

January 2019

Complaint snapshot: Mortgage



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1. Complaint volume

One of the primary functions of the Bureau of Consumer Financial Protection (“Bureau”) is collecting, investigating, and responding to consumer complaints.¹ Created as a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), the Office of Consumer Response (“Consumer Response”)² hears directly from consumers³ about the challenges they face in the marketplace, answers their inquiries about consumer financial products and services, brings their concerns to the attention of companies⁴, and assists in addressing their complaints.⁵

This Complaint Snapshot provides a high-level overview of trends in consumer complaints during the last 24 months with a focus on mortgage complaint volume.⁶ To account for monthly fluctuations including seasonality, this Complaint Snapshot uses a three-month rolling average, comparing the current average to the same period in the prior year where appropriate. In some cases, this Complaint Snapshot compares the most recent month to the 24-month average to highlight more recent trends.

¹ See Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, Pub. L. No. 111-203 (“Dodd-Frank Act”) Section 1021(c)(2).

² *Id.* § 1013(b)(3)(A).

³ *Id.* § 1002(4) (“The term ‘consumer’ means an individual or an agent, trustee, or representative acting on behalf of an individual.”). To protect consumer privacy, companies generally confirm with the consumer that any complaint submitted on their behalf by a third party was authorized. Companies alert the Bureau if they determine that a complaint was submitted by an unauthorized third party. Such complaints are not published in the Consumer Complaint Database.

⁴ Between November 1, 2016 and October 31, 2018, companies provided a timely response to 97% of all complaints sent to them for response and to 98% of mortgage complaints sent to them for response.

⁵ 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.

⁶ Section 1013(b)(3)(C) of the Dodd-Frank Act requires an annual report on the complaints received by the Bureau regarding consumer financial products and services. See Consumer Financial Protection Bureau, *Consumer Response Annual Report* (Mar. 2018), available at www.consumerfinance.gov/documents/6406/cfpb_consumer-response-annual-report_2017.pdf.

Visit consumerfinance.gov/complaint to learn about how we handle complaints. Visit our Consumer Complaint Database at consumerfinance.gov/complaintdatabase to search, sort, filter, and export complaints.

1.1 By product

Between November 1, 2016 and October 31, 2018, the Bureau received approximately 646,200 complaints, including approximately 28,100 complaints in October 2018. Table 1 shows the percentage change in complaint volume by product, comparing August 2017 - October 2017 with August 2018 - October 2018.⁷

TABLE 1: CHANGE IN COMPLAINT VOLUME FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018

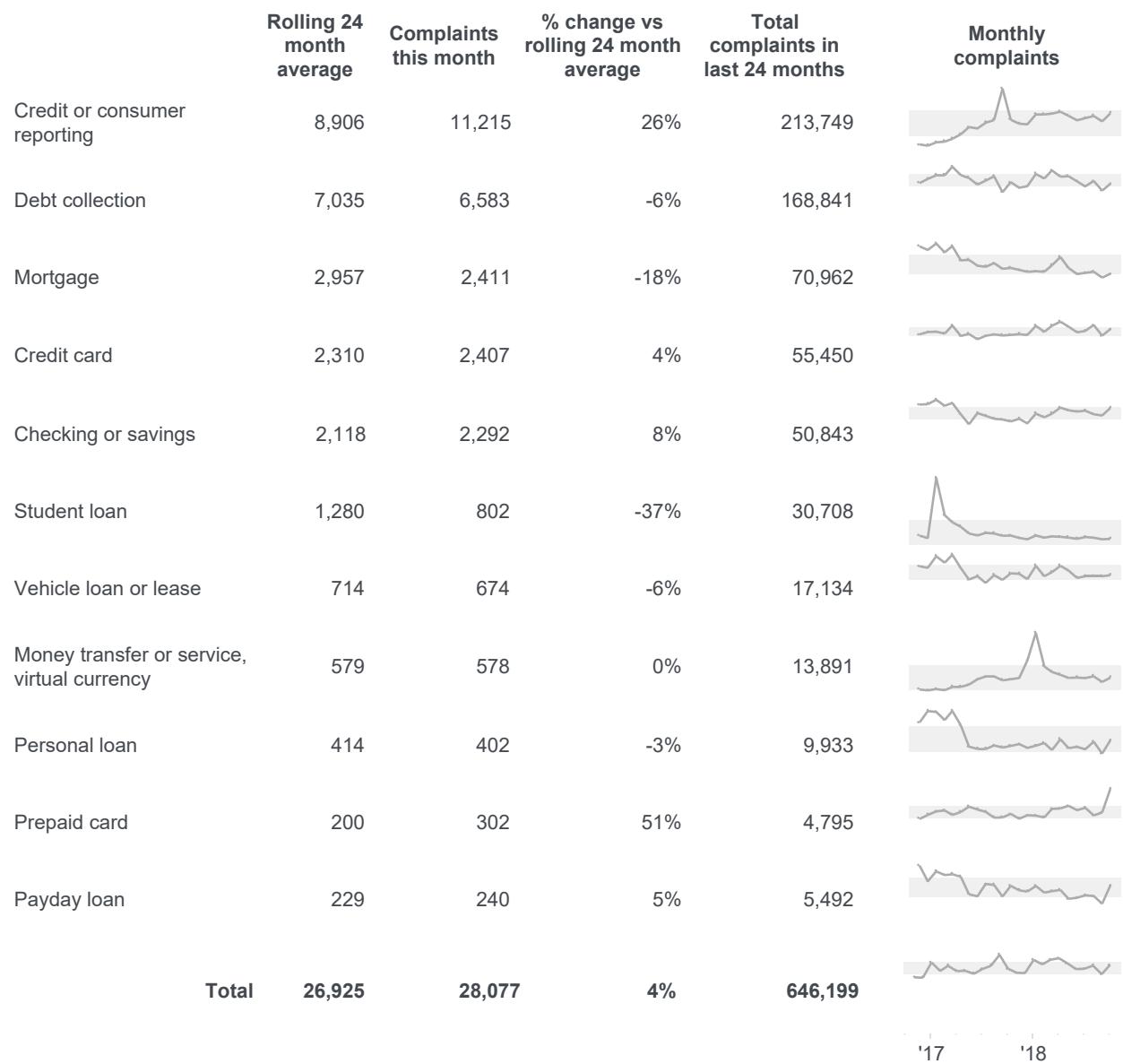
	% change	3 month average: Aug - Oct 2017	3 month average: Aug - Oct 2018
Prepaid card	26%	180	228
Checking or savings	14%	1,871	2,129
Credit card	8%	2,192	2,377
Personal loan	3%	347	357
Vehicle loan or lease	0%	662	665
Money transfer or service, virtual currency	0%	558	558
Debt collection	-3%	6,616	6,428
Payday loan	-13%	222	193
Credit or consumer reporting	-14%	12,123	10,398
Mortgage	-15%	2,810	2,376
Student loan	-25%	1,086	818
Grand Total	-7%	28,807	26,667

