A Critique of the CFPB Proposed Rule: Companies That Use Arbitration Agreements Do Not Pose Any Greater Risks to Consumers Than Those That Do Not

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A Critique of the CFPB Proposed Rule: Companies That Use Arbitration Agreements Do Not Pose Any Greater Risks to Consumers Than Those That Do Not

Nam D. Pham, Ph.D. and Mary Donovan[1]

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Highlights

In January 2023, the Consumer Financial Protection Bureau (CFPB or "the Bureau") proposed a rule to conduct what it described as a risk-based supervision program that would increase scrutiny of and enforcement attention to nonbank financial services companies over which it has jurisdiction. In its proposed rule, the CFPB uses examples and anecdotes to state that financial service providers' use of certain terms and conditions in their consumer contracts, including arbitration agreements, poses heightened risks to consumers. The Bureau's inclusion of arbitration agreements in its targeted list of contract terms thus rests on its claim that arbitration agreements create consumer risk.

In this study, we analyze and, ultimately, refute a primary premise used by the CFPB to justify the proposed rule: the agency's assertion that the use of arbitration agreements equates to consumer risk. In the proposed rule, the Bureau points to consumer complaints and its enforcement actions as relevant measures of risk. So, for the purpose of this analysis, we use the CFPB's own data—its consumer complaint database, list of enforcement actions, and estimates of companies using arbitration agreements—to analyze whether there is a correlation between companies using arbitration agreements and companies with consumer complaints or subject to CFPB enforcement actions. Our findings show no correlation between companies using arbitration agreements and consumer complaints. Similarly, there is no evidence of a relationship between companies using arbitration agreements and the CFPB's enforcement actions. These findings hold true when examining the relationship between companies designating as administrators the American Arbitration Association (AAA) and Judicial Arbitration and Mediation Services (JAMS), two of the largest arbitration service providers, and the CFPB's enforcement actions or consumer complaints to the CFPB. All of these findings squarely contradict the Bureau's contention that the use of arbitration to resolve disputes somehow creates risks for consumers.

In particular, our statistical analysis shows that:

1. **There is no relationship between the use of arbitration agreements and consumer complaints in the CFPB database.** During 2018-22, the correlation coefficient between the intensity of consumer complaints and the intensity of use of arbitration agreements across financial products in

[1] Nam D. Pham, Ph.D. is Managing Partner and Mary Donovan is Principal at ndp | analytics. Stephanie Barello and Ilma Fadhil provided research assistance. The U.S. Chamber of Commerce provided financial support to conduct this study. The opinions and views expressed in this report are solely those of the authors.

the CFPB's complaint database was 0.12.[2] This statistical result demonstrates that there was **no correlation** between the use of arbitration agreements and consumer complaints.[3] Since these two factors are independent of each other, there is no linkage between the use of arbitration agreements and consumer risk.

2. **There is no relationship between the use of arbitration agreements and CFPB enforcement actions.** During 2018-22, the correlation coefficient between the CFPB enforcement intensity and the arbitration agreement intensity across financial products related to enforcement actions was 0.22. This statistical result demonstrates that there was **no correlation** between the use of arbitration agreements and CFPB enforcement. Because these two factors are independent of each other, there is no linkage between the use of arbitration agreements and consumer risk.

3. **Among companies designating the AAA and JAMS, two of the largest arbitration service providers, as the administrator for consumer arbitrations, few had consumer complaints in the CFPB database or were subject to CFPB enforcement actions.** During 2018-22, only 9% of companies using the AAA and JAMS to resolve consumer disputes also had consumer complaints submitted to the CFPB. Only 1% of companies using either the AAA or JAMS for arbitration were subject to CFPB enforcement actions during the same period. These statistical results demonstrate that arbitration and consumer complaints as well as enforcement actions are independent of each other. Again, there is no linkage between the use of arbitration agreements and consumer risk.

The CFPB's own data does not support its claims that arbitration poses heightened risks to consumers. There is no correlation between a company's use of arbitration agreements and the number of consumer complaints or the number of CFPB enforcement actions it experiences. Moreover, and contrary to the Bureau's claims, studies have shown that arbitration benefits consumers. In fact, as shown in our earlier research, consumer arbitration is fairer, faster, and better than court litigation.[4]

Background

In January 2023, the Consumer Financial Protection Bureau issued its proposed rule, "Registry of Supervised Nonbanks That Use Form Contracts to Impose Terms and Conditions That Seek to Waive or Limit Consumer Legal Protections." The Bureau proposes to conduct what it describes as a risk-based supervision program that would increase scrutiny of and enforcement attention to certain nonbank financial services companies over which it has jurisdiction. As justification for this program, the CFPB uses examples and anecdotes in an attempt to support its primary premise that certain provisions included in financial service providers' terms and conditions, including arbitration agreements, pose risks to consumers. The Bureau claims businesses use form contracts to impose terms and conditions that seek to waive consumer legal protections, to limit how consumers enforce their rights, or to forbid consumers from posting complaints and negative reviews.

