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Protecting Consumers in the Financial Marketplace: Keynote Address, November 2, 2012

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Articles

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Richard Cordray†

Thank you for inviting me here today. It always feels great to be back in Hyde Park, on this side of the Midway, where I spent some very productive and hardworking years as a student. It is also an immense privilege for me to be part of this Symposium. Looking around this room, I can see that the University of Chicago continues to produce committed and passionate leadership—leadership worthy to carry on the traditions of more than two centuries of our democratic republic.

I was invited to speak here because I am serving in a new role in the federal government, as the first Director of the Consumer Financial Protection Bureau.[1] The Consumer Bureau is the first agency created with the sole purpose to protect

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† Richard Cordray is the first Director of the US Consumer Financial Protection Bureau. He is a 1986 graduate of the University of Chicago Law School, and he previously served in elective office as the Ohio Attorney General, as the Ohio Treasurer, and as an Ohio State Representative.

[1] The Consumer Bureau was established by the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank"). See Dodd-Frank Title X, Pub L No 111-203, 124 Stat 1376, 1955–2113, codified in various sections of Title 12 of USC.

consumers in the financial marketplace. In its everyday work, the Consumer Bureau seeks to further our country's noblest aspirations of granting all people equality, dignity, and opportunity when it comes to financing the ways and means of their daily lives. This is no easy task, but it is crucial because the financial marketplace can be difficult, complex, and perilous for our fellow citizens as they seek to manage everything from their credit cards to student loans to auto loans to mortgages.

As I thought about my remarks for today, I was struck by how to locate the work of the Consumer Bureau within the framework of my academic training in economics. I was not an economics major as an undergraduate, but I fulfilled a concentration in economic studies, which required courses ranging from introductory economics to a graduate-level course in econometrics. At Oxford University, I studied economics and earned a master's degree. At the University of Chicago Law School, I was an Olin Fellow in the Law and Economics program. Yet in all those years of formal education, remarkably little attention was devoted to the personal circumstances of individual consumers. Certainly "consumer welfare" in the abstract often served as a touchstone in courses like antitrust and macroeconomic theory. But when we focused our attention on microeconomic matters, they had to do with theories of the firm, not theories of individual consumers or households. The struggles of ordinary people—most especially the determined, ingenious, and often desperate ways they go about making ends meet and borrowing from the future to finance the present—rarely appear in academic and theoretical work. Speaking from my vantage point now, that fact stands as a glaring omission.

So I received my basic education in consumer finance out in the world, through my experiences in state and local government and politics, which I have always referred to as "the education you could never get in school." My advanced work on these issues really began in late 2002, when I took office after being elected as the County Treasurer in Franklin County, Ohio. In that position, I found it necessary to learn about many new things, including public finances, management and administration, and the intricacies of local government. I also dealt with such new and granular issues as mortgages, escrow, real estate taxes, delinquent tax collection, debt settlement, and debt collection. Beginning sometime in 2003, I found myself increasingly coming to grips with the growing foreclosure crisis in the local community. At the same time, through face-to-face dealings with individual consumers and taxpayers, I became intimately familiar with people's financial struggles and deeply convinced of the importance of personal finance education for our society and our country.

Later, I was elected and served as the State Treasurer of Ohio. In this broader role, I became ever more deeply involved in the foreclosure crisis engulfing the state, in implementing personal finance education as a requirement in Ohio high schools, and in providing credit counseling and financial management advice. We fervently supported new federal regulations for credit cards, mounting a "Speak Out Ohio" campaign that gathered more than 30,000 comments in favor of the proposed new protections for consumers.[2] We helped legislate a credit freeze option to combat identity theft, along with new restrictions on payday lending, and we sought to rein in mortgage servicers who were performing poorly for consumers.[3] My time as state treasurer, during which I was charged with safeguarding billions of dollars in public funds, spanned the years 2007 and 2008 and happened to coincide with the most tumultuous financial markets of our lifetime. After I was elected as the Ohio Attorney General in 2008, my team and I enforced Ohio's consumer protection, debt collection, and antitrust laws. We filed and pursued numerous cases on behalf of Ohio's pension systems to seek accountability from those whose actions had precipitated the financial crisis and hurt many innocent citizens and retirees. We also filed the first lawsuit in the nation against the inexcusable practice of "robo-signing" affidavits in foreclosure actions.[4] For me, all of this was

