10 Things the Consumer Financial Protection Bureau Can Start Now to Protect Consumers

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The United States Consumer Financial Protection Bureau (CFPB) begins work on July 21, 2011, and the Bureau has plenty to do and plenty of power to do it, even without a director in place. Here are ten items that the CFPB can start right now using existing authority.

1. **Mortgages**: Stop mortgage companies from charging illegal fees, keeping sloppy records of what people owe, forcing homeowners into overpriced insurance, or rushing to foreclose before considering home-saving options. *Authority*: Truth in Lending Act (TILA), Real Estate Settlement Procedures Act.

2. **Overdraft and Bank Fees**: Stop banks from tricking people into incurring overdraft fees, help consumers get the cheapest overdraft coverage, and provide clear information on bank fees. *Authority*: Electronic Funds Transfer Act (EFTA), Truth in Savings Act (TISA), TILA.

3. **Internet and Bank Payday Loans**: Stop 400% internet and bank “account advance” payday loans from grabbing consumers’ wages, Social Security or unemployment benefits before families pay food or rent. *Authority*: EFTA.

4. **Prepaid Cards**: Protect prepaid debit cards, a growing but unregulated bank account substitute, from identity theft, bank errors and hidden fees. *Authority*: EFTA, TISA.

5. **Credit Cards**: Get inside the books of credit card companies to make sure they are not charging illegal fees or rate increases and help consumers shop for the best card without back-end tricks and traps. *Authority*: TILA.

6. **Credit Reports**: Force the credit bureaus to clean-up error-plagued credit reports and to respond to consumers trying to fix mistakes. *Authority*: Fair Credit Reporting Act.

7. **Student Loans**: Help students avoid expensive student loans when cheaper aid or loans are available. *Authority*: TILA.

8. **Auto Loans**: Prohibit kick-backs to auto dealers who put consumers, especially minorities, in more expensive loans and stop bait-and-switch tactics. *Authority*: Equal Credit Opportunity Act, TILA.


10. **Money Transfers**: Ensure that consumers who are transferring money across the country or across the world know exactly what the transfer will cost and how much their family will receive. *Authority*: EFTA.

For a longer list of action items for the CFPB, see An Agenda for the Consumer Financial Protection Bureau: Challenges for a New Era in Consumer Protection.