations all over the world can make it even more challenging for servicemembers and their families to get in touch with their federal student loan servicers. Most loan servicer lines are open around 8 a.m. to 8 p.m. Eastern Time on weekdays. According to the Department of Defense, there were over 226,000 servicemembers stationed overseas across 178 countries in time zones with up to a 12-hour time difference, which could hinder access to their student loan servicers.<sup>11</sup> For example, a servicemember in Japan would have to call between 9 p.m. and 9 a.m. local time to speak to their loan servicer. Military spouses and dependents often face similar challenges. For those stationed overseas, having to make calls late at night or early in the morning can be both inconvenient and impractical given the demanding schedules of servicemembers.

The chart below shows the different time zones of the largest military bases around the world by estimated active duty population and their local time when a typical student loan servicer call center opens at 8 a.m. Eastern Time (Figure 7).

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<sup>11</sup> Dept. of Defense Manpower Data Center, DoD Personnel, Workforce Reports & Publications <https://dwp.dmdc.osd.mil/dwp/app/dod-data-reports/workforce-reports>.

**FIGURE 7: TIME ZONE OF MAJOR MILITARY LOCATIONS AND ACTIVE DUTY POPULATION OVERSEAS COMPARED TO EASTERN TIME**

Call center open hours in local time (most weekdays) *	Location	Active duty population (not including dependents)
8:00 a.m. – 8:00 p.m.	Eastern Time Zone	
9:00 p.m. – 9:00 a.m.	Japan	63,000
2:00 p.m. – 2:00 a.m.	Germany	50,000
9:00 p.m. – 9:00 a.m.	South Korea	27,000
2:00 p.m. – 2:00 a.m.	Italy	15,000
1:00 p.m. – 1:00 a.m.	United Kingdom	11,000
10:00 p.m. – 10:00 a.m.	Guam	10,000

\*Hours of a major student loan servicer: Monday 8 a.m. to 9 p.m. (Eastern), Tuesday and Wednesday 8 a.m. to 8 p.m., Thursday and Friday 8 a.m. to 6 p.m.

## 2.2 Servicemembers report complaints of long wait times and challenges reaching their loan servicer

The CFPB previously reported that many student borrowers were often forced to wait on hold for more than an hour when they attempted to contact their federal student loan servicer<sup>12</sup> – a problem also identified in servicemembers’ complaints. Complaints indicated that some servicemembers were unable to stay on hold that long because of their military duties and were forced to end the call without ever receiving assistance. As a result, some of them may have been unable to access affordable payment plans, cancellation options, or other benefits. Some servicemembers also reported that they were unable to access their accounts online or tried unsuccessfully to use the call-back function to schedule time to discuss their student loan issue with their servicer.

For example, one servicemember stated:

On Tuesday, [date], I attempted to contact [company] about questions regarding my student loans. They do have a lot of information on the website, but not exactly what I was looking for. I waited on hold for 50 mins and was unable to talk to anyone. Today, Thursday, [date], I called again and waited 2 hours and 5 mins without being able to get ahold of anyone. I emailed them through their system which says that emails are extremely delayed and it may take a long time to receive a response, I have not received one yet as of this complaint. I am now back on hold on the phone and it’s been 24 mins without an answer. I keep hearing recordings saying I should find my answer online, yet it’s not clear on their website about the question I have. I do not have the time to sit on the phone on hold without getting anyone to speak to me when I have a loan payment coming up. It has been terrible customer service. I understand I am not the only person suffering this due to all loans coming out of forbearance at this time, but I need to speak to someone. I don’t know how else to resolve this as I’ve made several attempts.<sup>13</sup>

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<sup>12</sup> Consumer Fin. Prot. Bureau, *Issue Spotlight: Federal Student Loan Return to Repayment* (Jan. 2024), [https://files.consumerfinance.gov/f/documents/cfpb\\_federal-student-loan-return-to-repayment-report\\_2024-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_federal-student-loan-return-to-repayment-report_2024-01.pdf).

<sup>13</sup> Consumer Complaint, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/?id=7688061>.

Another servicemember who tried unsuccessfully to contact their federal student loan servicer and attempted to use the call back function stated:

I have been trying to contact [company] for the entirety of [date] and [date]. The phone lines are constantly busy. On several occasions I have called exactly at 8 AM, when the phone lines open, been told that the wait time is 10 minutes, and stuck in the queue for hours until I eventually give up and hang up. The call back option also does not work. I have been placed in the call back queue several times and have never been called back. I have sent several emails and no one responds.<sup>14</sup>

Some servicemembers' duties require them to work in a Sensitive Compartmented Information Facility (SCIF), which is an enclosed area within a building that is used to process certain types of classified information. When working in a SCIF, many servicemembers reported that they are unable to make or receive calls during normal working hours. For those servicemembers who are overseas or work in SCIFs, the call back option and a responsive messaging system are critical for them to get in touch with their loan servicer during the hours that they are available.

For those servicemembers stationed overseas, deployed, or working unusual hours, having a reliable online communication system is the only effective way for them to communicate their needs to their loan servicer. Unfortunately, in addition to long wait times, unreliable call back options, and frequent disconnects, servicemembers also reported problems logging into their online account and using federal student loan servicers' customer service portals. These complaints suggest that servicers' self-help tools are often not effectively helping answer questions or resolve issues, which is exacerbated by difficulties reaching a live customer service representative. One servicemember stated, "I tried logging in and every day since have received errors that no loans are in record and my account is blocked."

When a servicemember is spending hours on hold or waiting weeks for a call back from their loan servicer, they may not be able to fully focus on their mission. Some servicemembers said that they were stressed that a missed payment or an improper payment could harm their credit, which may then affect their security clearances.

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<sup>14</sup> Consumer Complaint, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/7551016>.

## 2.3 Servicemembers and veterans experience servicing errors when repaying their federal student loan

Generally, when a servicemember is deployed in a hostile zone, their federal student loans are automatically set to zero percent interest through a joint Department of Education and Department of Defense data-matching program.<sup>15</sup> Servicers need to be aware of the special protections available to deployed servicemembers and ensure that these requests are processed quickly and accurately. However, not all student loan servicers are up-to-date or have the necessary systems to implement this benefit promptly.

The CFPB has received complaints from servicemembers who believed that their servicer placed them into an interest-free period due to their deployment but later discovered that their interest rate reduction was not properly processed, and additional interest had accrued while they were deployed.

One servicemember reported:

I was deployed to a combat zone in [date] and informed [company]. They let my account accrue interest over this time period over my objection. I paid \$10,000 at the end of the deployment, a large portion of this paid the interest that accrued during the deployment. I have had many problems with this company over the years and have addressed this issue to them several times.

I again messaged them about this interest charge specifically again on [date]. At that point I asked for a review of my account for the period of the deployment and a refund of the interest paid. Since then, I have written [company] 7 times asking for updates and have received several answers that clearly don't address the issue. The last several responses have only stated "the information is being reviewed." This has now gone on without a response for over 7 months and I haven't heard anything from the company in 6 weeks.<sup>16</sup>

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<sup>15</sup> Dept. of Education, *U.S. Department of Education Grants Interest Rate Benefit to More Than 47,000 Service Members* (Aug. 2021), <https://www.ed.gov/news/press-releases/us-department-education-grants-interest-rate-benefit-more-47000-service-members>.

<sup>16</sup> Consumer Complaint, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/7915197>.

## **Servicemembers complain about Income-Driven Repayment errors**

Before the student loan payment pause, many servicemembers submitted complaints about federal student loan servicer errors when calculating the correct payment amount when they tried to enroll in an Income-Driven Repayment (IDR) plan. One of the major concerns from servicemembers is that servicing errors may prevent them from getting proper credit for payments that count towards PSLF.

