

**Congress of the United States**  
Washington, DC 20510

February 21, 2020

Mr. Peter Potochney  
Acting Assistant Secretary of Defense for Sustainment  
3500 Defense Pentagon  
Washington, DC 20301-3500

Dear Mr. Potochney:

The National Defense Authorization Act (NDAA) for Fiscal Year 2020 mandates the Department of Defense (DoD) establish and make available for servicemembers and their families a public complaint database on military housing.<sup>1</sup>

This requirement was included in the NDAA as a package of amendments taken from a comprehensive oversight and reform bill we introduced to address reports of shameful conditions at privatized military housing facilities nationwide.<sup>2</sup> After these reports became public, an investigation by Senator Warren revealed that private military housing providers did not have accessible or centralized records of complaints, making any comprehensive assessment and oversight of their performance difficult and complicated.<sup>3</sup>

The military housing complaint database was designed to ensure accountability for housing contractors and provide military families with a “right to know” about the quality of their housing and the records of the companies that run the housing facilities where they live. As you implement this requirement and create and launch the database, we ask that you review and use the Consumer Financial Protection Bureau’s (CFPB) Consumer Complaint Database as a model.<sup>4</sup>

Approximately 1.5 million consumer complaints, including more than 100,000 that have been submitted by or on behalf of servicemembers, have been resolved through CFPB’s Consumer Complaint Database, which was established at the end of 2011. The database allows individual consumers who find an unexplained \$10 fee on their credit card bill to ask for the CFPB’s help in getting answers - and maybe some relief - and 97 percent of complaints get an answer from the

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<sup>1</sup>National Defense Authorization Act for Fiscal Year 2020 § 2894a.

<sup>2</sup> Office of Senator Elizabeth Warren, “Provisions from Warren-Haaland Bill to Address Unsafe Military Housing Advance in the Senate,” press release, July 08, 2019, <https://www.warren.senate.gov/newsroom/press-releases/provisions-from-warren-haaland-bill-to-address-unsafe-military-housing-advance-in-the-senate>.

<sup>3</sup> Office of Senator Elizabeth Warren, “Senator Warren Releases Her Investigation of the Pentagon’s Substandard Military Base Housing Program,” press release, May 01, 2019, <https://www.warren.senate.gov/oversight/letters/senator-warren-releases-her-investigation-of-the-pentagons-substandard-military-base-housing-program>.

<sup>4</sup> Consumer Financial Protection Bureau, “Consumer Complaint Database,” <https://www.consumerfinance.gov/data-research/consumer-complaints/>.

relevant financial institution within 15 days.<sup>5</sup> In the eight years the database has existed, it has not only empowered consumers to get substantive responses to problems they face with the financial products they are using, but it has also given the CFPB an almost real-time view into emerging problems in the market so that the agency can act quickly to mitigate them.

In addition, with the consumer's consent, a version of the complaint stripped of identifying data is included in a searchable public database, which creates the right incentives for financial institutions to follow the rules and treat consumers fairly where there is a dispute. Companies use the data to conduct due diligence on potential partners to make sure their customers will not be cheated. Researchers, advocates, and policymakers can track the difficulties consumers face in real time. And most importantly, patterns of complaints allow consumers to make more informed decisions in the financial marketplace.

The CFPB database is a good model for the DoD database because it contains features that satisfy all the requirements set out for the creation of the DoD database. The NDAA mandates that DoD create a public database of complaints that are stripped of personally identifiable information, but include the name of the installation where the housing unit is located, the name of the private military company responsible for the housing unit, and a description of the complaint. Moreover, DoD is required to compel all private military housing providers to "respond in a timely manner to any complaints included in the database that relate to the housing unit."<sup>6</sup> The CFPB database satisfies each of those requirements as it allows public users to easily sort and filter individual complaint data by several categories, including by issue, company and state, creates a space for consumers to provide important and detailed feedback to financial institutions, allows financial institution to submit responses to complaints, and aids the CFPB in presenting reports to Congress and the public on complaint trends.<sup>7</sup>

The CFPB complaint database is a proven and effective tool that has helped consumers, the agency, Congress and the public over the last decade. Like consumers wading through the fine print trying to compare mortgage offers, servicemembers moving to a new installation often only receive information from potential vendors to inform their housing choices and a well-designed, transparent database could help solve the information asymmetry. Recent experience has shown that like financial institutions, private military housing companies are not always as responsive as they should be to customer complaints or feedback. A well designed database, which allows DoD to monitor complaints in real time will create the incentives for the companies to do right by their tenants and give DoD the tools to respond quickly if they do not.

We urge that DoD consult with the CFPB and use it as a model while establishing the new NDAA-required complaint database. We also request that you provide our staff with a briefing on the status of the database and plans for its launch, by no later than April 1, 2020.

Thank you for your attention to this matter.

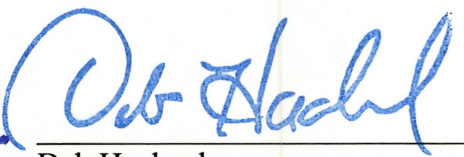
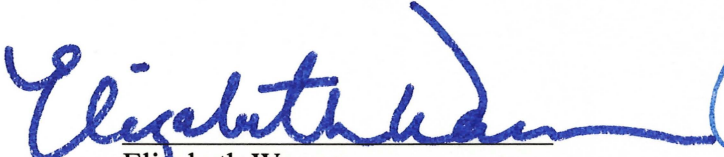
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<sup>5</sup> Consumer Financial Protection Bureau, "Consumer Complaint Database," <https://www.consumerfinance.gov/data-research/consumer-complaints/>.

<sup>6</sup> National Defense Authorization Act for Fiscal Year 2020 § 2894a.

<sup>7</sup> Consumer Financial Protection Bureau, "Consumer Complaint Database," <https://www.consumerfinance.gov/data-research/consumer-complaints/>.

Sincerely,



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Elizabeth Warren  
United States Senator

Deb Haaland  
Member of Congress

cc: Mr. Christopher Johnson  
Assistant Director, Consumer Response  
Consumer Financial Protection Bureau