[2] The CFPB identifies product categories and subcategories associated with each claim in the CFPB complaint database. The complaint intensity is the number of companies with complaints as a percentage of all companies in the related product category; the arbitration agreement intensity is the share of companies in a product category with arbitration agreements.

[3] In statistics, the value of a correlation coefficient between -0.5 and 0.5 indicates a weak or no correlation.

[4] *See* Pham, Nam Ph.D. and Mary Donovan. 2022. "Fairer, Faster, Better III: An Empirical Assessment of Consumer and Employment Arbitration." ndp analytics.

In this way, the Bureau claims arbitration agreements and other contractual provisions create consumer risk. As a result, the CFPB proposes to require supervised nonbanks to register their contracts, including specified terms and conditions, every year in a new CFPB system.[5] The rule would apply to nonbanks in markets such as mortgage lending, payday lending, private student lending, consumer reporting, consumer debt collection, student loan servicing, international money transfers, and auto lending.

In the proposed rule, arbitration agreements are one of the contractual provisions that the CFPB asserts create increased consumer risk. To analyze the Bureau's claims and assumptions with respect to arbitration agreements, we use its own datasets and analysis to assess arbitration agreements and consumer risk. Specifically, we use the CFPB's consumer complaint database, its list of enforcement actions, and estimates of the percentage of companies that use arbitration agreements in different industries as published in the Federal Register.[6] The consumer complaint database includes data on consumer complaints submitted to the CFPB against financial services companies in a variety of industries, including those with high and low percentages of companies using arbitration agreements. The CFPB enforcement action list includes companies against which the CFPB took enforcement action(s); these companies are also in industries with both high and low percentages of companies using arbitration agreements. The CFPB's estimates of total companies offering consumer financial products and the share of companies using arbitration agreements by industry were published in the Federal Register in 2016 in its assessment of a separate proposed rule on arbitration agreements.[7] In addition, we use data on companies using the AAA and JAMS, two of the largest arbitration service providers, for arbitration of consumer disputes.[8]

Quantitative Analysis

Based on the CFPB's own data, we found no evidence to support its claims and assumptions that the use of arbitration agreements creates risks to consumers. Contrary to the unsupported assertions in the CFPB's proposed rule, our findings show no relationship between the use of arbitration agreements and consumer complaints. We also found no relationship between the use of arbitration agreements and CFPB enforcement actions. Furthermore, we found companies that use arbitration to resolve consumer disputes have similar rates of consumer complaints and CFPB enforcement actions to those that do not. The vast majority of companies that use arbitration do not have consumer complaints filed with the CFPB, nor have they been subject to CFPB enforcement actions.

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[5] Federal Register. Registry of Supervised Nonbanks that Use Form Contracts to Impose Terms and Conditions that Seek to Waive or Limit Consumer Legal Protections. https://www.federalregister.gov/documents/2023/02/01/2023-00704/registry-of-supervised-nonbanks-that-use-form-contracts-to-impose-terms-and-conditions-that-seek-to

[6] CFPB. Consumer Complaint Database. https://www.consumerfinance.gov/data-research/consumer-complaints/ (accessed February 2023); CFPB. Enforcement Actions. https://www.consumerfinance.gov/enforcement/actions/ (accessed February 2023); CFPB. "Arbitration Agreements." 12 CFR Part 1040. Docket No. CFPB-2016-0020. Federal Register, Vol. 81, No. 100 (pp 32918), May 24, 2016, Proposed Rules.

[7] Consumer Financial Protection Bureau. "Arbitration Agreements." 12 CFR Part 1040. Docket No. CFPB-2016-0020. Federal Register, Vol. 81, No. 100, May 24, 2016, Proposed Rules.

[8] American Arbitration Association. Consumer and Employment Arbitration Statistics. https://www.adr.org/consumer (accessed February 2023), and Judicial Arbitration and Mediation Services. Consumer Case Information. https://www.jamsadr.com/consumercases/ (accessed February 2023).

Arbitration and Consumer Complaints

To analyze the relationship between the use of arbitration and consumer complaints, we calculated the consumer complaint intensity for consumer financial products in the CFPB complaint database (companies with complaints as a percentage of companies in the industry). We used the CFPB estimates of the percentage of companies using arbitration (arbitration agreement intensity) in key industries that offer these products.[9] We calculated the correlation coefficient between the two indicators. We also examined an alternative measure of consumer complaint intensity by calculating the share of complaints by the number of consumers using each type of product.

Consumer complaint intensities vary by consumer financial product.