IDR plans can provide eligible servicemembers with an opportunity to reduce their monthly payments based on their income and family size. These plans are critical in helping servicemembers and their families keep their payments affordable and reducing any additional financial strain on their lives. The Saving on a Valuable Education (SAVE) Plan is the newest IDR plan that, among other benefits, subsidizes any unpaid interest.<sup>17</sup> Under income-driven repayment plans, borrowers may reduce their monthly payments to as low as \$0. As of April 2024, under the SAVE plan, the White House has announced that over 4.5 million people have a monthly payment of \$0.<sup>18</sup>

In 2023, servicemember complaints included receiving inaccurate information about the SAVE plan or improperly processed SAVE applications. Many servicemembers also complained that their loan servicers at times made it difficult to submit accurate payments under the new SAVE plan. Similarly, many of these complaints noted that servicing problems are even more challenging while they are away from home, particularly when servicers' payment processing and customer service policies require repeated phone calls, substantial paperwork, or supplemental written instructions. Other issues mentioned by servicemembers include receiving incorrect information about due dates and incorrect payment amounts from the loan servicer. Common errors mentioned include mistakes on the poverty line guidance, inflated monthly payment amounts, and using incorrect income when calculating a borrower's monthly payment under a new income-driven repayment plan.

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<sup>17</sup> As of July 10, 2024, the final rule governing the SAVE Plan is subject to two legal challenges pending in federal courts.

<sup>18</sup> The White House, President Joe Biden Outlines New Plans to Deliver Student Debt Relief to Over 30 Million Americans Under the Biden-Harris Administration (Apr. 2024), <https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/08/president-joe-biden-outlines-new-plans-to-deliver-student-debt-relief-to-over-30-million-americans-under-the-biden-harris-administration/>.

For example, one servicemember said:

I submitted a SAVE application on [date]. On [date], [company] sent me a message and stated that there would be a delay, but provided no other information even though payments were supposed to begin. My previous payment was supposed to be \$175, but under the SAVE program, my payment should be \$0. This is a significant difference and I need them to process my application. On [date], they sent me another message stating that my loan was going into forbearance because they had still not processed my application.<sup>19</sup>

Because military service can require servicemembers to move every two or three years, their spouses are often forced to change jobs which can drastically affect their total household income and in turn, their federal student loan repayment amount under an IDR plan. In the CFPB's engagement with military and veteran organizations, spousal unemployment and underemployment surfaced as a critical issue and a top contributor to the family's financial stress.<sup>20</sup> Servicers who make errors during IDR enrollment or provide inaccurate payment amounts can further complicate the repayment process for military families. This can eventually lead to unnecessarily higher payments for those military families that are at a new duty station and recently had a drastic change in their expected income due to a change in spousal employment.

These mistakes can cause significant borrower confusion on the amount they have to repay, unnecessary financial stress, and further strain the servicemember's resources by forcing them to contact their servicer multiple times to resolve the errors. As in previous years, servicemembers complained that miscalculated payment counts might affect their approval for loan forgiveness under the PSLF program once they made the required number of payments.

From the same complaint above, the servicemember stated:

This could impact my PSLF payment count and cause me to need to pay more to them. I have sent them multiple messages, asking them to process the application. I have also tried to call them numerous times, but have been on hold for 1-2 hours and unable to get an actual person on the phone.<sup>21</sup>

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<sup>19</sup> Consumer Complaint, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/7775944>.

<sup>20</sup> See Blue Star Families, *Military Family Lifestyle Survey, 2023 comprehensive report* (Apr. 2024), [https://bluestarfam.org/wp-content/uploads/2024/04/BSF\\_MFLS\\_Comp\\_Report\\_Full\\_Digital-042424.pdf](https://bluestarfam.org/wp-content/uploads/2024/04/BSF_MFLS_Comp_Report_Full_Digital-042424.pdf).

<sup>21</sup> Consumer Complaint, <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/7775944>.

As this complaint illustrates, federal student loan servicer delays and errors can lead to additional unnecessary payments and wrongful denials of forgiveness programs costing servicemembers and veterans money and time.

## 2.4 Educational institutions withhold transcripts from servicemembers

Some higher education institutions deny students access to their official academic records due to unpaid extensions of credit, such as those resulting from tuition payment plans – a policy known as transcript withholding. This practice is intended to force the settlement of alleged financial obligations to the institution. If the student's account is in dispute or they have an outstanding debt, transcript withholding effectively bars that student from accessing their official academic records until the debt is cleared.

Many active duty servicemembers need official transcripts to receive certain military promotions, participate in military programs like the student loan forgiveness programs within the Armed Forces, start a new job, or pursue future higher education opportunities. Timely access to transcripts is essential to pursue these opportunities or effectively engage these processes.

### ***Active duty military and their families need access to transcripts to complete their degrees***

For active duty military and their families – who are asked to move every two to three years to a new duty station, often overseas – having access to transcripts is critical as they often must attend multiple schools before completing their degree. Servicemembers may be faced with the choice between paying an alleged debt or dispute it, but then risk losing career opportunities or access to further education due to the delay in doing so. As a result, servicemembers and their dependents may feel coerced into making payments on debts that are sometimes inaccurately calculated, improperly assessed, or otherwise problematic.

For servicemembers, institutional debts can stem from a wide range of reasons and are often unanticipated. One servicemember complained to the CFPB that they were unable to access their transcript due to a college debt that they incurred without their knowledge after withdrawing from school due to the COVID-19 pandemic. The servicemember stated in their complaint, “I was told that the remaining balance needed to be paid off before they could release them.” Others have complained that their school would not release their transcript due to a debt the servicemember believed they did not owe. They stated that the debt was a result of a withdrawal dispute on tuition and due to that withholding, they are now unable to continue their education and complete their degree.

### ***Transcript withholding can limit veterans’ career options***

Transcript withholding negatively affects the veteran community as well. Every year approximately 200,000 men and women leave military service,<sup>22</sup> and many of those who transition out of the military often rely on education as a pathway to a successful reintegration into civilian life. Veterans frequently use their educational benefits under the GI Bill to pursue higher education, expecting it to lead to better job prospects and financial stability post-service. Many of these veterans also obtained higher education credits from their coursework completed during service and withholding their academic history can prevent them from continuing their education or force them to retake classes.

### ***Servicemembers and veterans benefit from recent actions to prevent transcript withholding, but those protections may not always apply***

In 2021, U.S. Secretary of Education Miguel Cardona called for an end to the practice of transcript withholding.<sup>23</sup> Accordingly, the Department of Education recently announced new rules prohibiting colleges from withholding transcripts for credits that students paid for with Title IV federal financial aid, effective July [day], 2024.<sup>24</sup>

In 2022, the CFPB began examining the operations of post-secondary schools, such as for-profit colleges, that extend private loans directly to students.<sup>25</sup> As part of these examinations, the

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<sup>22</sup> Dept. of Labor, Transition Assistance Program, <https://www.dol.gov/agencies/vets/programs/tap>.

<sup>23</sup> Dept. of Education, Federal Student Aid Training Conference 2021, Secretary Cardona Keynote Address (2021), <https://www.youtube.com/watch?v=LZY3yQLlwBc>.

<sup>24</sup> U.S. Dept. of Education, Fact Sheet: Protecting Students Through Final Regulations That Strengthen Department of Education Oversight and Monitoring of Colleges and Universities (2021), <https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/non-ge-final-rules-fact-sheet.pdf> .

<sup>25</sup> Consumer Fin. Prot. Bureau, *Consumer Financial Protection Bureau to Examine Colleges’ In-House Lending Practices* (Jan. 2022), <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-to-examine-colleges-in-house-lending-practices/>.