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[2] For the finalized regulations, see 12 CFR §§ 226, 227. These regulations became the impetus for further action as Congress enacted the Credit Card Accountability and Responsibility and Disclosure (CARD) Act, Pub L No 111-24, 123 Stat 1755, codified at 15 USC § 1616(a). For more information on the "Speak Out Ohio" campaign, see *Semi-Annual Report of the Consumer Financial Protection Bureau: Hearing Before the Committee on Financial Services US House of Representatives*, 112th Cong, 2d Sess 159 (2012) (statement of Director Richard Cordray).

[3] For the credit freeze legislation, see Ohio Rev Code Ann § 1349.52 (West 2013). For the payday lending legislation, see Ohio Rev Code Ann § 1321.35 et seq (West 2013). For the mortgage servicer initiative, which eventually became Ohio's "Save the Dream" program and spawned numerous county-level "Save Our Homes" task forces around the state, see Ohio Rev Code Ann § 1349.41 (West 2013).

[4] See Stephanie Armour, *Ohio Attorney General Sues Lender; Lawsuit Alleges GMAC Mortgage Improperly Foreclosed on Homes*, USA Today 1B (Oct 7, 2010). See also *Ohio v GMAC Mortgage LLC*, 760 F Supp 2d 741, 743–44 (ND Ohio 2011). In that case,

indeed the education that I could never get in school—though my academic training did prepare me to learn from these experiences constantly and continually.

This background eventually led Elizabeth Warren to recruit me to the new Consumer Financial Protection Bureau as the first Chief of Enforcement, where I started in January 2011. Six months later, President Obama nominated me to be the first Director of the Consumer Bureau. In my interview, the President took pains to stress how important he judged this work to be, though from my own personal experience, I needed no convincing. The more difficult task was to figure out how to navigate the Senatorial blockade that had been erected against anyone nominated to the post. President Obama eventually resolved that issue in January 2012 by making a recess appointment. That was a happy day, above all because it meant that the new Consumer Bureau gained its full authority as an independent agency to move forward and fulfill its critical statutory mission for the benefit of the American people.

But the happiness of that day was overshadowed by the magnitude of the work that lay ahead. As just described, I came to this job with a broad perspective, gleaned from my experiences at every level of government, on the kind of work that needs to be done by the Consumer Bureau. I have seen how painful it can be for families, households, and communities if that work is not done well, or even not done at all. The recent financial crisis clearly demonstrated how unregulated or poorly regulated financial markets can undermine the stability of the economy and cause the destruction of millions of jobs and

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the court noted that:

> [t]his case is one of the first of many filed by state attorneys general across the nation seeking relief from mortgage companies' use of "robosigners" to process mortgage foreclosure paperwork. Several national banks have been accused of using robosigners—loosely defined as bank employees tasked with rapidly signing larger numbers of affidavits and legal documents asserting the bank's right to foreclose without the employees actually checking the documents to ensure their accuracy—to fraudulently foreclose on homeowners during the recent financial downturn.

Id. The case against GMAC was eventually settled in 2012 under the direction of my successor, Mike DeWine. See Ohio Attorney General Mike Dewine, *DeWine Announces Settlement with Major Loan Servicers; Foreclosure-Related Assistance Coming for Ohioans* (Feb 2, 2012), online at http://www.ohioattorneygeneral.gov/Media/News-Releases/February-2012/DeWine-Announces-Settlement-With-Major-Loan-Servic (visited Sept 15, 2013).

trillions of dollars in household wealth. Thus, in addition to protecting individual consumers, the Consumer Bureau was created to help ensure that kind of financial panic and economic dislocation does not repeat itself.