In its complaint database, the CFPB classifies consumer complaints by product. We used this database to identify the CFPB products that can be mapped directly to industries with high and low use of arbitration agreements, as estimated by the CFPB.[10] We then calculated the number of companies with complaints by product in each industry. Our analyses include over 4,900 companies with complaints across 44 products from 2018 to 2022. To calculate the consumer complaint intensity, we divided the number of companies with complaints for each product by the number of companies in the corresponding industry. We used the CFPB's estimates of the number of companies offering consumer financial products by industry to be consistent with its estimates of the percentage of companies using arbitration agreements in those industries. (Appendix 1)

During 2018-22, the distribution of consumer complaint intensities was as follows: 10 products had consumer complaint intensities under 0.5%; 9 products were between 0.5% and 1%; 13 products were between 1% and 3%; 3 products were between 3% and 5%; 3 products were between 5% and 10%; and 6 products were above 10%. (Table 1)

[9] See Appendix 1 for more detail. The industries where CFPB estimated the share of companies with arbitration that are included in our analysis are: Collection Agencies; Commercial Banking; Consumer Lending; Credit Card Issuing; Financial Transactions Processing, Reserve, and Clearinghouse Activities; Mortgage and Nonmortgage Brokers; Other Activities Related to Credit Intermediation; Sales Financing and Truck, Utility Trailer, and RV Rental and Leasing; All Other Nondepository Credit Intermediation; All Other Professional, Scientific, and Technical Services.

[10] *See* Appendix 1 for CFPB industry estimates.

Table 1.

Consumer Complaint Intensity by Financial Product, 2018-22

<0.5%	0.5%-1.0%	1.0%-3.0%
• Foreign currency exchange • Gift cards • Government benefit cards • Money orders • Pawn loans • Payroll cards • Refund checks • Student prepaid cards • Traveler's checks • Vehicle title loans	• Certificate of deposit (CD) • Check cashing services • Debt settlements • Federal student loans servicing • General prepaid cards • Saving accounts • Title loan (ex. vehicle) • Vehicle lease • Virtual currency	• Checking accounts • Fed. student loan debt collection • Int'l money transfers • Home equity loans/HELOC • Installment loans • Mobile and digital wallets • Other banking products • Payday loans • Personal line of credit • Private student loans • US money transfer • VA mortgage • Vehicle loan
3.0%-5.0%	**5.0%-10.0%**	**>10%**
• FHA mortgages • Other mortgages • Private student loan debt collection	• Auto debt collection • Conventional mortgage • Payday loan debt collection	• Credit or charge cards • Credit card debt collection • Credit repair services • Medical debt collection • Other debt collection • Store credit cards

The median complaint intensity is similar for industries with high and low use of arbitration agreements.

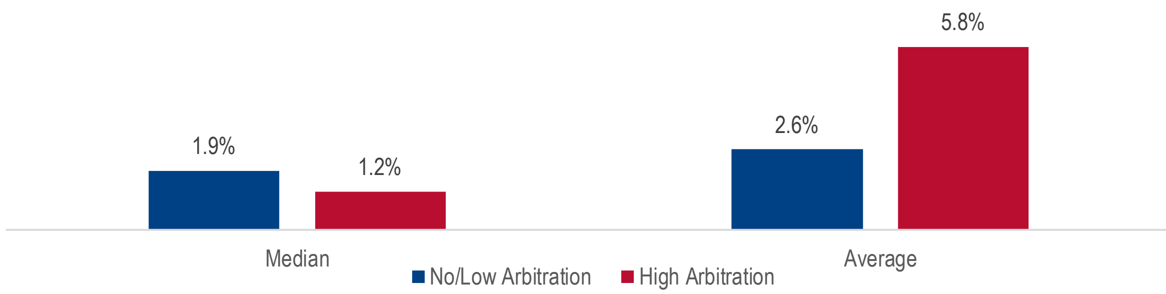
We used the CFPB's estimates of the use of arbitration to assign the arbitration agreement intensity to each financial product in the CFPB complaint database.[11] We then categorized these products into two groups: no/low arbitration and high arbitration. The No/Low Arbitration Group includes products with arbitration agreement intensities of 20% and lower. This group contains 10 products related to mortgages, checking and savings accounts, and federal student loan servicing. The High Arbitration Group includes products with arbitration agreement intensities over 20%. This group has 34 products, including auto loans, credit cards, debt collection, and other products. (Appendix 2)

During 2018-22, the median consumer complaint intensity in the No/Low Arbitration Group was greater than the High Arbitration Group, 1.9% compared to 1.2%, respectively. However, the average consumer complaint intensity in the No/Low Arbitration Group was lower than the High Arbitration Group, 2.6% compared to 5.8%, respectively.[12] (Figure 1)

[11] See Appendix 1 for CFPB industry estimates.

[12] The average consumer complaint intensity of the High Arbitration Group reflects a high consumer complaint intensity in credit card products.