CFPB also updated its examination procedures, noting that the CFPB will examine institutional lenders' transcript withholding policies and procedures, among other industry practices like failing to issue refunds and maintaining improper lending relationships.<sup>26</sup>

A recent edition of CFPB *Supervisory Highlights* explained examiners' findings that when institutions have a blanket policy of withholding transcripts to coerce payment of debt, those actions can constitute an abusive act or practice in violation of the CFPA.<sup>27</sup> In particular, the report stated,

“CFPB examiners found that institutions took unreasonable advantage of the critical importance of official transcripts and institutions’ relationship with consumers. Since many students will need official transcripts at some point to pursue employment or future higher education opportunities, the consequences of withheld transcripts are often disproportionate to the underlying debt amount. Additionally, faced with the choice between paying a specific debt and the unknown loss associated with long-term career opportunities of a new job or further education, consumers may be coerced into making payments on debts that are inaccurately calculated, improperly assessed, or otherwise problematic.”<sup>28</sup>

The CFPB is nevertheless concerned that servicemembers and veterans may continue to have their transcripts withheld in some circumstances. For example, when borrowers pay for school with GI Bill benefits (which is not considered Title IV aid), the new Department of Education regulation would not prevent an institution from withholding transcripts. The CFPB is concerned that institutions will have two different transcript withholding policies that will disproportionately affect veteran students under the Department of Education regulations merely because their GI Bill benefits – rather than Title IV aid – cover their financial needs.<sup>29</sup>

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<sup>26</sup> Id.

<sup>27</sup> Consumer Fin. Prot. Bureau, *CFPB Supervisory Examinations Find Violations of Federal Law by Student Loan Servicers and University-Owned Lenders* (Sep. 2022), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-supervisory-examinations-find-violations-of-federal-law-by-student-loan-servicers-and-university-owned-lenders/>.

<sup>28</sup> Id. at pp. 8

<sup>29</sup> Dept. of Education, Fact Sheet: Protecting Students Through Final Regulations That Strengthen Department of Education Oversight and Monitoring of Colleges and Universities (Nov. 2023), <https://www2.ed.gov/policy/highered/reg/hearulemaking/2021/non-ge-final-rules-fact-sheet.pdf>.

# 3. Older veterans face unique financial challenges

The Department of Veteran Affairs (VA) estimates that in 2023, there were 13 million veterans in the United States over the age of 50, of which 10 million were over the age of 60.<sup>30</sup> CFPB complaint data suggest that older veterans (those who self-identified as servicemember and older American) often submitted complaints about fraud or scams—particularly those scams related to money transfer or service, and virtual currencies. We also continue to receive complaints about issues related to benefits “claims sharks,” or entities that offer unaccredited and sometimes illegal services in exchange for a portion of a veteran’s future benefits. The CFPB is monitoring this market closely and will take action to protect older veterans when violations occur. Additionally, the CFPB is working with other federal agencies as part of the Veteran Scam and Fraud Evasion (VSAFE) Task Force to ensure that veterans get prompt answers to their pressing financial problems, and relief when appropriate.

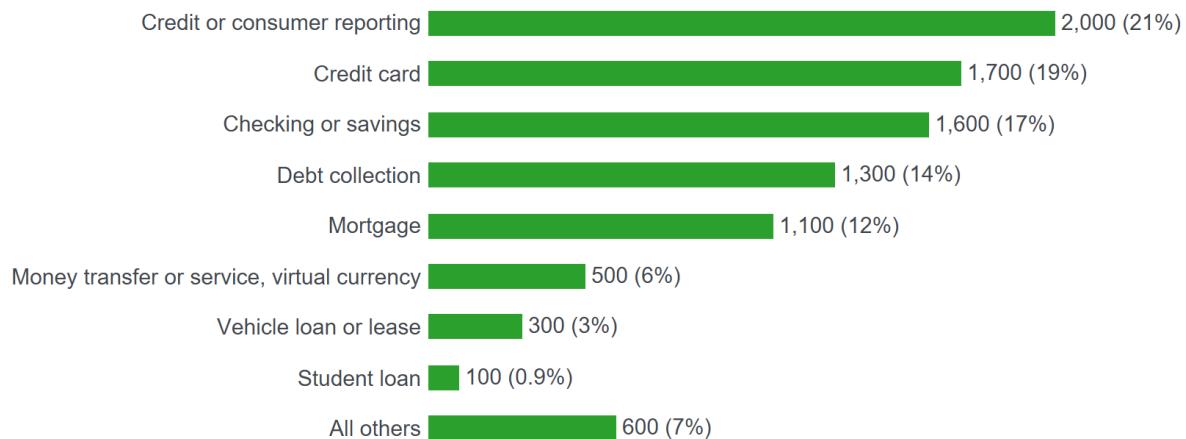
## 3.1 Older veterans are more likely to submit complaints on credit cards and checking accounts as credit reporting problems persist

In 2023, the CFPB received over 9,300 complaints from older veterans (those who self-identified as servicemembers over the age of 62), a 17 percent increase compared to 2022. Older veterans were less likely to submit complaints on credit reporting (21 percent vs 79 percent of the general population) and more likely to submit complaints on credit cards (19 percent vs 4.2 percent), checking or savings (17 percent vs 3.9 percent), debt collection (14 percent vs 6.6 percent), and mortgages (12 percent vs 1.7 percent) compared to all consumers (Figure 8).

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<sup>30</sup> Dept. of Veteran Affairs, National Center for Veterans Analysis and Statistics, [https://www.va.gov/vetdata/veteran\\_population.asp](https://www.va.gov/vetdata/veteran_population.asp).