⁷ Complaint totals reflect complaints received by the Bureau with product breakdowns focusing on the most complained-about consumer financial products and services.

- Prepaid card complaints showed the greatest percentage increase from August 2017 - October 2017 (180 complaints) to August 2018 - October 2018 (228 complaints), representing an increase of approximately 26 percent.
- Checking or savings account complaints showed the second greatest percentage increase from August 2017 - October 2017 (1,871 complaints) to August 2018 - October 2018 (2,129 complaints), representing an increase of approximately 14 percent.
- Student loan complaints showed the greatest percentage decrease from August 2017 - October 2017 (monthly average of 1,086 complaints) to August 2018 - October 2018 (monthly average of 818 complaints), representing a decline of approximately 25 percent. This year-over-year decline is likely because student loan complaint volume was elevated in 2017 following the Bureau’s enforcement action against a student loan servicer.

Table 2 shows the complaint volume by product for October 2018. The graphic at the end of each row under the heading “Monthly complaints” shows the volume trend for the latest 24-month period from November 2016 - October 2018.

TABLE 2: MONTHLY PRODUCT AND SERVICE TRENDS FROM NOVEMBER 1, 2016 - OCTOBER 31, 2018⁸



- Credit or consumer reporting complaints represented approximately 40 percent of complaints received in October 2018.

⁸ Gray bars show +/- 1 standard deviation for monthly complaints from November 2016 - October 2018. Total complaints column includes approximately 1,700 complaints where no specific consumer financial product or service was selected by consumers, 1,700 credit repair complaints, and 1,100 title loan complaints.

- Debt collection complaints represented approximately 23 percent of complaints received in October 2018.
- Prepaid card showed the greatest percentage monthly increase against its rolling 24-month average (51 percent).
- Student loan complaints showed the greatest percentage monthly decrease against its rolling 24 month average (-37 percent). As noted for the August 2017 - October 2017 to August 2018 - October 2018 comparison in Section 1.1, this year-over-year decline is likely because student loan complaint volume was elevated in 2017 following the Bureau's enforcement action against a student loan servicer.
- Credit or consumer reporting, debt collection, mortgage, credit card, and checking or savings were the top five most-complained-about consumer financial products and services, collectively representing approximately 89 percent of complaints received in October 2018.

1.2 By state

TABLE 3: COMPLAINT VOLUME BY STATE FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018