In approaching our work, we have made it very clear that the Consumer Bureau sees itself as a twenty-first century agency. The content of that claim is likely not very obvious on its face. To me, it means being data-driven in our policy determinations, basing those determinations on careful market analysis and the best and most comprehensive information available. It means utilizing the best technology to be more efficient and more effective. And it also means that the Consumer Bureau is an agency built upon a strong democratic foundation of public engagement and transparency, an agency that does not cater to Washington insiders but rather prides itself on engaging in vigorous outreach to communities across the country and the individual consumers we were created to serve.

Our job begins with understanding and analyzing the markets for consumer credit and for other kinds of financial products and services that are pervasive in our economy. The Consumer Bureau exercises authority over the kinds of financial products that are rooted in the daily lives of all Americans. Mortgages help people buy homes and pay for them over time. Credit cards provide convenient access to money when we need it. Student loans allow people who lack means but have talent and ambition to pursue their deepest aspirations.

Ever since the Consumer Bureau opened its doors in 2011, we have been working to create a better marketplace. We are overseeing both big banks and nonbank firms, including mortgage lenders, mortgage servicers, and payday lenders. We are writing new rules of the road, especially to fix the glaring problems that led to the meltdown of the mortgage market.[5] We

[5] Among other rules the Consumer Bureau has promulgated to date, see, for example, Consumer Financial Protection Bureau, Ability-to-Repay and Qualified Mortgage Standards Under the Truth in Lending Act (Regulation Z), 76 Fed Reg 79772 (2012), codified at 12 CFR § 1026; Consumer Financial Protection Bureau, High Cost Mortgage and Homeownership Counseling Amendments to the Truth in Lending Act (Regulation Z) and Homeownership Counseling Amendments to the Real Estate Settlement Procedures Act (Regulation X), 76 Fed Reg 78981 (2012), codified at 12 CFR §§ 1024, 1026; Consumer Financial Protection Bureau, Escrow Requirements Under the Truth in Lending Act (Regulation Z), 12 CFR § 1026; Consumer Financial Protection Bureau, 2013 Real Estate Settlement Procedures Act (Regulation X) and Truth in

are taking action when laws and rules are not obeyed and consumers are harmed as a result.[6] We are educating and empowering consumers. And our Consumer Response team is promoting fair treatment for individual consumers by helping them resolve their disputes with consumer financial companies. Because our nation's governing structure is ordered around a common economic market that operates as a free market, the work we are doing to improve the functioning of that marketplace is essential to help ensure equal opportunity, which lies at the heart of American conceptions about our way of life in this country.

The Consumer Bureau has many tools at its disposal to improve life for American consumers—supervision, enforcement, consumer engagement, consumer response, and rulemaking. Let me walk through each of them so you can see how we are taking steps to help financial markets operate more effectively for consumers.

First, our supervisory authority offers an important and effective means of obtaining compliance with the law and correcting violations. As a former enforcement lawyer myself, from my tenure as Ohio Attorney General, this approach is new to me, but I have found that it can be quite effective. Supervisory authority over chartered firms hearkens back to the original grant of corporate charters by the British sovereign and the retention of visitorial powers by the sovereign to ensure that

Lending Act (Regulation Z) Mortgage Servicing Final Rules, 12 CFR §§ 1024, 1026; Consumer Financial Protection Bureau, Appraisals for Higher-Priced Mortgage Loans, 12 CFR § 1026; Consumer Financial Protection Bureau, Disclosure and Delivery Requirements for Copies of Appraisals and Other Written Valuations Under the Equal Credit Opportunity Act (Regulation B), 12 CFR § 1002; Consumer Financial Protection Bureau, Loan Originator Compensation Requirements Under the Truth in Lending Act (Regulation Z), 12 CFR § 1026.