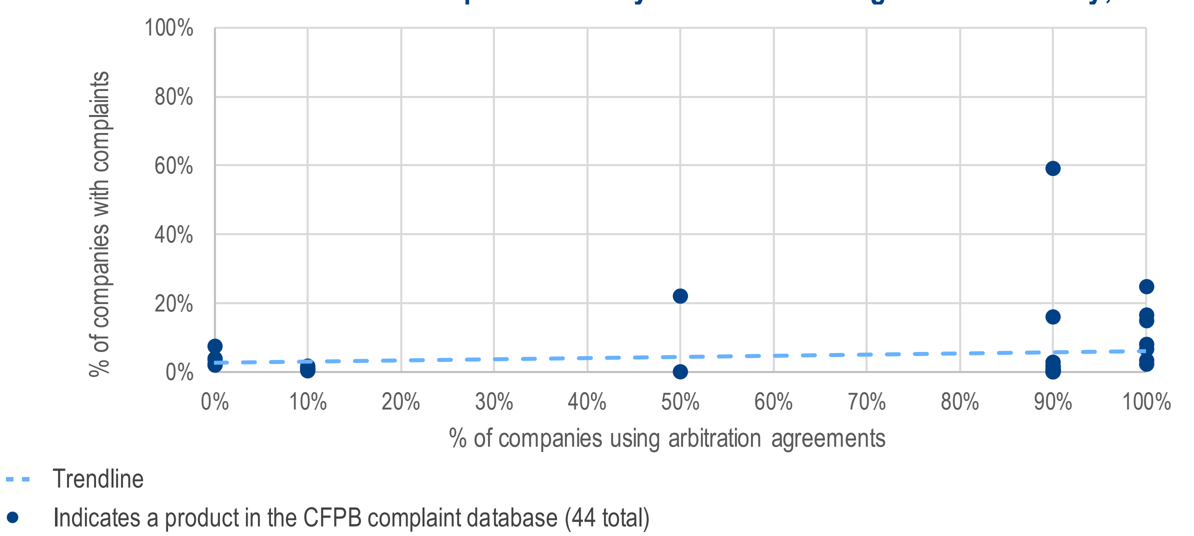
Figure 1.
Median and Average Consumer Complaint Intensity by Group, 2018-22



There is no relationship between consumer complaint intensity and arbitration agreement intensity.

We found no correlation between the consumer complaint intensity and the arbitration agreement intensity across 44 financial products during 2018-22. During 2018-22, the correlation coefficient between the consumer complaint intensity and the arbitration agreements intensity was 0.12, demonstrating no correlation between consumer complaints and arbitration agreements.[13] Using the CFPB's data, our analysis proves that the CFPB's claim that the use of arbitration agreements causes consumer risks is unfounded. (Figure 2)

Figure 2.
Correlation Between Consumer Complaint Intensity and Arbitration Agreement Intensity, 2018-22



[13] In statistics, the value of a correlation coefficient between -0.5 and 0.5 indicates a weak or no correlation between the two factors. *See* Peck, Roxy, Chris Olsen, and Jay Devore. 2008. *Introduction to Statistics and Data Analysis*. Third Edition, Thomson Brooks/Cole.

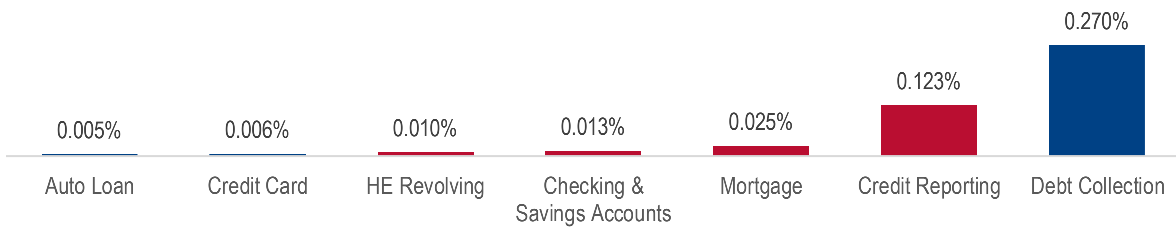
An alternative measure: consumer complaint intensity by consumer accounts.

Our analysis above defines consumer complaint intensity as shares of companies with consumer complaints in each product compared to the total number of companies in the industry. Since this approach treats all companies equally, it does not necessarily reflect the volume of complaints within each category; it only accounts for the number of companies with complaints. For example, if a company has one complaint or one thousand complaints, they count the same in the company-level complaint intensity metric. So, we constructed an alternative measurement that accounts for the volume of complaints. Here, the consumer complaint intensity is calculated as the share of consumer complaints in each product compared to the total number of consumer accounts of each product.

The number of complaints relative to the number of Americans with accounts is minimal. On the lower bound, the consumer complaint intensity for auto loans and credit cards is less than 0.01% during 2018-22. Both of these industries have high arbitration agreement intensities. On the upper bound, credit reporting (low arbitration agreement intensity) and debt collections (high arbitration agreement intensity) have consumer complaint intensities of 0.12% and 0.27%, respectively. Similar to the company-level analysis, there is no relationship between arbitration and consumer complaint intensities. During 2018-22, the consumer complaint intensities of both auto loans and credit cards—financial products having high use of arbitration agreements—were lower than those of home mortgages and credit reporting agencies, two financial products with a low use of arbitration agreements. (Figure 3)

Figure 3.