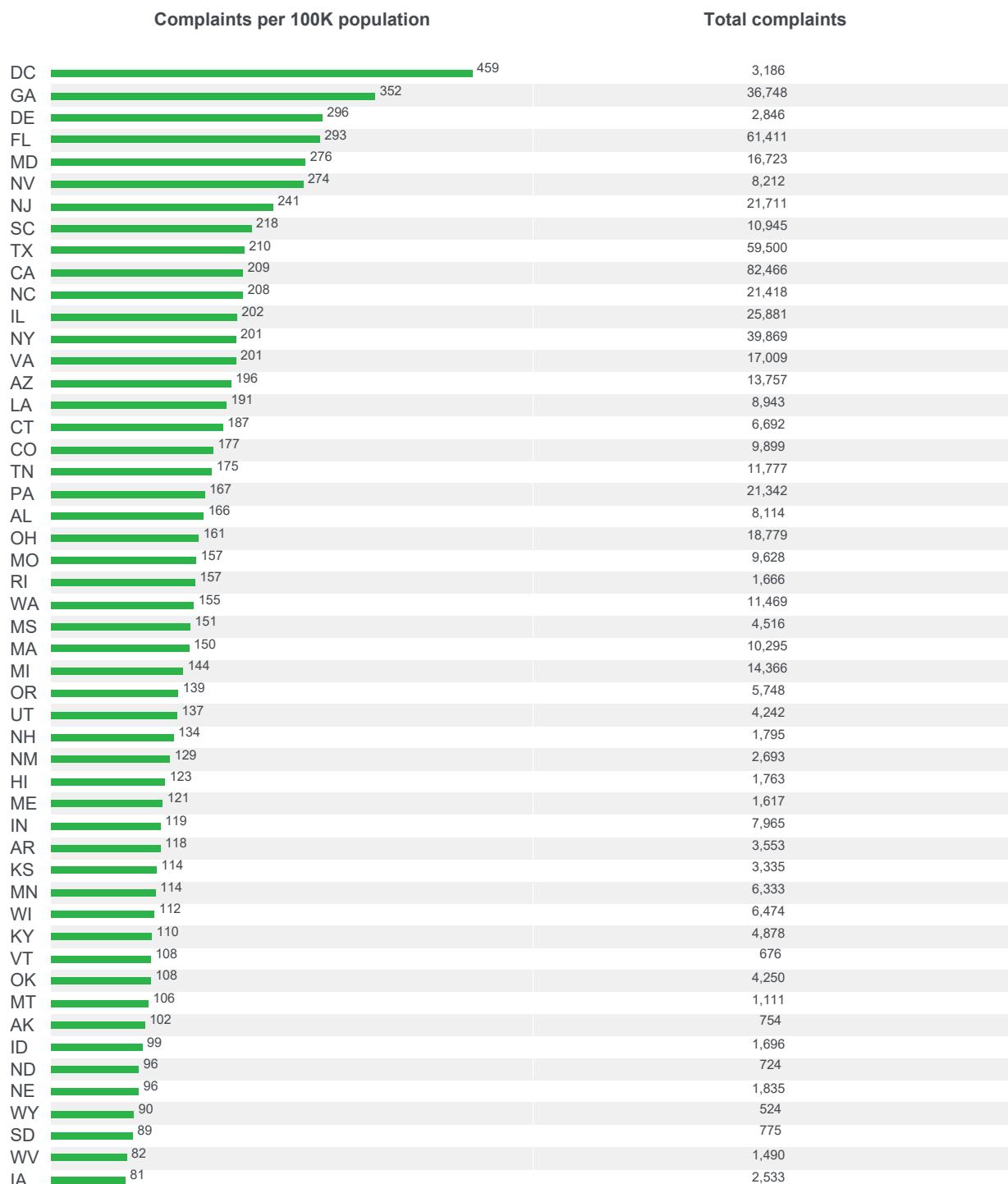
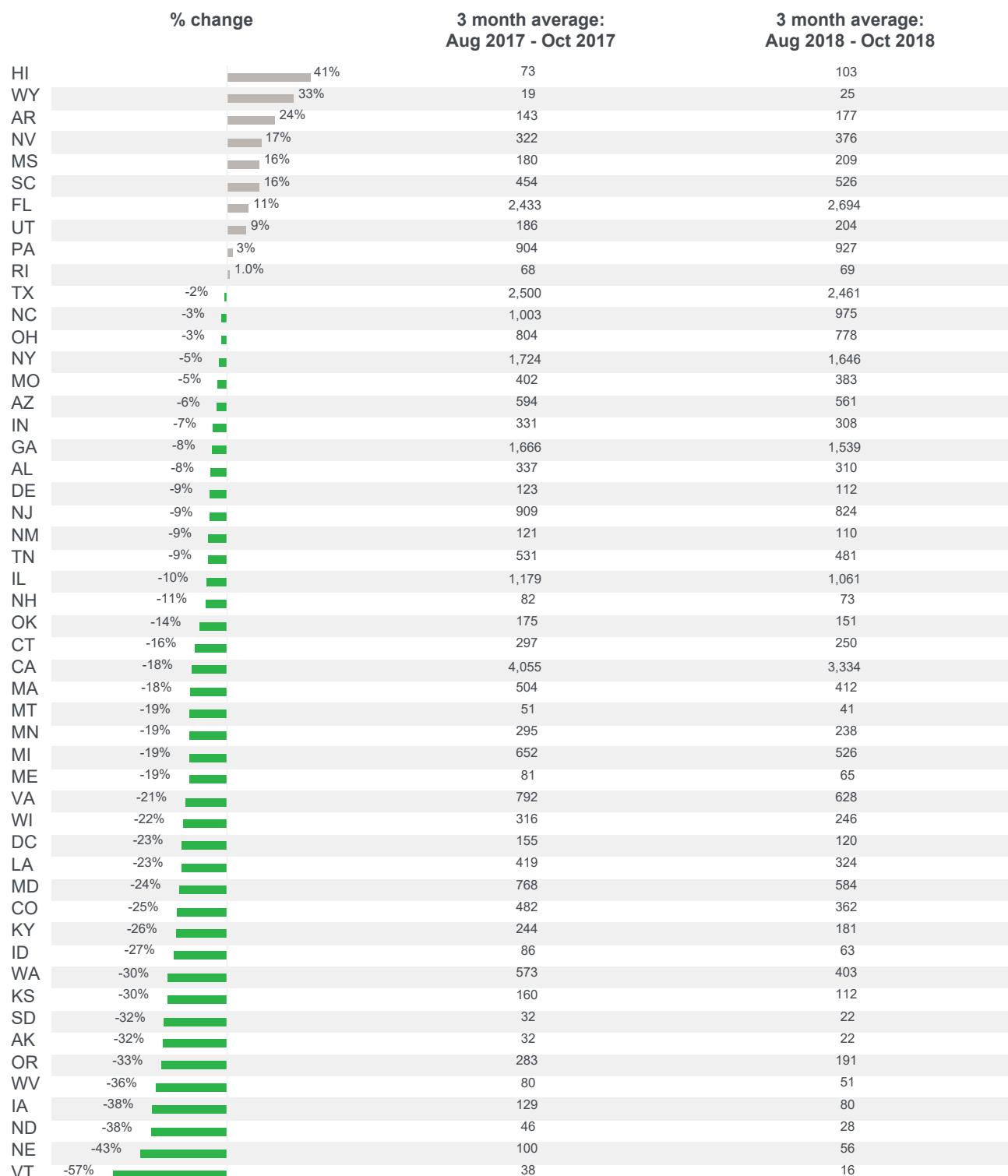