6 As of June 7, 2013, the Bureau has achieved positive resolutions in 11 enforcement actions, obtaining more than $425 million for consumers and more than $61 million in civil penalties. Through these matters, the Bureau has put an end to unlawful practices by credit card companies, mortgage insurers, debt relief and debt settlement companies, and a homebuilder, which have harmed more than 5.7 million consumers. Four of these actions were resolved by administrative adjudication. See Consumer Financial Protection Bureau, *Administrative adjudication*, online at http://www.consumerfinance.gov/administrativeadjudication/ (visited Sept 15, 2013). Six were filed and concluded in federal court. See, for example, *Consumer Financial Protection Bureau v Payday Loan Debt Solutions*, No 1:12-cv-24410, slip op (SD Fla Dec 21, 2012) (stipulated final judgment and order); *Consumer Financial Protection Bureau v American Debt Settlement Solutions*, 9:13-cv-80548, slip op (SD Fla June 7, 2013) (stipulated final judgment and order).

the charter's limitations were being observed.[7] The penalties for noncompliance could include revocation of the charter. Over the past two centuries, American banks, thrifts, and credit unions have become accustomed to such visitorial powers, as regulatory examination teams can arrive on-site to inspect their operations and direct them to take corrective action as needed to ensure compliance with the law.[8] In response, these financial institutions have built up strong compliance management systems to accommodate this oversight regime.

So the Consumer Bureau is making a basic push for accountability through its supervision efforts. Critically, the new financial reform law made an important shift by recognizing that certain consumer financial markets—most notably, the mortgage market—have evolved to the point where banking firms often are now competing against nonbank firms, which historically have not been subject to the same regulatory oversight or held to the same prudential standards.[9] Regulation cannot work properly when only part of a market is being regulated and other parts are not regulated at all. Under Dodd-Frank, the Consumer Bureau is now able to supervise and enforce the law with respect to both banks and nonbank firms in the consumer financial markets, no matter how they register their businesses and regardless of whether they have a charter or who issued it.[10] Prior to the advent of this new agency, nonbanks were not federally supervised and oversight was incomplete. Commercial banks were subject to explicit federal supervision while many other critical players got away with lower standards or no standards at all. That put pressure on the whole market, distorted its functioning, and ultimately collapsed the mortgage market in particular. The Consumer Bureau is

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[7] See Joseph Chitty Jr, *A Treatise on the Law of the Prerogatives of the Crown* 120, 122–23, 130–31 (Butterworth 1820).

[8] For example, the Office of the Comptroller of the Currency has visitorial powers over federally chartered banks. See 12 USC §§ 481, 1820(d) (2012). See also Office of the Comptroller of the Currency, *Examinations: Overview*, online at http://www.occ.gov/topics/examinations/examinations-overview/index-examinations-overview.html (visited Sept 15, 2013).

[9] See Consumer Financial Protection Bureau, *Consumer Financial Protection Bureau launches nonbank supervision program* (Jan 5, 2012), online at http://www.consumerfinance.gov/pressreleases/consumer-financial-protection-bureau-launches-nonbank-supervision-program/ (visited Sept 15, 2013).

[10] See Dodd-Frank §§ 1024–26, 124 Stat at 1987–95, codified at 12 USC §§ 5514–16.

now in position to level the playing field for consumers and responsible businesses alike.

Another problem in the run-up to the financial crisis was inconsistent and often indifferent enforcement of the law. The American political and economic system is built on the foundation of the free market, with its concomitant virtues of freedom and individual initiative. Yet it was actually Ronald Reagan who observed that while "[f]ree men engaged in free enterprise" will succeed in building better nations, "free enterprise is not a hunting license."[11] And so the Consumer Bureau's supervisory authority is supplemented by its enforcement capability, to be used when the circumstances warrant. This capability should not be wasted on trivial matters, but, as we have made clear, we will not hesitate to take action to prevent, remediate, and deter violations of law when consumers have suffered meaningful harm.

Charles Fried has aptly observed that "lying, cheating, and stealing are not traditional American virtues."[12] The traditional conception of "unfair competition" is based on the accepted principle that violating the law to achieve a competitive or financial advantage is a tactic that cannot be permitted to gain traction.[13] Accordingly, our enforcement team is working to root improper practices out of the marketplace, and they already have taken action against three major credit card companies for deceptive and misleading marketing practices. In these matters thus far, we have returned to consumers some $425 million that had been wrongly taken from them.[14] Much more investigatory activity is currently underway.

