UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Division of Financial Practices

February 8, 2016

Patrice Alexander Ficklin, Assistant Director
Fair Lending & Equal Opportunity
Consumer Financial Protection Bureau
1700 G Street, N.W.
Washington, D.C. 20552

Dear Ms. Ficklin:

This letter responds to your request for information concerning the Federal Trade Commission's (Commission or FTC) enforcement activities related to compliance with Regulation B (Equal Credit Opportunity Act, or ECOA).[1] You request this information for use in preparing the Consumer Financial Protection Bureau's (CFPB) 2015 Annual Report to Congress. Specifically, you ask for information concerning the FTC's activities with respect to Regulation B during 2015. We are pleased to provide the requested information below.[2]

I. FTC Role in Administering and Enforcing Regulation B

The Dodd-Frank Act, signed into law on July 21, 2010, substantially restructured the financial services law enforcement and regulatory system. Among other things, the Act made important changes to the ECOA, and other consumer laws, such as giving the CFPB rulemaking and enforcement authority for the ECOA. Under the Act, the FTC retained its authority to enforce the ECOA and Regulation B. In addition, the Act gave the Commission the authority to enforce any CFPB rules applicable to entities within the FTC's jurisdiction, which include most providers of financial services that are not banks, thrifts, or federal credit unions.

B is at 12 C.F.R. Part 202.

[2] A copy of this letter is being provided to the Board's Division of Consumer and Community Affairs, in connection with its responsibility for some aspects of the Regulations after the transfer date of July 21, 2011. Among other things, the Board retained responsibility for implementing Regulation B with respect to certain motor vehicle dealers, under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act or Act), Pub. L. 111-203, 124 Stat. 1376 (July 21, 2010). *See, e.g.*, Dodd-Frank Act, § 1029 and Subtitle H.

[3] The FTC has authority to enforce ECOA and Regulation B as to entities for which Congress has not committed enforcement to some other government agency. *See* 15 U.S.C. § 1691c(c).

January 2012 and reauthorized in 2015, and consistent with the Dodd-Frank Act, the Commission has been coordinating certain law enforcement, rulemaking, and other activities with the CFPB.[4]

II. Regulation B (ECOA)

In 2015, the FTC engaged in research and policy development related to the ECOA. Further, the Commission provided the public with numerous business and consumer education materials to promote business compliance with the law and to help consumers protect themselves from noncompliant businesses. This letter provides information regarding some of the FTC's research and policy development and educational initiatives.[5]

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The FTC also hosted a public workshop to explore the growing use of online lead generation in various industries, including lending and education.[8] Lead generation is the practice of identifying or cultivating consumer interest in a product or service, and selling this information to third parties. The workshop brought together a variety of stakeholders, including industry representatives, consumer advocates, and government regulators. The participants explored consumer protection issues raised by the practices of the lead generation industry, and what consumers and businesses should know and do to address them, including how online lead generation works, why types of lead generation conduct may be unlawful under the FTC Act's prohibition against unfair or deceptive practices, best practices for entities, and how consumers can avoid unlawful conduct. Among other things, some panelists discussed that when firms can and do sell information, they collect more information, deny more applicants, and mortgage denial rates increase; however, consumers who qualify for mortgages benefit from lower rates.