TABLE 4: CHANGE IN COMPLAINT VOLUME BY STATE FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018



- States with the greatest complaint volume percentage increase from August 2017 - October 2017 to August 2018 - October 2018 were Hawaii (41 percent), Wyoming (33 percent), and Arkansas (24 percent).
- States with the greatest complaint volume percentage decrease from August 2017 - October 2017 to August 2018 - October 2018 were Vermont (-57 percent), Nebraska (-43 percent), and North Dakota (-38 percent).
- Of the five most populated states, Florida (11 percent) had the greatest complaint volume percentage increase and California (-18 percent) had the greatest complaint volume percentage decrease from August 2017 - October 2017 to August 2018 - October 2018.⁹

⁹ Complaints per 100k population is defined as cumulative complaints divided by Census estimated 2017 population. Census population data available at <https://www.census.gov/data/datasets/2017/demo/popest/state-total.html>.

2. Product spotlight: Mortgage

The Bureau received approximately 71,000 mortgage complaints between November 1, 2016 and October 31, 2018, representing 11 percent of total complaints.

During this time period, the Bureau sent approximately 60,500 (or 85 percent) of all mortgage complaints to companies for review and response. The remaining complaints were referred to other regulatory agencies, incomplete, or are pending with the Bureau or the consumer. The Bureau referred approximately 11 percent of the mortgage complaints it received to other regulators. Complaints may be referred to other regulators when the Bureau does not have primary complaint handling responsibility, such as complaints about depository institutions with less than \$10 billion in assets.

Complaints received by the Bureau help its work to regulate consumer financial products or services under existing federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make better-informed financial decisions.

2.1 Complaints by type

Complaint data about mortgages can be better understood in the context of other data, such as the number of loans serviced or the volume of new originations. The Bureau publishes market information about financial products and services on its website. For example, the Home Mortgage Disclosure Act (HMDA) requires many financial institutions to maintain, report, and publicly disclose information about mortgages. Visitors to the Bureau's website can explore HMDA data using the Bureau's online tools.¹⁰

The Bureau's complaint form prompts consumers to identify the type of mortgage loan about which they are submitting a complaint. Figure 1 shows the types of mortgages identified by consumers in complaints submitted to the Bureau since November 1, 2016. Consumers selected *conventional home mortgage* in 50 percent of complaints submitted during this time period.

¹⁰ See Bureau of Consumer Financial Protection, Home Mortgage Disclosure Act, available at www.consumerfinance.gov/data-research/hmda/. See also Bureau of Consumer Financial Protection, Mortgage Performance Trends, available at <https://www.consumerfinance.gov/data-research/mortgage-performance-trends/>.

FIGURE 1: TYPES OF MORTGAGES ABOUT WHICH CONSUMERS COMPLAIN FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018

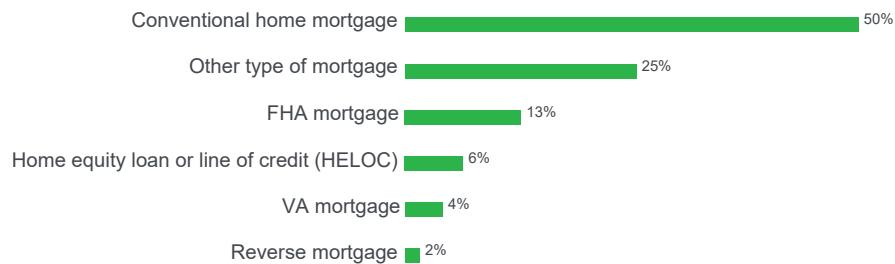
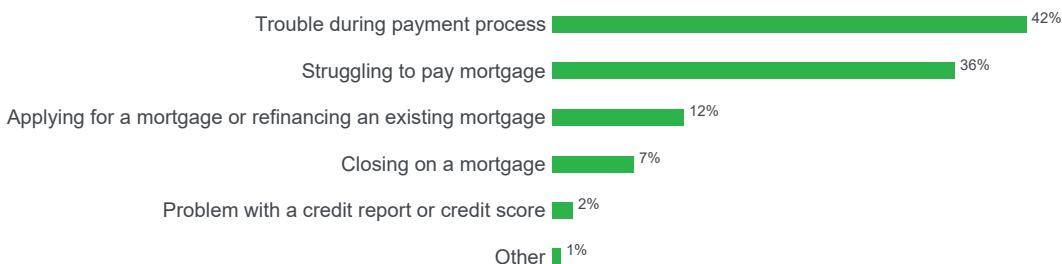


Figure 2 shows the issue category selected by consumers in mortgage complaints received between November 1, 2016 and October 31, 2018. The most common issues identified by consumers are trouble during payment process (42 percent) and struggling to pay mortgage (36 percent).