**FIGURE 8: COMPLAINTS BY PRODUCT SUBMITTED BY OLDER VETERANS IN 2023**

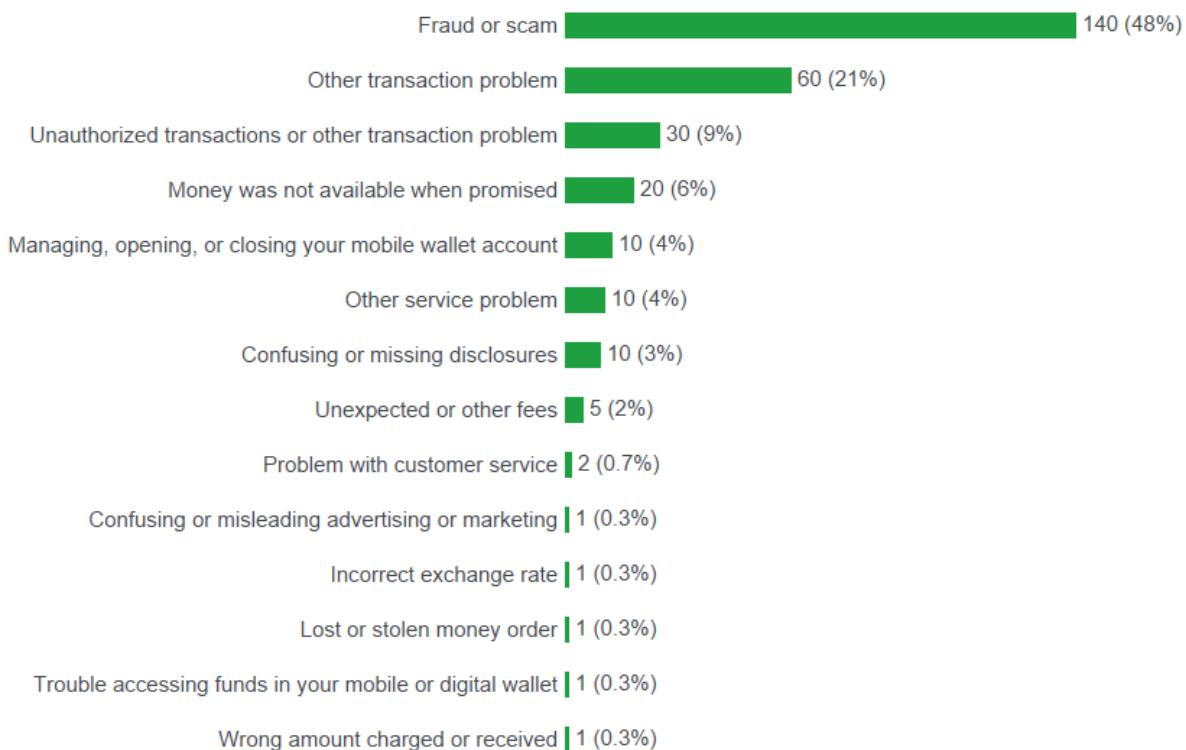


In 2023, of the complaints submitted by older veterans concerning money transfer, money service, or virtual currency complaints with closed responses, 48% were related to fraud or scam, and 9 percent were related to an unauthorized transaction or other transaction problem (Figure 9).<sup>31</sup>

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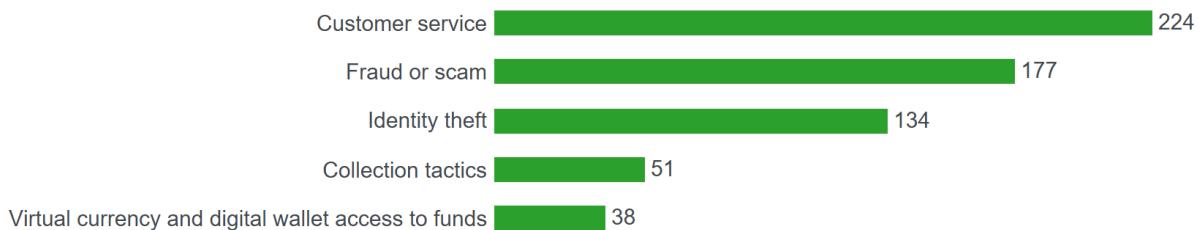
<sup>31</sup> If the financial institution that facilitated the transaction is onboarded with the CFPB, they generally respond in 15 days. In some cases, the company will let the individual know that their response is in progress and provide a final response in 60 days.

**FIGURE 9: TOP ISSUES OF OLDER VETERANS COMPLAINTS UNDER MONEY TRANSFER OR SERVICE, OR VIRTUAL CURRENCY**



When categorized by theme, the top three were: fraud or scam, other transaction problem, and unauthorized transaction or other transaction problem (Figure 10).<sup>32</sup>

**FIGURE 10: TOP THEMES IDENTIFIED IN OLDER VETERANS' CLOSED COMPLAINTS ABOUT MONEY TRANSFER OR SERVICE, VIRTUAL CURRENCY COMPLAINTS**



Last year, the Office of Servicemember Affairs annual report highlighted the challenges that servicemembers and veterans faced when using digital payment apps to move their money and make payments.<sup>33</sup> That report found that servicemembers reported serious financial harm from scams and fraud when using payment apps and we continue to see similar problems in recent complaints. The report also found that payment app providers often failed to provide timely and substantive resolutions when servicemembers experienced problems.<sup>34</sup> Finally, the report made recommendations to payment app providers on ways they can help improve and combat these issues affecting the military community that uses them.

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<sup>32</sup> Grouping of complaints related to a specific topic in the complaint database. Themes are created using keyword searches based on consumer narrative and consumer selected fields for specific complaint topics.

<sup>33</sup> Consumer Fin. Prot. Bureau, *Office of Servicemember Affairs 2022 Annual Report* (June 2023), <https://www.consumerfinance.gov/data-research/research-reports/office-of-servicemember-affairs-annual-report-fy-2022/>.

<sup>34</sup> Id. at pp. 27

In November 2023, to address risks to the military community and other risks posed by payment apps, the CFPB proposed to extend its oversight to larger nonbank companies that offer services like digital wallets and payment apps.<sup>35</sup> The CFPB’s proposed rule would ensure that these nonbank financial companies – specifically those larger companies handling more than 5 million transactions per year – adhere to the same rules as large banks, credit unions, and other financial institutions already supervised by the CFPB. The CFPB will continue to monitor the payments market and identify additional risks to the military community, including older veterans, and act where appropriate.

## 3.2 Unaccredited claims agents continue to aggressively target many veterans for their benefits

Veterans often have benefits such as pensions or disability compensation that unaccredited claims agents, often referred to as “claim sharks,” target through ads and other forms of marketing. According to the Department of Veterans Affairs, claim sharks have adapted their tactics to gain access to veteran benefits,<sup>36</sup> including the expanded benefits made available after the passage of the Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022 Act (PACT Act).<sup>37</sup>

These agents often use misleading solicitations in an attempt to get veterans to sign away part of their future benefits in exchange for promised expedited benefits processing or work as a benefits “coach” or “consultant.” These fees are unauthorized by the VA<sup>38</sup> and the payment terms can leave veterans with unaffordable bills for extended periods.

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<sup>35</sup> Consumer Fin. Prot. Bureau, Defining Larger Participants of a Market for General-Use Digital Consumer Payment Applications, 88 Fed. Reg. 80,197 (Nov. 17, 2023). See also Consumer Fin. Prot. Bureau, *Servicemembers continue to face major financial challenges* (Nov. 1, 2023), <https://www.consumerfinance.gov/about-us/blog/servicemembers-continue-to-face-major-financial-challenges/>.

<sup>36</sup> VA shares tips to protect Veterans’ benefits from fraud, Dept. of Veteran Affairs (Nov. 14, 2023) <https://news.va.gov/126030/va-shares-tips-protect-benefits-from-fraud/>.

<sup>37</sup> Sergeant First Class Heath Robinson Honoring our Promise to Address Comprehensive Toxics Act of 2022' or the Honoring our PACT Act of 2022, Pub. L. No. 117-168 (2022).

<sup>38</sup> 38 C.F.R. § 14.632(c)(5) and (6)

The CFPB continues to hear from military stakeholders about claims sharks targeting veterans who were stationed at Camp Lejeune, pressuring veterans into signing contracts for legal representation related to the Camp Lejeune Justice Act.<sup>39</sup> These claim sharks air aggressive ads and sales tactics with promises of expedited processing for large fees tied to potentially large retroactive payments.

Other claims sharks offer veterans a service to submit disability claims on the veteran's behalf in exchange for potentially thousands of dollars in fees. These fees are often expressed as a percentage of future benefits payments. In our engagements with military stakeholders as well as the VA, we have heard that even after some veterans severed the relationship with the unaccredited claims agent, they are still billed for services that were not performed.

Complaints submitted by veterans also show that unaccredited claims agents have sent their accounts to debt collectors and credit reporting companies, in potential violation of the Fair Debt Collection Practices Act (FDCPA) or the Fair Credit Reporting Act (FCRA) because of the tactics or inaccurate statements that are used. To warn the veteran community about this growing issue, the CFPB published a joint WARNO with the VA in January 2023 describing common claim shark practices, informing veterans of their rights, and identifying possible violations of federal consumer financial protection laws.<sup>40</sup> The CFPB is continuing to work closely with federal and state agencies to protect veterans from predatory unaccredited claims agents.