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[11] Ronald Reagan, *A Time for Choosing: The Speeches of Ronald Reagan, 1961–1982* 93–94 (Regnery Gateway 1983).

[12] Charles Fried, 2010 National Lawyers Convention, The Federalist Society.

[13] Louis Altman and Malla Pollack, 1 *Callman on Competition, Trademarks and Monopolies: The Theory of Unfair Competition* § 2 et seq (Thomson Reuters 4th ed 2013).

[14] For the relevant consent orders available on the Consumer Financial Protection Bureau's website, see Consumer Financial Protection Bureau, *Federal Deposit Insurance Corporation and Consumer Financial Protection Bureau Order Discover to Pay $200 Million Consumer Refund for Deceptive Marketing* (Sept 24, 2012), online at http://www.consumerfinance.gov/pressreleases/discover-consent-order/ (visited Sept 15, 2013); Consumer Financial Protection Bureau, *CFPB probe into Capital One credit card marketing results in $140 million consumer refund* (July 18, 2012), online at http://www.consumerfinance.gov/pressreleases/cfpb-capital-one-probe/ (visited Sept 15, 2013); Consumer Financial Protection Bureau, *CFPB orders American Express to pay $85 million refund to consumers harmed by illegal credit card practices* (Oct 21, 2012), online at http://www.consumerfinance.gov/pressreleases/cfpb-orders-american-express-to-pay-

As the new consumer watchdog, we want financial institutions to know that if they treat people unfairly, we will take their side and work to make things right. When I served as Ohio Attorney General, my colleagues and I battled all kinds of frauds and scams that sought to exploit the trusting nature of individual consumers. Those kinds of schemes represent the perversion of human ingenuity and need to be strongly opposed wherever they surface. The Consumer Bureau is confronting these kinds of fraudulent activities, and we are fully committed to vindicating the principle that it should be more expensive to break the law than to follow the law. To succeed, we have come to understand that we must take the initiative but we also must be good partners to other law enforcers. The Consumer Bureau is currently working with the Federal Trade Commission, other banking regulators, other federal agencies, state attorneys general, state banking regulators, and local officials.[15] By strategizing together about how to allocate our collective resources to common and sometimes overlapping problems, we can and will make a real difference not only in addressing violations of law, but also in improving the functioning of consumer financial markets.

We are also working hard to promote responsible behavior by consumers. When consumer financial products are misused or misunderstood, they can do damage to people's lives. We know that the gap between the kinds of complex financial decisions people are expected to make in our society, on the one hand, and their actual know-how, on the other hand, can be discouragingly vast. By bringing closer together what the financial world demands and what actual consumers understand, we will bolster financial capability in this country. To close this gap, we are calling attention to the crying need for greater attention to financial education and empowerment in our society. It is a national scandal that we send our young people out to live "on their own" by the millions each year and yet we do precious little to prepare them for self-sufficiency in managing their financial affairs. We also see the need to render consumer finance issues

85-million-refund-to-consumers-harmed-by-illegal-credit-card-practices/ (visited Sept 15, 2013).

[15] *Implementing Wall Street Reform: Enhancing Bank Supervision and Reducing Systemic Risk: Hearing Before the Senate Committee on Banks, Housing, & Urban Affairs*, 112th Cong, 2d Sess 93 (2012) (written statement of Director Richard Cordray).

more accessible by simplifying and clarifying disclosures and other information. Accordingly, we have "Know Before You Owe" projects underway with various consumer finance products, including mortgages, credit cards, and student loans.[16]

To focus on just one of those issues, consider the topic of student loans. Total student loan debt in this country recently crossed the $1 trillion mark, surpassing credit cards as the largest category of consumer debt outside of mortgages.[17] To help bring greater transparency to this critical market, we have launched new tools to help students directly compare the true costs of the schools they are considering. For those consumers who already have federal and private student loans, we have another tool on our website to help borrowers understand their repayment options.[18] The Consumer Bureau can be a trusted resource, providing students with neutral information and guidance on how to understand and optimize the choices they face.