Comparisons of Consumer Complaints as a Share of Consumer Accounts, 2018-22



Red bars are products offered by industries with low arbitration agreement rates.
Blue bars are products offered by industries with high arbitration agreement rates.

Arbitration Agreements and CFPB Enforcement Actions

To analyze the relationship between the use of arbitration and the CFPB's enforcement actions, we repeated the same approach as we did with consumer complaints. We calculated the enforcement action intensity (companies with CFPB enforcement actions as a percentage of total companies in the industry), we identified industries with high and low arbitration agreement intensities, and we calculated the correlation coefficient between these two factors.

During 2018-22, the CFPB initiated 119 enforcement actions against 151 companies. The enforcement actions cover financial products, including those offered by industries with high arbitration agreement intensity (such as debt collection, debt relief, loan servicing, prepaid cards, and credit cards) as well as those with low arbitration agreement intensity (such as mortgages and deposits).

Enforcement action intensities vary by product.

In its enforcement action list, the CFPB classifies its actions by product. We used this list to identify the products that map directly to industries with high and low use of arbitration agreements estimated by the CFPB.[14] Our analysis includes 18 products identified by the CFPB in its enforcement actions from 2018 to 2022. We used the CFPB's list of enforcement actions to determine the number of companies subject to CFPB actions by product. To calculate the enforcement action intensity, we divided the number of companies with actions in each product category by the number of companies in the related industry. As in our analysis of consumer complaints, we used the CFPB's estimates of the number of companies to calculate this indicator.

During 2018-22, the distribution of enforcement action intensities was: 3 products had enforcement action intensities under 0.01%; 6 products were between 0.01% and 0.025%; 5 products were between 0.025% and 0.05%; and 4 products were above 0.05%. (Table 2)

Table 2.
Enforcement Action Intensity by Financial Product, 2018-22

<0.01%	0.01%-0.025%	0.025%-0.05%	>0.05%
• Prepaid cards • Student loan origination • Other consumer products (not lending)	• Auto finance servicing • Credit reporting – user • Deposits • Mortgage servicing • Payments • Student loan servicing	• Consumer reporting agencies • Debt relief • Remittances • Short term, small dollar • Other consumer lending	• Credit cards • Credit repair • Debt collection • Mortgage origination

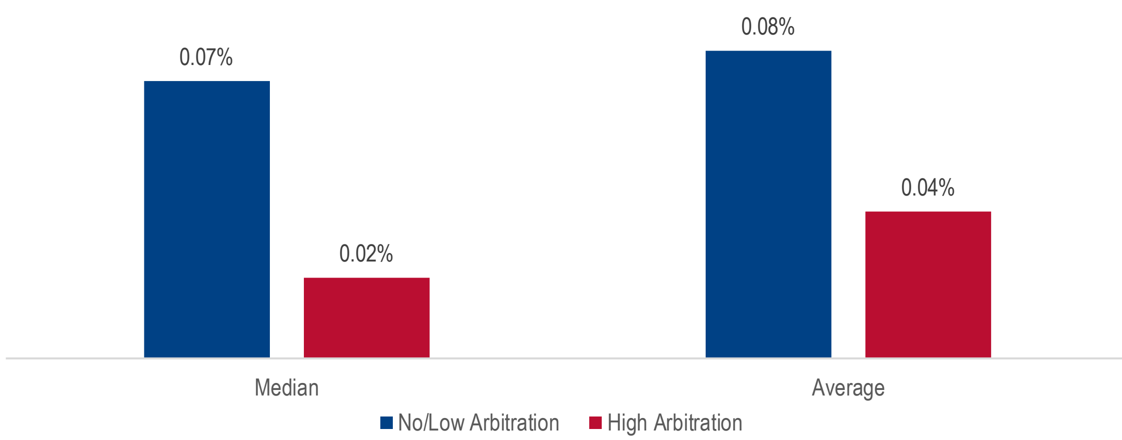
[14] See Appendix 1 for CFPB industry estimates.

The enforcement action intensity is similar for industries with high and low use of arbitration agreements.

Like our consumer complaint analysis, we categorized the 18 products into two groups based on arbitration agreement intensities. The No/Low Arbitration Group (arbitration agreement intensities of 20% and lower) includes 6 products related to mortgages, credit reporting agencies, deposits, and student loan servicing. The High Arbitration Group (arbitration agreement intensities over 20%) has 12 products, including auto loans, credit cards, debt collection, and other products. (Appendix 3)

Enforcement actions are rare regardless of the arbitration agreement intensity. During 2018-22, the median enforcement action intensity in the No/Low Arbitration Group was greater than the High Arbitration Group, 0.07% and 0.02%, respectively. The average enforcement action intensity in the No/Low Arbitration Group was also greater than the High Arbitration Group, 0.08% and 0.04%, respectively. (Figure 4)