FIGURE 2: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018



The Bureau also collects unstructured data from consumers and companies during the complaint process. The consumer's narrative description of what happened, consumer-provided documents, the company's response, and company-provided documents are examples of unstructured data. The Bureau uses a variety of approaches to analyze consumer complaints including, for example, cohort and text analytics to identify trends and possible consumer harm. The review and analysis of unstructured data from those complaints sent to companies for response offers deeper insights into consumers' complaints and helps the Bureau and mortgage companies understand problems consumers are experiencing with mortgage loans.

Consumers submit complaints about trouble during the payment process more than any other type of problem. See Figure 2. An analysis of these complaints identified consumer concerns were related to periodic statements, application of payment, escrow accounts, and payoff requests.

- Complaints describing issues with periodic statements suggest some consumers are not receiving statements on time, resulting in a lack of information about the application of payments to their loan or about the loan's current status. In some of these complaints, consumers attributed a missing statement to a recent transfer of servicing of the loan. Other consumers complained of periodic statements containing inaccurate account information such as late fees assessed to their loan despite payments made on or before the due date.
- Consumers complained about servicers not applying payments to their loan account as intended. Some consumers reported that, despite submitting extra payments with instructions to apply those payments to principal, payments were either misapplied or held in an unapplied funds account and applied only after their inquiry to the servicer.
- Consumers complained of escrow account analyses indicating a shortage of funds. In these complaints, some consumers stated they received an escrow analysis statement that indicated a shortage because of an increase to hazard insurance, taxes, or both. Many of these consumers reported that, after researching their tax bill or hazard insurance premium, they did not find an increase in costs and, therefore, considered the escrow shortage unwarranted.
- Some consumers complained of payoff information requests that were either not addressed or that were inaccurate because the consumer did not receive the information on time. In some of these complaints, consumers reported multiple unsuccessful attempts to obtain payoff information. Other consumers reported an inaccurate payoff amount delayed their attempt to pay their loan in full.

The Bureau also regularly receives complaints from consumers who report struggling to pay their mortgage. Consumers complained of difficulty receiving assistance on their loan following a financial hardship, illness, natural disaster, and other difficulties. Some consumers who report stated that they disagreed with or were confused by the servicer's denial of their request for a loan modification. Other consumers described challenges while attempting to obtain assistance. These consumers complained that their single point of contact had been unresponsive and about having to respond to multiple document requests. Some consumers described the

communications they received from their servicer about loan assistance as confusing. These consumers reported being uncertain on the requirements to continue the assistance process.

2.2 Complaints by state

Table 6 shows the percentage change in mortgage complaint volume by state.¹¹ Some of the highlights include:

- States with the greatest percentage increase in mortgage complaints from August 2017 - October 2017 to August 2018 - October 2018 were Iowa (48 percent), New Hampshire (38 percent), and New Mexico (21 percent).
- States with the greatest percentage decrease in mortgage complaints from August 2017 - October 2017 to August 2018 - October 2018 were Utah (-59 percent), Michigan (-48 percent), and New York (-39 percent).
- Of the five most populated states, Florida (7 percent) had the greatest percentage increase and New York (-39 percent) had the greatest percentage decrease in mortgage complaints from August 2017 - October 2017 to August 2018 - October 2018.

¹¹ Three-month averages are rounded, and percentage changes are based on non-rounded averages. States with less than 25 complaints between August 2018 and October 2018 are excluded due to the potential for large percentage changes as a result of low volume.