The Consumer Bureau is also engaged every day with consumers, both reactively and proactively. Our Consumer Response team receives and handles complaints about mortgages, credit cards, student loans, auto loans, bank accounts, and credit reporting. Soon we will be adding debt collection to the list.[19] We have begun publishing our Consumer

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[16] For information on the Bureau's "Know Before You Owe" program, see Consumer Financial Protection Bureau, *About the Know Before You Owe Project*, online at http://www.consumerfinance.gov/knowbeforeyouowe/about/ (visited Sept 15, 2013). For the proposed Know Before You Owe forms for mortgages, see Consumer Financial Protection Bureau, Press Release, *Consumer Financial Protection Bureau Proposes "Know Before You Owe" mortgage forms* (July 9, 2012), online at http://www.consumerfinance.gov/pressreleases/consumer-financial-protection-bureau-proposes-know-before-you-owe-mortgage-forms/ (visited Sept 15, 2013).

[17] See Rohit Chopra, *Too Big to Fail: Student Debt Hits a Trillion*, CFPB Blog (CFPB Mar 21, 2012), online at http://www.consumerfinance.gov/blog/too-big-to-fail-student-debt-hits-a-trillion/ (visited Sept 15, 2013) (reporting that outstanding student loan debt of $1 trillion). See also Federal Reserve Bank of New York, *Quarterly Report on Household Debt and Credit* 1, 2 (Nov 2012), online at http://www.newyorkfed.org/research/national_economy/householdcredit/DistrictReport_Q32012.pdf (visited Sept 15, 2013) (reporting that, as of September 30, 2012, student loan debt totaled $956 billion and credit card debt totaled approximately $679 billion).

[18] To access these student loan tools, see Consumer Financial Protection Bureau, *Paying for College*, online at http://www.consumerfinance.gov/paying-for-college/ (visited Sept 15, 2013).

[19] For an overview of the Consumer Response team's activities in 2011, see generally Consumer Financial Protection Bureau, *Consumer Response Annual Report: July 21–December 31, 2011*, (CFPB Mar 31, 2012), online at http://files.consumerfinance.gov/f/201204_cfpb_ConsumerResponseAnnualReport.pdf (visited Sept 15, 2013).

Complaint Database, which affords the public direct insight into the patterns of consumer problems around the country.[20] These proactive efforts center on our "Ask CFPB" tool, which provides our best answers to frequently asked questions on a similarly broad range of consumer issues.[21] Like many of our initiatives, we have designed this tool to be interactive so that people can suggest additional questions or edits to our answers.

Another key authority that Congress has vested in the Consumer Bureau is the power to write regulations that have the force of law to implement its governing statutes.[22] In 2012, we have been hard at work on a broad set of mortgage rules, as directed by Congress, to improve the workings of that multitrillion-dollar market and help avoid the kind of malfunctions and widespread consumer harm that helped precipitate the worst financial crisis in this country since the Great Depression.[23]

Just after World War II, Congress updated the framework of federal agencies by enacting the Administrative Procedure Act (APA),[24] which lays out a detailed process for agency rulemaking.[25] Absent exigent circumstances, any substantive rule with the force of law must first be openly proposed, through a notice in the Federal Register, and then it must be subjected to a period of public commentary.[26] The agency writing the rule has an affirmative legal obligation to sift through the comments, digest them, and consider them as appropriate in the course of finalizing its rulemaking.[27]

While the intent of this process is to create transparency through a participatory process that will enhance decision making,[28] the problem is that, on the whole, people do not read

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[20] For the Consumer Complaint Database, see http://www.consumerfinance.gov/complaintdatabase/ (visited Sept 15, 2013).

[21] For the "Ask CFPB" interface, see http://www.consumerfinance.gov/askcfpb/ (visited Sept 15, 2013).

[22] See Dodd-Frank § 1022, 124 Stat at 1980–85, codified at 12 USC § 5512.

[23] See note 5 and accompanying text.

[24] George B. Shephard, *The Administrative Procedure Act Emerges from the New Deal*, 90 Nw L Rev 1557, 1560 (1996) (describing the political background from which the APA emerged).

[25] Pub L No 79-404, 60 Stat 237 (1946), codified at 5 USC §§ 551 et seq (2012).

