

United States Senate

WASHINGTON, DC 20510

SUPPORT THE FINANCIAL CONSUMER HOTLINE ACT of 2008

Dear Colleague:

With the regulatory structure of our nation's banks divided among a series of governing bodies, it can be difficult for consumers to identify and contact the appropriate regulator when they have an inquiry or complaint. In an effort to address this situation we plan to introduce the Financial Consumer Hotline Act of 2008. Its purpose is to establish a single, toll-free telephone number consumers can call if they have a question or complaint and want to speak to the bank's regulator, as well as creating a corresponding informational website.

This legislation would direct the Federal Financial Institutions Examination Council (FFIEC), a statutory interagency body empowered to prescribe uniform principles and standards for financial institutions, to set up the toll-free number and website. The Federal Reserve, the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS) are all members of FFIEC. This legislation also directs FFIEC to work with state banking regulators to integrate state regulated banks into the hotline service. The legislation directs the banking agencies to organize the hotline through the existing interagency FFIEC or Council which exists exactly for projects like this. It will not offer any specialized assistance; this will still be left up to the agencies or states.

According to testimony given to the House Committee on Financial Services, in the last 5 years, the FDIC has redirected an average of 54.3% of the telephone complaints its received, and an average of 30% of written ones. This is a very high percentage of the total complaints received, and demonstrates the need for a one stop routing number. Creating this single routing number would assist banking regulators in compiling consumer complaints and inquiries so that better information would be available about problems or issue that cut across the institutions the various agencies supervise. Finally, the establishment of a single, toll-free number could help raise the profile of banking regulators as a consumer resource.

Currently, consumers are baffled by the multiplicity of banking regulators and usually have no idea who regulates their bank and can help them with any issue with their account. Moreover, no one knows these help desks exist or which one to call. This represents a way to encourage people to call and to use the existing resources without having to figure out the confusing web of federal regulation of the banking industry. It has been declared cost free by the CBO.

If you have any questions or would like to cosponsor this legislation, please do not hesitate to contact Daniel Schneiderman at 202-224-6542 or Courtney Geduldig at 202-224-3344.



Sincerely,