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<sup>39</sup> Section 804 of the 2022 Honoring our Promise to Address Comprehensive Toxics (PACT) Act is the Camp Lejeune Justice Act (CLJA) of 2022, which allows people — including Veterans — previously exposed to contaminated water at Marine Corps Base Camp Lejeune, North Carolina, to file a new claim with the Department of the Navy.

<sup>40</sup> Joshua Friedman and Krystle Good, Consumer Fin. Prot. Bureau, WARNO: They call themselves “coaches” or “consultants” and advertise their ability to assist you with your VA benefits claim but may not be accredited to practice before the VA (Feb. 2023), <https://www.consumerfinance.gov/about-us/blog/coaches-consultants-advertise-ability-to-assist-with-va-benefits-claim-but-may-not-be-accredited/>.

### 3.3 Working across government to protect veterans from fraud and scams

In 2023, the Federal Trade Commission (FTC) found that veterans, military personnel, and their families filed over 190,000 fraud reports that cost them more than \$477 million, a \$63 million increase compared to 2022.<sup>41</sup> When scams and fraud occur, veterans are often harder hit than non-veterans, with a median loss 44 percent higher.<sup>42</sup>

To coordinate efforts across government, the Biden Administration has convened the VSAFE Task Force to discuss protecting servicemembers and veterans from fraud and scams.<sup>43</sup> As part of this effort, the CFPB is working closely with other agencies such as the Department of Veteran Affairs, Federal Trade Commission, Department of Education, and the Social Security Administration to implement a “no wrong door” approach for veterans and servicemembers to access reporting tools and resources to combat fraud at one centralized location.<sup>44</sup>

The CFPB is working with other federal agencies and state Attorneys General to protect servicemembers and provide resources against fraud and scams. Our partnerships help enhance enforcement actions, share data, and coordinate educational and stakeholder outreach. Additionally, in early 2024, the CFPB distributed nearly \$6 million to consumers harmed by predatory loans to veterans in our collaborative work with the states of Arkansas and South Carolina.<sup>45</sup>

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<sup>41</sup> Fed. Trade Comm'n, Consumer Sentinel Network 2023 data book, pp. 17-18, [https://www.ftc.gov/system/files/ftc\\_gov/pdf/CSN-Annual-Data-Book-2023.pdf](https://www.ftc.gov/system/files/ftc_gov/pdf/CSN-Annual-Data-Book-2023.pdf).

<sup>42</sup> Carol Kando-Pineda, Fed. Trade Comm'n, *Veterans, servicemembers, and fraud: by the numbers* (Nov. 2019), <https://consumer.ftc.gov/consumer-alerts/2019/11/veterans-servicemembers-and-fraud-numbers>.

<sup>43</sup> The White House, White House Hosts Inaugural Veteran Scam and Fraud Evasion Task Force Meeting to Discuss Protecting Veterans and Service Members from Fraud (Dec. 2023), <https://www.whitehouse.gov/briefing-room/statements-releases/2023/12/20/readout-white-house-hosts-inaugural-veteran-scam-and-fraud-evasion-task-force-meeting-to-discuss-protecting-veterans-and-service-members-from-fraud/>.

<sup>44</sup> Dept. of Veteran Affairs, VA and the Biden-Harris Administration announce new government-wide website, call center to protect Veterans from fraud and scams (Aug. 2024), <https://news.va.gov/press-room/va-and-the-biden-harris-administration-announce-new-government-wide-website-call-center-to-protect-veterans-from-fraud-and-scams/>.

<sup>45</sup> Consumer Fin. Prot. Bureau (Jan. 2024), CFPB to distribute nearly \$6 million to consumers harmed by predatory loans to veterans, available at: <https://www.consumerfinance.gov/about-us/blog/cfpb-to-distribute-nearly-6-million-to-consumers-harmed-by-predatory-loans-to-veterans/>.

# Recommendations

- **Federal student loan servicers should consider ways to streamline and automatically apply payment options and forgiveness programs for eligible servicemembers and veterans.** The CFPB continues to receive complaints from servicemembers who are unable to access protections and forgiveness programs, including PSLF. As we have seen in other cases, automatic invocation of benefits where the government has the necessary information is the most efficient and effective to ensure that borrowers can access the protections and benefits, they are entitled to under the law.<sup>46</sup> The military community would benefit from a full data match that would enable automatic approval for programs like PSLF without having to submit extensive paperwork.
- **Loan servicers should ensure online tools are reliably accessible and can meet servicemembers' customer service needs.** To support military personnel and their families who are stationed abroad or deployed, student loan servicers should ensure that online tools such as chat, e-mail portals, access to online information, and call back services can provide timely responses.
- **Educational institutions and state and federal policymakers should work to ensure that transcript withholding does not harm military families.** Servicemembers must be able to access transcripts regardless of where the funding for their education comes from or whether they are in debt to the institution. There has been progress in protecting military families from transcript withholding abuses, including Department of Education rules that went into effect in July 2024 prohibiting transcript withholding under certain circumstances for borrowers who have received Title IV aid, including federal student loans and Pell Grants. However, more work needs to be done. Military students are still vulnerable to these abuses if they do not use Title IV aid – like the GI Bill – and that could impact their degree completion, employment, or promotion. Educational institutions and state and federal policymakers should ensure that prohibitions on transcript withholding are broadly applied and protect all students, including veterans and servicemembers using financial aid from the G.I. Bill or other military benefit programs.

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<sup>46</sup> Dept. of Education, U.S. Department of Education Grants Interest Rate Benefit to More Than 47,000 Service Members, Automated process benefits 880% more current and former active-duty service members since 2019 (Aug 2021), available at: <https://www.ed.gov/news/press-releases/us-department-education-grants-interest-rate-benefit-more-47000-service-members>

- **Veterans will benefit from ready access to tools and resources to report financial complaints, including complaints about frauds and scams, to the appropriate federal and state agencies.** Veterans facing the harmful financial effects of fraud and scams will benefit if they can quickly identify and access government resources and get referrals to the appropriate agency through a single point of contact without the need to contact multiple agencies.

# Appendix A: 2023 Company responses to servicemember complaints

## Appendix A.1 Credit or consumer reporting

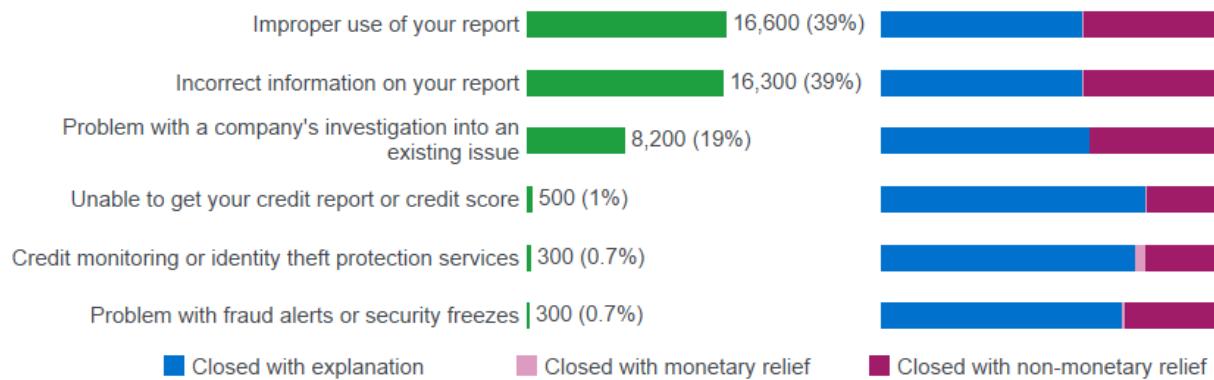
Servicemembers continue to submit tens of thousands of complaints each year related to credit reporting problems. In 2023, the CFPB received approximately 1,309,400 credit or consumer reporting complaints from all consumers, of which 46,800 were submitted by servicemembers. The CFPB sent approximately 42,800 (or 92 percent) of servicemember complaints to companies for review and response, referred 4 percent to other regulatory agencies, and found 4 percent to be not actionable.<sup>47</sup> The top three issues reported by servicemembers, which represent 97 percent of the complaints, were improper use of a report (39 percent), incorrect information on a report (39 percent), and problems with a company's investigation into an existing issue (19 percent).