[26] See 5 USC § 553.

[27] See 5 USC § 553(c).

[28] See generally Stephen G. Breyer, et al, *Administrative Law and Regulatory Policy* (Aspen 5th ed 2002).

the Federal Register. Furthermore, these rules are often written in inaccessible legalese that does not have a plain language equivalent. While agency communications with the public have improved over the last sixty years,[29] rulemaking as a kind of administrative legislation remains largely inaccessible to the average citizen and for many of the businesses to whom the rules apply.

This inaccessibility of the rulemaking process also stems from the fact that agencies do not necessarily make active efforts to seek input on their proposals. Instead, they passively wait to receive comments. Unsurprisingly, many comments come from a cottage industry of trade associations, advocates, lobbyists, and regulatory lawyers who are fluent in agency process. While such groups play an important role in the vetting of rules, individual citizens and smaller businesses find it difficult to participate by presenting their experience and their views.

The Consumer Bureau is making it a point to change this dynamic. We are writing rules intended to protect consumers of financial products and services, a universe that covers everyone in this country. So these rules—written with the individual consumer in mind and governing the kinds of transactions that many people engage in every day—need input, understanding, and support from a broad range of Americans. To this end, the Consumer Bureau is building direct pipelines between itself and the public, within the rulemaking context and more generally. We view our website—www.consumerfinance.gov—as our front door to the world and we are employing technology that enables consumers to talk about their struggles with financial issues. The "Tell Your Story" function on our website is one such feature.[30] And we also are aggressively soliciting public input to assess and improve our ideas, even before we issue proposed rules. Our "Know Before You Owe" mortgage project, for example, has encompassed not only qualitative testing of various iterations of draft mortgage disclosure forms, but also more than a year of outreach that generated tens of thousands of comments.[31] The Consumer Bureau has engaged small

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[29] Id.

[30] For the "Tell Your Story" interface, see https://help.consumerfinance.gov/app/tellyourstory (visited Sept 15, 2013).

[31] For the "Know Before You Owe" mortgage initiative timeline, see http://www.

business review panels to hear from community banks, credit unions, and other smaller firms about how its proposed rules may affect their businesses. We are also working with Cornell University on a participatory rulemaking experiment through its Regulation Room website. The Regulation Room website aims to solicit and stimulate more interactive input from the public on our proposed mortgage servicing rules.[32] In addition, we regularly hold stakeholder meetings and consult with experts. And, perhaps most importantly, we make sure to get out of Washington for town hall meetings where we ask consumers and businesses what they think and hear their stories. Some of this activity forms part of the formal rulemaking record and some does not, but it all informs the work we are doing. Because the Consumer Bureau's rules are about the daily affairs of average Americans, the people drafting those rules need to understand the issues and challenges that Americans face in their everyday lives. This understanding is needed to make sound and practical decisions about how we can improve lives by ensuring access to credit with essential legal protections.

In sum, the Consumer Bureau's goal is to help make consumer financial products and services work better in the marketplace. This is good not only for consumers, but also for the honest businesses that seek to serve them and for the American economy as a whole. We want people to have peace of mind that the financial world is not booby-trapped with snares and pitfalls that can ruin their lives. We want to make decisions more accessible to people and we want people to be better informed about how to make those decisions. Ultimately, at the Consumer Bureau we share common ground in our belief that the law should be used to improve people's lives. We are striving to do just that, and we invite all of you to work with us to achieve it.

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consumerfinance.gov/knowbeforeyouowe/timeline/ (visited Sept 15, 2013). See also note 16 and accompanying text.

[32] For additional information on the Regulation Room joint venture, see Regulation Room, *About Regulation Room* (Cornell University), online at http://regulationroom.org/about/#.URrFYndhvTo (visited Sept 15, 2013). For the Regulation Room entry regarding the Consumer Bureau's mortgage rules, see Regulation Room, *Home Mortgage Consumer Protection* (Cornell University), online at http://regulationroom.org/mortgage-protection/issue-posts/servicing/ (visited Sept 15, 2013).