

June 12, 2016

Monica Jackson
Office of the Executive Secretary, Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552.

FederalRegisterComments@cfpb.gov

**Re: Request for Information Regarding Student Loan Borrower Communications
Docket No. CFPB–2016–0018**

Ms. Jackson:

On behalf of the 1.453 million credit union members we represent, the Heartland Credit Union Association (HCUA) appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) request for information (RFI) on communication to student loan borrowers.

HCUA Supports Appropriate Consumer Disclosures

The CFPB is seeking comments related to consumer decision-making when repaying student loans, including the presentation of information about alternative repayment options for federal loans. According to the RFI, the comments will be used by policymakers and market participants when considering potential options to enhance, supplement, or revise written communications to student loan borrowers by servicers, related to repayment options.

HCUA supports appropriate disclosure to consumers of information that is necessary for informed decision-making regarding financial products and services. In addition, HCUA supports efforts intended to empower consumers to understand financial products and services generally, including through financial education and access to financial experts. Financial education is a hallmark of the credit union movement, and credit unions provide such counseling as an integral part of their daily operations. This is crucial to providing the highest quality of service for credit union members, and all lenders and servicers should follow this example.

Further, we appreciate the CFPB's effort, in coordination with the Department of Education, to ensure student loan borrowers are aware of the tools available to them to potentially decrease the likelihood of default on federal student loans. Whether pertaining to payment of student loans, mortgages, life insurance premiums, or any product in between, HCUA and credit unions want credit union members to have the information necessary to make informed decisions.

HCUA Supports Intent of Proposed Borrower Communications

The CFPB has developed a series of potential borrower communications, referred to as the Student Loan Payback Playbook, which outlines multiple disclosures with personalized repayment options, reflecting the borrowers' actual anticipated monthly payment, for borrowers who may be struggling to keep up with their monthly student loan payment or trying to choose among dozens of repayment plans. In the coming months, the Department of Education, in consultation with the CFPB, plans to finalize new disclosures related to repayment options for federal student loans. Since this request addresses communications regarding federal student loans only, its application to credit unions is likely limited. However, we are cognizant that the CFPB and Department of Education's action on federal student loans could influence future activity in the area of private student loans.

We support the proposed requirement that the Playbook convey to borrowers clear, straightforward information in plain language to help them choose a repayment plan that's most appropriate for their financial situation. We also support the proposed requirement that the Playbook provide borrowers with updated information—to the extent possible— about how much longer they will need to make payments in order to pay off the balance of their loan. As proposed, the Playbook would also need to include written communications made to student loan borrowers using personalized information tailored to reflect a borrower's specific circumstances, such as salary level or repayment status, to show what his or her payments will be under different repayment plans, including the number of payments over the life of the loan, monthly payment amounts, and whether their payments will change over time. We see the potential value in disclosing such borrower-specific information to the consumer. Often times, disclosure of information in very broad or generic terms can be less effective at helping a consumer understand his or her particular financial situation. However, providing detailed consumer-specific information on a large scale can create major operational challenges and costs to a lender or servicer. Therefore, we urge the CFPB to seek an appropriate balance between a disclosure that is wholly specific to an individual borrower and one that is completely generic. In regard to the proposed Playbook, the CFPB should work directly with federal student loan servicers to ensure such a balance is achieved.

While the proposed Playbook appears to include only that information that will be useful to the borrower, we encourage the CFPB to be mindful that the greater the length and/or detail of a disclosure, the more likely it could unintentionally result in greater confusion and mental fatigue by the consumer, ultimately making such disclosure less effective.

As always, we appreciate the opportunity to review this issue. We will be happy to respond to any questions regarding these comments.

Sincerely,



Brad Douglas
President/CEO