Companies responded to 99.7 percent of credit or consumer reporting complaints sent to them for review and response. They closed 60 percent with an explanation (25,572 complaints), 39 percent with non-monetary relief (16,565 complaints), and 0.2 percent (2,038 complaints) with monetary relief. They provided an administrative response for 1 percent of complaints. They did not provide a timely response for 0.3 percent of complaints (Figure 11).

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<sup>47</sup> Complaints that are referred to other agencies include complaints about depository institutions with \$10 billion or less in assets or non-depositories that do not offer a consumer financial product or service. Complaints that are not actionable are not sent to the company for a response or referred to other agencies; these complaints include incomplete submissions, withdrawn complaints, and complaints in which the CFPB discontinued processing because it had reason to believe that a submitter did not disclose its involvement in the complaint process.

**FIGURE 11: COMPANY RESPONSES TO CREDIT REPORTING COMPLAINTS BY ISSUE**



## Appendix A.2 Debt collection

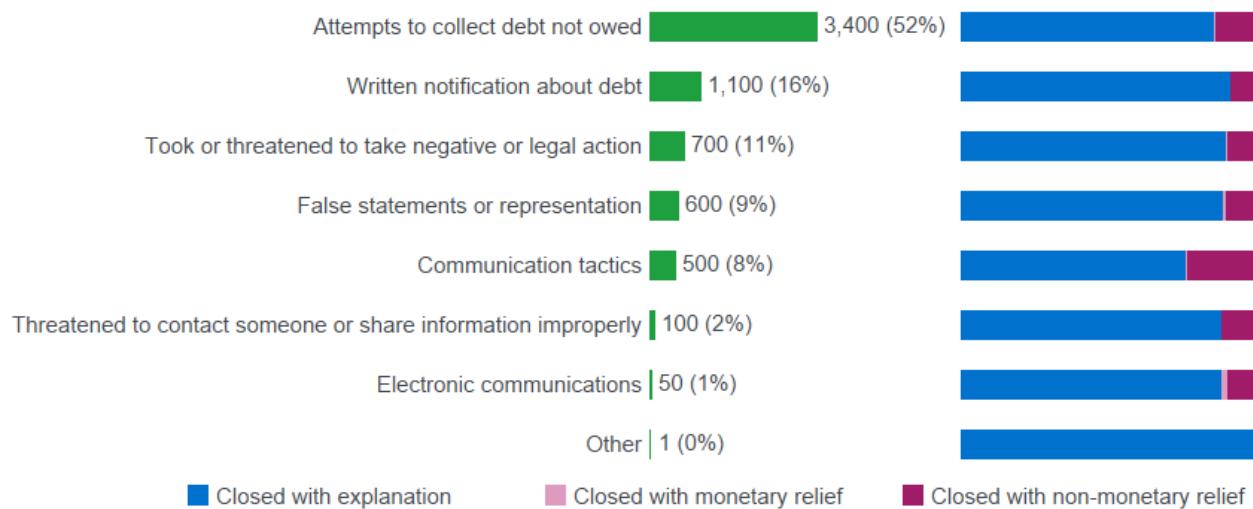
The CFPB received approximately 11,700 debt collection complaints from servicemembers in 2023—more than in any prior year. Approximately 6,800 (or 58 percent) of these complaints were sent to companies for review and response and 8 percent were found to be not actionable. Approximately 30 percent of debt collection complaints were referred to the Federal Trade Commission and 4 percent were referred to other agencies.

Debt collection companies responded to 97.3 percent of complaints sent to them for review and response. These companies closed 82 percent (5,586 complaints) with an explanation, 13 percent (856 complaints) with non-monetary relief, and 0.6 percent (39 complaints) with monetary relief. They also provided an administrative response for 2 percent of complaints. Companies did not provide a timely response for 3 percent of complaints.

Out of the debt collection complaints with closure responses in 2023, 86 percent of servicemembers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB.

Over half (52 percent) of debt collection complaints submitted by servicemembers were related to attempts to collect a debt that was not owed. Servicemembers also raised concerns about receiving written notifications about debt (16 percent), debt collection companies that threatened to take negative or legal action (11 percent), debt collection companies making false statements or representation (9 percent), and communication tactics (8 percent) (Figure 12).

**FIGURE 12: COMPANY RESPONSES TO DEBT COLLECTION COMPLAINTS BY ISSUE**



## Appendix A.3 Checking or savings accounts

In 2023, the CFPB received approximately 6,600 checking or savings complaints from servicemembers, a 38 percent increase from the previous year. The CFPB sent approximately 5,100 (or 77 percent) of these complaints to companies for review and response, referred 18 percent to other regulatory agencies, and found 5 percent to be not actionable.

Companies responded to 99.2 percent of checking or savings complaints sent to them for review and response. They closed 79 percent (4,004 complaints) with an explanation, 13 percent (652 complaints) with monetary relief, and 5 percent (258 complaints) with non-monetary relief. These companies provided an administrative response for 2 percent of complaints. They did not provide a timely response for 0.8 percent of complaints.

Over half (61 percent) of servicemember checking or savings account complaints with closure responses were related to managing their account, 13 percent were about problems with a company charging their account, followed by closing an account (12 percent), opening an account (8 percent), and problem caused by their funds being low (6 percent) (Figure 13).

Out of the checking or savings servicemember complaints with closure responses in 2023, 92 percent of servicemembers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB.

**FIGURE 13: COMPANY RESPONSES TO CHECKING OR SAVINGS ACCOUNT COMPLAINTS BY ISSUE**



## Appendix A.4 Credit cards

In 2023, servicemember complaints about credit cards increased 32 percent compared to 2022—from approximately 5,000 to 6,600 complaints. The CFPB sent approximately 5,100 complaints (or 77 percent) to companies for review and response, referred 19 percent to other regulatory agencies, and found 4 percent to be not actionable.

Credit card companies responded to 99.5 percent of complaints sent to them for review and response. They closed 65 percent (3,319 complaints) with an explanation, 17 percent (886 complaints) with monetary relief, and 13 percent (648 complaints) with non-monetary relief. These companies provided an administrative response for 4 percent of complaints. The companies did not provide a timely response for 0.5 percent of complaints.

Companies provided closure responses to about 1,300 complaints (27 percent) related to purchases shown on their statement—a 33 percent increase over 2022, and a 71 percent increase over 2021. Other common problems included problems getting a credit card (15 percent), and problems related to fees or interest (12 percent) (Figure 14).

Out of the credit card complaints with closure responses in 2023, 93 percent of servicemembers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB.