Figure 4.
Median and Average Enforcement Action Intensity by Group, 2018-22



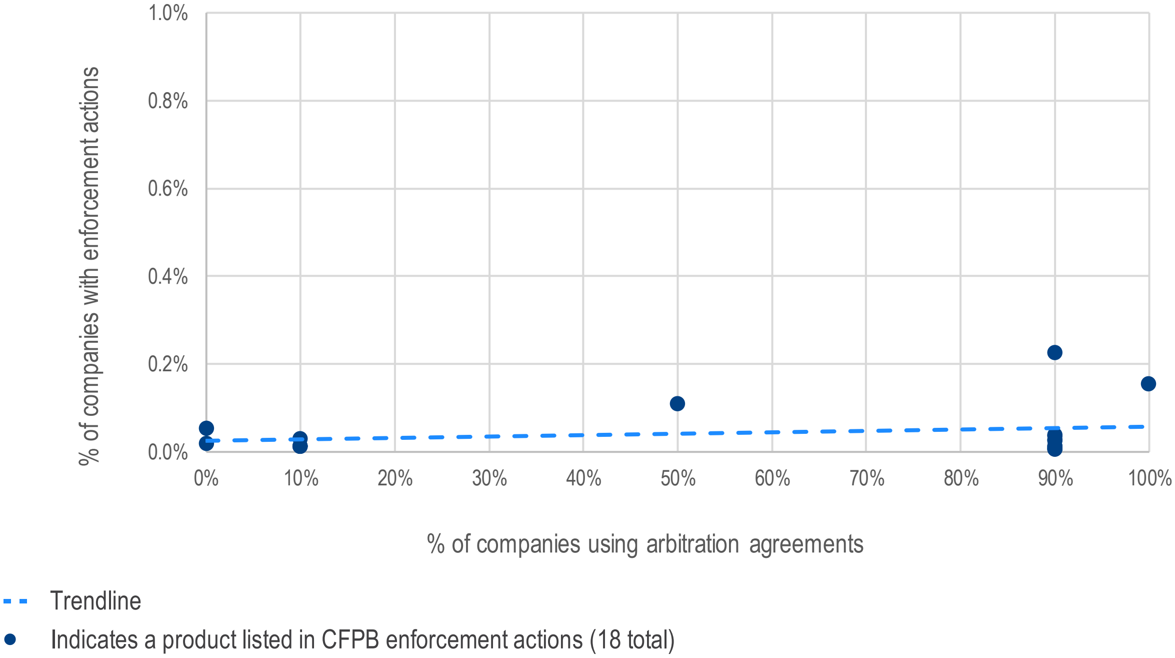
There is no relationship between enforcement actions and arbitration agreement intensity.

We found no correlation between the CFPB enforcement intensity and the arbitration agreement intensity of 18 financial products. During 2018-22, the correlation coefficient between the CFPB enforcement and arbitration agreement intensities was 0.22, indicating no correlation between these two indicators.[15] Using the CFPB's data, our statistical results show that the CFPB's claim that the use of arbitration agreements is correlated with consumer risk is unfounded. (Figure 5)

[15] In statistics, the value of a correlation coefficient between -0.5 and 0.5 indicates a weak or no correlation between the two factors.

Figure 5.

Correlation Between Enforcement Intensity and Arbitration Agreement Intensity, 2018-22



AAA and JAMS Arbitrations, Consumer Complaints, and CFPB Enforcement Actions

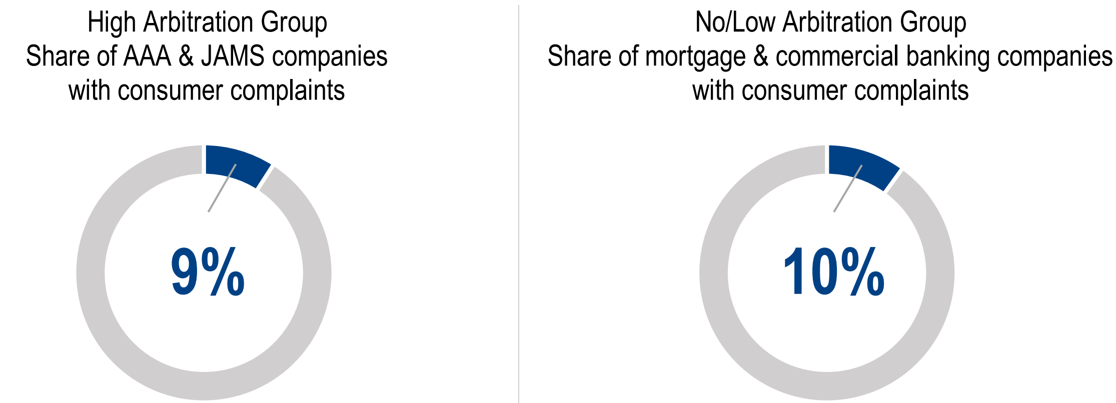
Of the companies that provide for arbitration of consumer complaints through two of the largest arbitration service providers, only a small share had consumer complaints or was subject to a CFPB enforcement action. To examine the relationship between arbitration and consumer complaints and CFPB enforcement actions, we created a dataset of companies that arbitrate consumer disputes using the American Arbitration Association (AAA) and the Judicial Arbitration and Mediation Services (JAMS). The dataset includes 3,686 companies in financial services, real estate, car sales/lease, and debt collection that used arbitration to resolve disputes from 2018-22 as well as companies that registered with the AAA.