TABLE 5: MORTGAGE COMPLAINT VOLUME BY STATE FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018

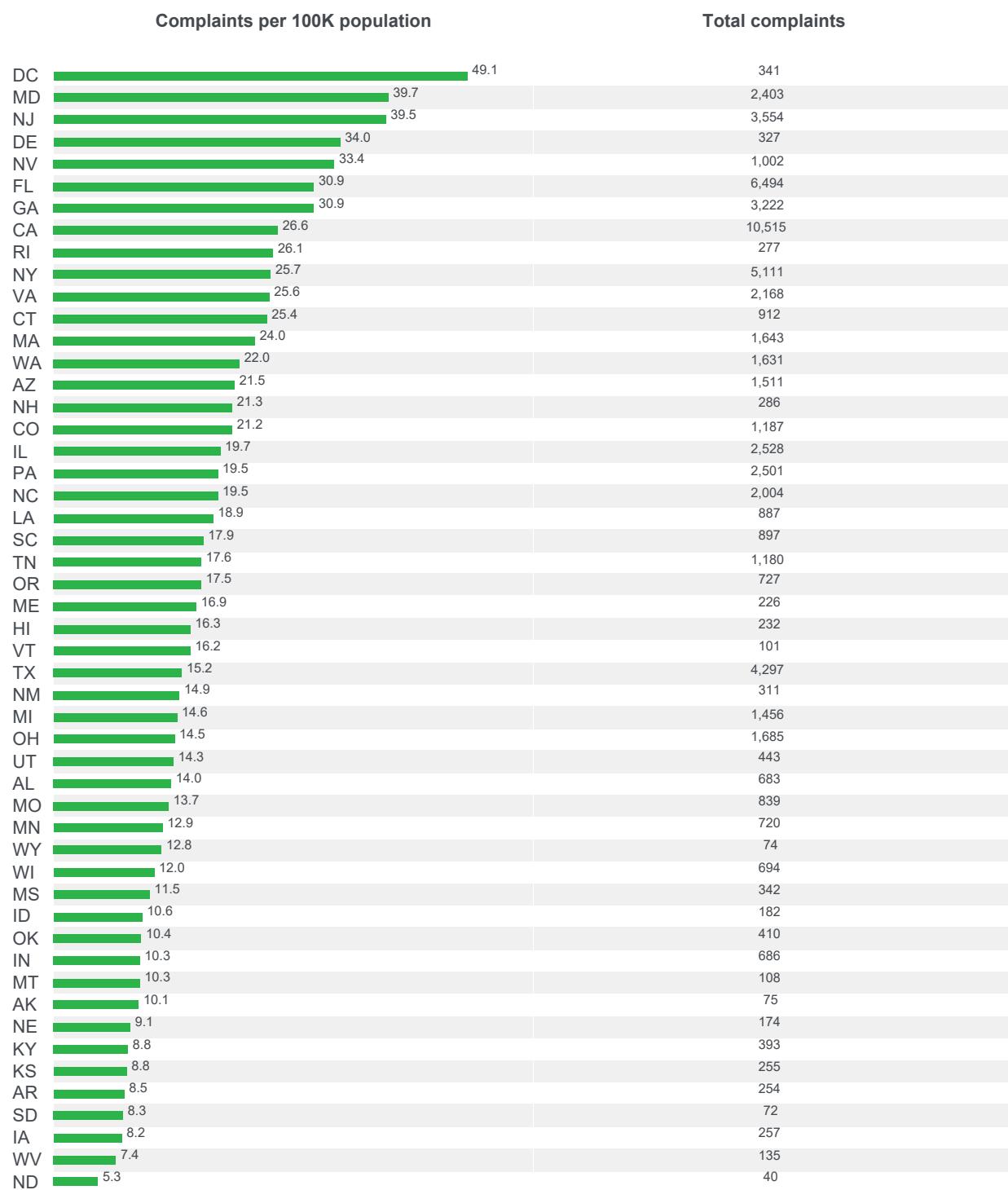
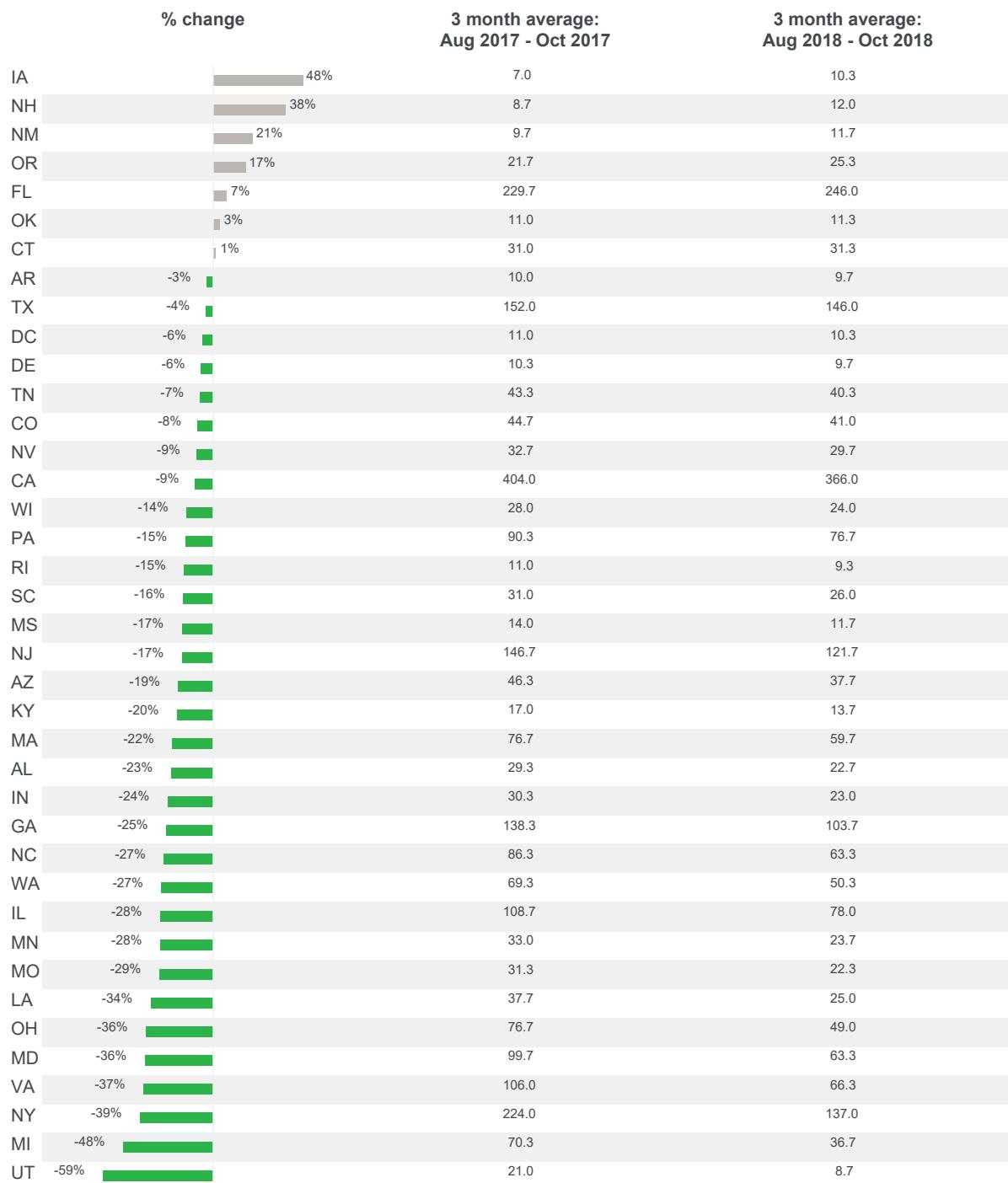