**FIGURE 14: COMPANY RESPONSES TO CREDIT CARD COMPLAINTS BY ISSUE**



## Appendix A.5 Money transfer, money services, and virtual currencies

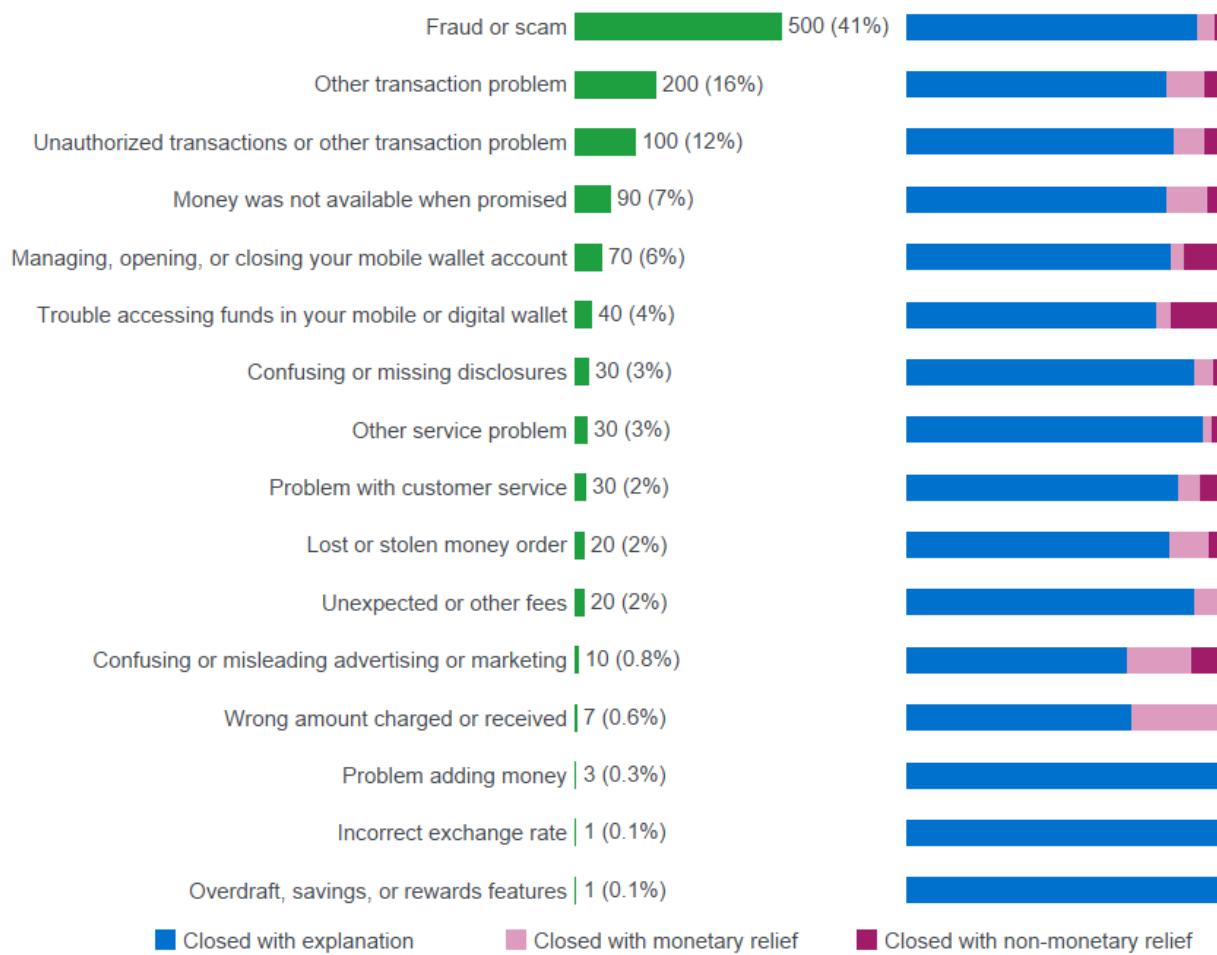
In 2023, the CFPB received approximately 2,100 complaints from servicemembers about money transfers, money services, and virtual currencies. The CFPB sent approximately 1,200 (58 percent) of these complaints to companies for review and response, referred 34 percent to other regulatory agencies, and found 8 percent to be not actionable.

Companies responded to 97.6 percent of money transfer, money services, and virtual currency complaints sent to them for review and response. Companies closed 84 percent of complaints (1,039 complaints) with an explanation, 8 percent (95 complaints) with monetary relief, and 4 percent (55 complaints) with non-monetary relief. Companies provided an administrative response for 1 percent of complaints. Companies did not provide a timely response for 2 percent of complaints.

Approximately 40 percent of servicemembers' money transfer, money services, and virtual currency complaints were related to fraud or scam. It is important to note, however, that many other frequent complaint issues such as transactional problems (16 percent) and unauthorized transactions (12 percent) mentioned instances of being a victim of a fraud or scam. Other common problems include funds availability (7 percent, and noted as money not available when promised), problems managing, opening, or closing a mobile wallet (6 percent), or problems accessing funds in a mobile or digital wallet (4 percent) (Figure 15).

Out of the money transfer, money services, and virtual currency complaints with closure responses in 2023, 94 percent of servicemembers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB.

**FIGURE 15: COMPANY RESPONSES TO MONEY TRANSFER, MONEY SERVICES, AND VIRTUAL CURRENCY COMPLAINTS BY ISSUE**



## Appendix A.6 Student Loans

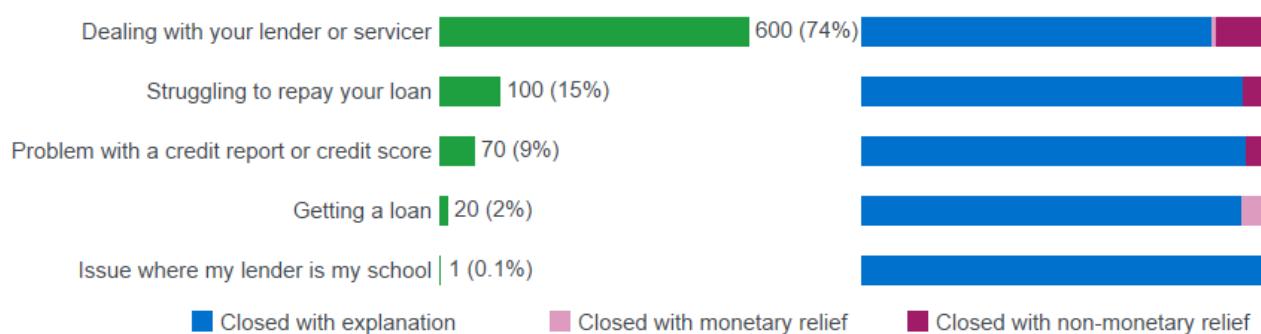
In 2023, the CFPB received approximately 1,000 complaints from servicemembers about student loans. The CFPB sent approximately 85 percent of these complaints to companies for review and response, referred 10 percent to other regulatory agencies, and found 5 percent to be not actionable.

Companies responded to 95.4 percent of student loan complaints sent to them for review and response. Companies closed 84 percent of complaints (707 complaints) with an explanation, 1 percent with monetary relief (9 complaints), and 9 percent (77 complaints) with non-monetary relief. Companies provided an administrative response for 0.8 percent of complaints (Figure 16). Companies did not provide a timely response for 5 percent of complaints.

In 74 percent of servicemembers' student loan complaints with closure responses, they discussed problems dealing with their student loan lender or servicer. Servicemembers also noted problems repaying their loan (15 percent), and student loan-related problems with a credit report or credit score (9 percent).

Out of all the student loan complaints with closure responses in 2023, 93 percent of servicemembers reported that they attempted to resolve their issue with the company before submitting a complaint to the CFPB.