Consumer complaint intensities are similar between the two arbitration groups.

During 2018-22, only 348 out of 3,686 companies (9%) also had consumer complaints filed with the CFPB. In other words, 91% of companies that used arbitration or registered with one of the two largest arbitration service providers had no complaints filed against them.

For comparison, we calculated the share of companies in the No/Low Arbitration group (mortgage and commercial banking companies) who had consumer complaints in the CFPB database during 2018-22. Among 20,310 mortgage and commercial banking companies, 1,968 had consumer complaints filed with the CFPB (10%). The fact that the share of companies with consumer complaints is similar in both groups provides another data point demonstrating no linkage between arbitration and consumer risk. (Figure 6)

Figure 6.
Companies with Complaints in the CFPB Database, 2018-22

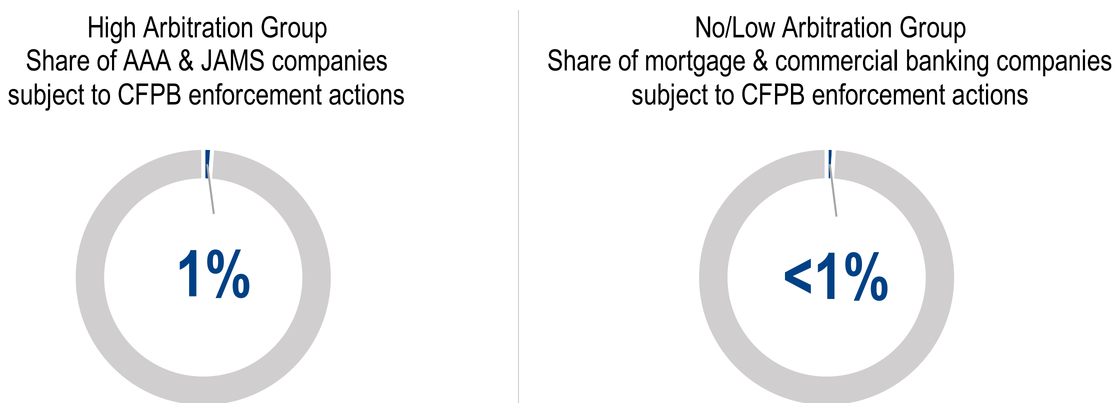


Enforcement action intensities are similar between the two arbitration groups.

Among 3,686 companies that used arbitration to resolve disputes or registered with the two aforementioned arbitration service providers during 2018-22, only 41 companies were subject to a CFPB enforcement action (1%). In other words, 99% of these companies had no enforcement action against them.

Again, we compared our findings with companies in the No/Low Arbitration group (mortgage and commercial banking companies) subject to CFPB enforcement actions. During the same period, 26 of 20,310 mortgage and banking companies had enforcement actions (less than 1%). Since the share of companies with enforcement actions in both groups is similar, there is no linkage between arbitration and consumer risk. (Figure 7)

Figure 7.
Companies with CFPB Enforcement Actions, 2018-22



Conclusion

The CFPB's claim that the use of arbitration to resolve disputes creates risks for consumers is unfounded. For the purpose of examining the Bureau's claims with respect to arbitration agreements, we used its own data and assumptions to analyze the relationship between companies using arbitration agreements and companies with consumer complaints filed with the CFPB and those subject to a CFPB enforcement action. We found no correlation between the use of arbitration agreements and consumer complaints. Similarly, we found no correlation between the use of arbitration agreements and those subject to a CFPB enforcement action. When we compared companies arbitrating consumer disputes through the AAA or JAMS, two of the largest arbitration service providers, to companies with no/low arbitration, we found no differences in the share of companies with consumer complaints and those subject to a CFPB enforcement action. Contrary to the CFPB's claims and assumptions, arbitration agreements are not synonymous with consumer risk. Moreover, our previous studies on consumer arbitration have found that arbitration benefits consumers. Arbitration is fairer, faster, and better than court litigation.[16]

[16] *See* Pham, Nam Ph.D. and Mary Donovan. 2022. "Fairer, Faster, Better III: An Empirical Assessment of Consumer and Employment Arbitration." ndp analytics.

