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### CFPB Examination Procedures for Student Lenders

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The Consumer Financial Protection Bureau (“CFPB”) has released procedures it will use in examining student lenders. The *Student Lending Examination Procedures*, available [here](#), set forth the CFPB’s examination objectives and provide an outline of the “modules” that examiners will use in six examination areas: (1) Advertising, Marketing, and Lead Generation; (2) Customer Application, Qualification, Loan Origination, and Disbursement; (3) Loan Repayment, Account Maintenance, Payoff Processing, and Payment Plans; (4) Customer Inquiries and Complaints; (5) Collections, Accounts in Default, and Credit Reporting; and (6) Information Sharing and Privacy.

The procedures outline the steps examiners will use to evaluate private student lenders’ compliance with a host of federal consumer financial laws, including the Truth-in-Lending Act, Electronic Funds Transfer Act, Fair Debt Collection Practices Act, Fair Credit Reporting Act, Equal Credit Opportunity Act, and the Gramm-Leach-Bliley Act.

In addition to providing a practical guide for what to expect during an examination, the procedures add additional insight into how the CFPB will evaluate lenders’ interactions with consumers that are not governed by statutory or regulatory provisions, but rather a general prohibition on “unfair, deceptive or abusive” acts or practices set forth in the Consumer Financial Protection Act.

Important aspects of the procedures include a focus on:

- Using accurate, non-discriminatory advertising or marketing, including by third-party lead generators.
- Application, qualification and underwriting practices.
- Making appropriate disclosures.
- Providing borrowers with accurate account information.
- Handling borrower inquiries and complaint.

Publication of the procedures provide lenders and their service providers, including advertisers, marketers, and lead generators, the opportunity to ensure that their practices, policies and procedures are in compliance with federal law before they are scrutinized by the CFPB.

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***Jonathan L. Pompan**, a partner in the Washington, DC office of Venable LLP, co-chairs the firm’s Consumer Financial Protection Bureau Task Force. His practice focuses on providing comprehensive legal advice and regulatory advocacy to a broad spectrum of clients, such as nonbank financial products and services providers, nonprofit organizations, and trade and professional associations, with a particular focus on consumer protection issues, including advertising and marketing.*

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