TABLE 6: MORTGAGE COMPLAINT VOLUME PERCENTAGE CHANGE BY STATE FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018, EXCLUDING STATES WITH LESS THAN A TOTAL OF 25 COMPLAINTS BETWEEN AUGUST 2018 – OCTOBER 2018



APPENDIX A

TABLE 7: TOTAL COMPLAINTS BY MONTH AND PRODUCT FROM NOVEMBER 1, 2016 – OCTOBER 31, 2018

	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
16-Nov	2,412	2,213	4,044	17	6,671	337	3,948	336	565	168	1,035	28	788	22,859
16-Dec	2,424	2,298	3,744	19	7,167	319	3,742	260	669	186	857	32	767	22,678
17-Jan	2,580	2,313	4,522	11	7,605	345	4,102	308	662	202	5,270	28	915	29,092
17-Feb	2,369	2,239	4,681	16	7,599	322	3,609	290	587	206	2,535	30	832	25,502
17-Mar	2,467	2,538	5,340	19	8,638	388	3,956	294	671	186	2,014	25	935	27,671
17-Apr	2,070	2,156	6,381	33	7,623	390	3,162	282	539	199	1,683	33	764	25,444
17-May	1,717	2,227	8,064	76	7,276	436	3,189	197	344	223	1,195	47	618	25,610
17-Jun	2,111	2,033	7,730	71	6,486	545	2,863	187	322	210	1,047	40	661	24,306
17-Jul	2,016	2,161	9,050	74	6,965	603	2,796	247	321	200	1,237	48	574	26,294
17-Aug	1,912	2,212	9,671	77	7,486	604	3,006	242	355	174	1,192	48	674	27,656
17-Sep	1,885	2,171	16,937	105	5,579	523	2,687	186	335	175	1,025	54	614	32,276
17-Oct	1,817	2,194	9,760	84	6,784	547	2,736	238	350	191	1,042	47	697	26,489
17-Nov	1,910	2,219	8,835	102	6,109	570	2,626	216	367	169	870	53	691	24,740
17-Dec	1,749	2,188	8,689	96	6,303	930	2,519	210	332	185	766	51	622	24,640
18-Jan	2,092	2,526	10,961	115	7,761	1,494	2,555	237	352	183	1,046	55	793	30,174
18-Feb	1,961	2,307	10,980	93	7,220	808	2,520	205	377	175	887	49	660	28,248
18-Mar	2,089	2,526	11,164	97	8,193	694	2,886	212	312	213	981	50	712	30,180
18-Apr	2,305	2,677	11,609	92	7,440	637	3,346	218	411	215	949	63	793	30,862
18-May	2,209	2,494	10,654	86	7,499	574	2,732	175	330	227	890	54	732	28,750
18-Jun	2,165	2,289	9,623	71	6,876	580	2,393	180	342	207	800	49	638	26,295
18-Jul	2,196	2,337	10,116	73	6,276	570	2,460	192	319	218	934	43	660	26,433

18-Aug	2,069	2,559	10,618	70	6,930	605	2,525	189	389	184	884	40	660	27,731
18-Sep	2,026	2,166	9,361	76	5,772	492	2,193	151	280	197	767	37	660	24,192
18-Oct	2,292	2,407	11,215	95	6,583	578	2,411	240	402	302	802	57	674	28,077
Grand Total¹²	50,843	55,450	213,749	1,668	168,841	13,891	70,962	5,492	9,933	4,795	30,708	1,061	17,134	646,199

¹² Total column includes approximately 1,700 complaints where no specific consumer financial product was selected by consumers.

TABLE 8: TOTAL COMPLAINTS BY LOCALITY AND PRODUCT

	Checking or savings	Credit card	Credit or consumer reporting	Credit repair	Debt collection	Money transfer or service, virtual currency	Mortgage	Payday loan	Personal loan	Prepaid card	Student loan	Title loan	Vehicle loan or lease	Grand Total
Alabama	444	458	3,169	28	2,208	99	683	87	216	67	391	16	215	8,114
Alaska	55	93	187	2	231	29	75	4	12	3	51	0	11	754
American Samoa	2	1	2	0	1	2	0	0	1	0	1	0	1	11
Arizona	1,134	1,217	3,880	37	4,127	301	1,511	80	195	112	648	64	424	13,757
Arkansas	204	246	1,297	8	1,086	50	254	21	56	28	186	6	102	3,553
Armed Forces Middle East	2	3	0	0	3	1	1	0	0	0	0	0	0	10
California	7,109	8,070	25,985	200	20,449	2,064	10,515	595	1,277	789	3,118	178	1,935	82,466
Colorado	808	1,018	2,823	27	2,616	233	1,187	59	132	77	600	10	287	9,899
Connecticut	768	767	1,833	19	1,372	170	912	44	77	41	492	9	173	6,692
Delaware	257	339	939	3	632	49	327	38	58	15	93	2	88	2,846
District of Columbia	333	330	856	5	768	78	341	25	42	34	280	4	82	3,186
Federated States of Micronesia	11	13	26	0	34	2	5	1	1	0	0	0	0	93
Florida	4,673	4,703	22,331	136	16,728	1,082	6,494	383	725	367	2,026	72	1,560	61,411
Georgia	2,089	2,004	16,248	78	9,401	495	3,222	169	490	187	1,326	72	925	36,748
Guam	6	15	44	7	19	13	6	2	5	2	2	0	3	124
Hawaii	118	191	591	7	427	38	232	12	21	9	81	1	34	1,763
Idaho	111	197	358	3	543	42	182	19	34	18	128	3	52	1,696
Illinois	2,163	2,120	10,364	50	5,847	449	2,528	164	332	202	1,047	28	537	25,881