Appendix 1. Arbitration Agreement Intensities

The table below shows the CFPB's 2016 estimates of the percentage of companies using arbitration agreements by industry.[17] Our analysis for 2018-22 modified the CFPB's 2016 estimates for two industries. In 2016, the CFPB estimated up to 20% of credit card companies and pawn shops used arbitration agreements. Since these industries have subsequently increased their use of arbitration agreements, we raised both from low to high intensity use of arbitration agreements for our 2018-22 analysis.

Arbitration Agreement Intensity Identified by CFPB in 2016 and Our Modifications for 2022

	2016 CFPB Estimates	2016 Grouping	2022 Grouping
Collection Agencies: Debt Collectors	100%	High	High
Commercial Banking: Depository Institutions, Student Loan Servicing	0-20%	No/Low	No/Low
Consumer Lending: P2P Lending, Private Student Loan Issuance, Third Party Payment Processing, Consumer Lending	80-100%	High	High
Credit Bureaus and Direct Property and Casualty Insurance Carriers: Credit Reporting Agencies, Credit Monitoring	0-20%	No/Low	No/Low
Credit Card Issuing: Credit Cards, Consumer Lending	0-20%	No/Low	High
Financial Transactions Processing, Reserve, and Clearinghouse Activities: Money Transmitters, Remittances, Prepaid Cards, Payment Processing/Transfers, ACH Systems, Third Party Financial Service Providers, Mobile Payments	20-50%	High	High
Other Activities Related to Credit Intermediation: Payday Loans, Refund Anticipation Checks, Deposit Advances, Servicing (nonmortgage), Virtual Currency, Money Orders, Traveler's Checks, Mobile Wallets, Debt Settlement/Relief, Marketplace Loans, Payment Advance	80-100%	High	High
Sales Financing and Truck, Utility Trailer, and RV Rental and Leasing: Installment Lending, Auto/Truck/Boat/RV Finance, Auto Title Lending	80-100%	High	High
Mortgage and Nonmortgage Brokers: Conventional, FHA, and VA mortgages, and HELOC	0-20%	No/Low	No/Low
All Other Professional, Scientific, and Technical Services: Credit Counseling	50-80%	High	High
All Other Nondepository Credit Intermediation: Pawn Shops, Other Personal Loans	0-20%	No/Low	High

1/ The CFPB estimated 7,007 entities classified as mortgage and nonmortgage brokers in 2016. The CFPB in 2016 stated arbitration agreements were not prevalent in the consumer mortgage market.

[17] Consumer Financial Protection Bureau. "Arbitration Agreements." 12 CFR Part 1040. Docket No. CFPB-2016-0020. Federal Register, Vol. 81, No. 100, May 24, 2016, Proposed Rules. The CFPB briefly describes its methodology in its report: "*The Bureau first attempted to estimate the number of firms in each market-NAICS combination by using administrative data […] When administrative data was not available, the Bureau attempted to estimate the numbers using public sources, including the Bureau's previous rulemakings and impact analyses. When neither administrative nor other public data was available, the Bureau used the Census's NAICS numbers.*"

Appendix 2. Product Groupings for Consumer Complaints

Low/No Arbitration Group Arbitration Agreement Intensity 20% or Lower	High Arbitration Group Arbitration Agreement Intensity Over 20%
1. Certificates of deposit (CD)	1. Auto debt collection
2. Checking accounts	2. Check cashing services
3. Conventional mortgages	3. Credit cards or charge cards
4. Home equity loans/HELOC	4. Credit card debt collection
5. Federal student loans servicing	5. Credit repair services
6. FHA mortgages	6. Debt settlements
7. Saving accounts	7. Fed. student loan debt collection
8. VA mortgage	8. Foreign currency exchange
9. Other mortgages	9. General purpose prepaid cards
10. Other banking products	10. Gift cards
	11. Government benefit cards
	12. Installment loans
	13. Int'l money transfers
	14. Medical debt collection
	15. Mobile and digital wallets
	16. Money orders
	17. Pawn loans
	18. Payday loans
	19. Payday loan debt collection
	20. Payroll cards
	21. Personal line of credit
	22. Private student loans
	23. Private student loan debt collection
	24. Refund checks
	25. Student prepaid cards
	26. Store credit cards
	27. Title loan (ex. vehicle)
	28. Traveler's checks
	29. US money transfer
	30. Vehicle lease
	31. Vehicle loan
	32. Vehicle title loans
	33. Virtual currency
	34. Other debt collection

Appendix 3. Product Groupings with CFPB Enforcement Actions

No/Low Arbitration Group Arbitration Agreement Intensity 20% or Lower	High Arbitration Group Arbitration Agreement Intensity Over 20%
1. Consumer reporting agencies 2. Credit reporting - user 3. Deposits 4. Mortgage servicing 5. Mortgage origination 6. Student loan servicing	1. Auto finance servicing 2. Credit cards 3. Credit repair 4. Debt collection (excluding mortgage) 5. Debt relief (excluding mortgage) 6. Payments 7. Prepaid 8. Remittances 9. Short term, small dollar 10. Student loan origination 11. Other consumer lending 12. Other consumer products (not lending)