**FIGURE 16: COMPANY RESPONSES TO STUDENT LOAN COMPLAINTS BY ISSUE**



# Appendix B: 2023 Servicemember complaints

FIGURE 17: COMPLAINTS BY YEAR AND MILITARY STATUS\*

Year	Active-Duty	National Guard and Reserve	Veteran and retired	Total Service-member**
2023	7,518	3,530	49,153	84,594
2022	6,109	2,624	38,610	66,397
2021	3,230	1,709	25,356	42,746
2020	3,353	1,512	23,086	40,826
2019	3,789	1,529	20,552	35,963
2018	3,024	1,558	20,280	34,943
2017	2,758	1,601	18,670	31,241
2016	2,113	1,365	12,422	20,913
2015	1,808	1,242	11,699	19,505
2014	1,672	1,152	10,602	17,396
2013	1,034	576	5,431	8,942
2012	435	263	1,884	3,593
2011	41	27	215	501
<b>Total</b>	<b>36,884</b>	<b>18,688</b>	<b>237,960</b>	<b>407,560</b>

\* Active duty, National Guard and Reserve, and veteran and retired includes family members.

\*\* Column does not represent the total of the preceding columns. Total servicemember complaints include those who identified as servicemembers but did not provide an affiliation status when submitting a complaint.

**FIGURE 18: 2023 TOP SERVICEMEMBER COMPLAINTS BY PRODUCT AND STATUS\***

Product	Active-duty	Change from prior year	National Guard and Reserve	Change from prior year	Veteran and retired	Change from prior year
Credit or consumer reporting	5,217	24%	2,052	32%	27,525	31%
Debt collection	717	23%	489	48%	6,613	18%
Credit card	401	41%	267	46%	3,746	30%
Checking or savings	346	41%	209	40%	3,663	34%
Mortgage	227	47%	162	17%	3,133	9%
All other categories	610	-3%	351	33%	4,473	27%
<b>Total</b>	<b>7,518</b>	<b>23%</b>	<b>3,530</b>	<b>35%</b>	<b>49,153</b>	<b>27%</b>

\* Active duty, National Guard and Reserve, and veteran and retired includes family members.

**FIGURE 19: COMPLAINTS BY STATE, TERRITORY, OVERSEAS LOCATIONS IN 2023\***

<b>State / territory / overseas location</b>	<b>Active-duty</b>	<b>National Guard and Reserve</b>	<b>Veteran and retired</b>	<b>Total Service-member**</b>
Alabama	103	90	992	1,817
Alaska	32	6	120	210
American Samoa	1	0	1	2
Arizona	57	38	1,043	1,662
Arkansas	32	15	475	719
Armed Forces Americas	4	0	0	4
Armed Forces Europe	96	5	67	183
Armed Forces Middle East	20	0	0	20
Armed Forces Pacific	39	4	16	78
California	663	272	3,494	6,746
Colorado	130	48	671	1,134
Connecticut	31	43	249	498
Delaware	13	13	228	407
District of Columbia	16	29	246	383
Florida	657	303	5,429	8,825
Georgia	554	276	4,240	7,325
Guam	3	0	20	24
Hawaii	96	8	604	799
Idaho	13	17	168	274
Illinois	102	48	1,449	2,501
Indiana	18	32	534	847
Iowa	7	28	201	340
Kansas	61	5	187	376

<b>State / territory / overseas location</b>	<b>Active-duty</b>	<b>National Guard and Reserve</b>	<b>Veteran and retired</b>	<b>Total Service-member*</b>
Kentucky	82	17	356	745
Louisiana	154	108	777	1,453
Maine	0	3	141	180
Maryland	174	163	1,602	2,525
Massachusetts	45	43	330	578
Michigan	60	70	884	1,626
Minnesota	20	35	427	625
Mississippi	81	104	556	1,052
Missouri	120	80	697	1,216
Montana	2	2	107	173
Nebraska	5	15	112	199
Nevada	57	30	1,019	1,607
New Hampshire	2	5	65	114
New Jersey	120	87	863	1,577
New Mexico	26	4	210	444
New York	659	171	1,436	3,240
North Carolina	445	122	2,232	3,686
North Dakota	5	4	27	59
N. Mariana Islands	0	0	1	1
Ohio	54	92	1,175	1,853
Oklahoma	73	21	553	922
Oregon	9	9	360	585
Pennsylvania	142	138	1,893	3,134
Puerto Rico	24	5	149	203

<b>State / territory / overseas location</b>	<b>Active-duty</b>	<b>National Guard and Reserve</b>	<b>Veteran and retired</b>	<b>Total Service-member*</b>
Rhode Island	12	34	78	145
South Carolina	599	90	1,533	2,803
South Dakota	6	3	57	98
Tennessee	151	149	963	1,755
Texas	735	334	6,438	10,281
U.S. Minor Outlying Islands	4	0	6	14
U.S. Virgin Islands	0	1	6	9
Utah	10	10	223	365
Vermont	0	5	43	69
Virginia	614	196	1,997	3,644
Washington	134	54	749	1,245
West Virginia	10	10	157	255
Wisconsin	6	19	354	541
Wyoming	12	1	77	113
No State Entered by Consumer	118	16	66	286
<b>Total</b>	<b>7,518</b>	<b>3,530</b>	<b>49,153</b>	<b>84,594</b>

\* Active duty, National Guard and Reserve, and veteran and retired includes family members.

\*\* Column does not represent the total of the preceding columns. Total servicemember complaints include those who identified as servicemembers but did not provide an affiliation status when submitting a complaint.

# Appendix C: 2023 CFPB military financial protections by the numbers

## Enforcing military financial protections

- **\$183 million+**: Monetary relief resulting from 42 public enforcement actions that involved harm to servicemembers and veterans, including six enforcement actions for violations of the Military Lending Act (MLA). Currently, the CFPB has two additional MLA cases that are pending in federal court.
- **\$6 million**: Relief provided to veterans harmed by predatory loans. In a joint effort with state Attorney General offices of Arkansas and South Carolina, the CFPB found that five companies violated the Consumer Financial Protection Act of 2010 for misleading veterans and other consumers into selling their pension and disability payments.
- **\$3 million**: paid from the victim relief fund to 2,000 people with overseas military addresses. When servicemembers are harmed by companies that have gone out of business or where the company involved is unable to provide compensation, the CFPB's victims relief fund makes sure people can still get relief. In the time since the fund was established by Congress in 2011, it has paid out more than \$1.2 billion in relief to people who otherwise would not have been compensated for their losses. This includes over \$3 million paid to nearly 2,000 people with overseas military addresses in addition to relief paid to servicemembers living on U.S. military installations or in off-base housing.

## Fielding and responding to complaints from military consumers

- **407,560**: Complaints from servicemembers, veterans, and their families handled since the CFPB opened its doors in 2011.
- **84,594**: Complaints from servicemembers, veterans, and their families handled in 2023.
- **67,591 closed company responses in 2023**: 2,038 received monetary relief, 18,734 received non-monetary relief, and 46,819 received a closed with explanation response.
- **230+**: The number of servicemember complaints handled per day, on average.
- **987**: complaints submitted by servicemembers, military family members, or veterans about student loan issues in 2023.

- **9,299:** Complaints submitted by older veterans in 2023, including 529 complaints related to money transfer or service, virtual currency, and 140 were fraud or scam related issues.
- **10,822:** Servicemember complaints were referred to other federal agencies in 2023.

### **Educating and empowering servicemembers**

- **250,000+:** Total number of users that navigated to the CFPB /servicemembers/ pages. (2018 – present).
- **1.3 million+:** Number of users who have gone to an ask question labeled with the "servicemembers" category of Ask CFPB questions with answers to commonly-asked consumer questions with dozens of servicemember-specific questions (2018 – present).
- **260,000+:** Total number of users who have viewed a CFPB blog with the “servicemember” topic (2018 – present).
- **117,000+:** Total number of users who have participated in OSA’s Misadventures in Money Management interactive education tool. (2016 – present).