Indiana	490	613	2,581	19	2,212	141	686	134	160	63	593	17	245	7,965
Iowa	169	231	660	19	782	54	257	32	44	23	174	7	73	2,533
Kansas	219	251	1,062	11	1,019	63	255	42	55	35	213	13	90	3,335
Kentucky	266	338	1,597	19	1,546	96	393	59	79	41	289	9	140	4,878
Louisiana	438	436	3,622	27	2,514	122	887	107	164	52	337	24	203	8,943
Maine	104	185	339	11	455	37	226	21	34	24	138	1	40	1,617
Marshall Islands	0	2	0	0	0	0	1	0	0	1	1	0	0	5
Maryland	1,433	1,440	5,025	50	4,063	332	2,403	181	255	121	849	28	506	16,723
Massachusetts	1,024	1,235	2,639	39	2,115	264	1,643	83	102	81	749	6	295	10,295
Michigan	977	1,271	4,667	48	3,914	265	1,456	161	204	102	870	17	362	14,366
Minnesota	599	739	1,710	28	1,480	153	720	78	126	56	463	4	157	6,333
Mississippi	201	252	1,873	11	1,193	56	342	48	107	34	229	19	141	4,516
Missouri	586	678	3,405	30	2,741	143	839	93	198	61	533	17	287	9,628
Montana	61	125	241	6	395	29	108	16	15	5	80	1	28	1,111
Nebraska	138	191	452	12	548	44	174	27	42	19	128	3	53	1,835
Nevada	696	665	2,578	27	2,271	165	1,002	77	161	71	248	13	214	8,212
New Hampshire	151	215	352	2	423	50	286	11	27	18	171	4	81	1,795
New Jersey	1,909	2,172	6,146	49	4,993	473	3,554	194	255	124	1,026	22	737	21,711
New Mexico	189	214	838	7	794	56	311	25	51	26	107	4	67	2,693
New York	4,277	4,683	12,252	111	8,500	1,035	5,111	74	408	294	2,108	29	888	39,869
North Carolina	1,228	1,465	9,035	43	5,212	275	2,004	148	301	96	940	20	614	21,418
North Dakota	34	58	276	2	234	15	40	4	13	3	33	0	11	724
Northern Mariana Islands	1	0	2	0	3	1	3	0	0	0	0	0	1	11
Ohio	1,537	1,832	5,404	44	5,292	339	1,685	313	336	162	1,173	61	559	18,779
Oklahoma	239	329	1,139	10	1,403	86	410	71	107	45	223	9	161	4,250
Oregon	501	685	1,401	15	1,513	139	727	54	116	50	404	6	114	5,748
Palau	0	1	0	0	0	0	0	0	0	0	0	0	0	1
Pennsylvania	1,982	2,005	6,422	50	5,142	418	2,501	194	301	167	1,543	37	520	21,342

Puerto Rico	100	146	489	11	280	18	222	6	29	7	55	1	40	1,411
Rhode Island	167	188	371	9	434	28	277	17	17	18	82	1	52	1,666
South Carolina	507	641	4,325	22	3,147	141	897	105	240	55	504	19	325	10,945
South Dakota	60	78	138	3	269	13	72	12	13	10	55	0	50	775
Tennessee	684	675	4,284	31	3,373	186	1,180	193	263	70	508	20	284	11,777
Texas	3,462	3,824	21,920	131	19,404	876	4,297	590	815	328	2,018	86	1,654	59,500
United States Minor Outlying Islands	2	6	4	0	13	0	9	1	0	0	2	0	2	39
U.S. Armed Forces – Americas	3	0	3	0	3	1	4	0	3	1	1	0	0	19
U.S. Armed Forces – Europe	15	19	72	0	59	12	20	1	2	0	28	0	4	232
U.S. Armed Forces – Pacific	11	19	79	1	51	6	16	2	2	1	8	0	4	200
Utah	213	350	1,567	9	1,202	87	443	40	62	23	139	6	98	4,242
Vermont	69	106	131	1	117	20	101	8	18	4	68	0	31	676
Virgin Islands	9	6	21	0	11	1	16	0	0	0	3	0	1	69
Virginia	1,385	1,672	4,688	43	4,381	419	2,168	205	379	134	909	22	554	17,009
Washington	950	1,102	2,913	29	2,808	323	1,631	130	190	89	1,025	15	229	11,469
West Virginia	111	139	402	8	403	40	135	11	27	20	132	4	54	1,490
Wisconsin	552	662	1,840	13	1,759	141	694	65	114	50	377	13	178	6,474
Wyoming	46	47	96	0	171	19	74	7	6	7	29	0	19	524
Unspecified	2,761	1,674	3,755	57	3,707	1,512	2,207	149	418	253	673	38	539	18,042
Grand Total	50,843	55,450	213,749	1,668	168,841	13,891	70,962	5,492	9,933	4,795	30,708	1,061	17,134	646,199