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provided a consumer-financial product or service and is a “covered person” under the CFPA. 12 U.S.C. § 5481(6)(A), (15)(A)(i) & (x).

FACTUAL BACKGROUND

Threatened and Actual Contacts with Commanding Officers and Representations Regarding Impacts of Delinquency on Servicemembers’ Military Careers

7. On many occasions in telephone and written collection communications with servicemembers, SNAAC collectors have said that they would contact servicemembers’ commanding officers or chains of command (collectively “command”)* about the servicemembers’ debts and delinquencies. In numerous such communications, SNAAC collectors have said that they would inform command that the servicemembers were in violation of the Uniform Code of Military Justice (“UCMJ”), a Department of Defense instruction, standard, or regulation (collectively “DoDI”), or military regulations, and that the servicemembers consequently could be subject to proceedings or discipline under the UCMJ (collectively “UCMJ action”) for indebtedness.

8. On many occasions, SNAAC collectors have contacted servicemembers’ commands by telephone and in writing, disclosing details of the servicemembers’ debts and delinquencies and requesting assistance in bringing the accounts current. In numerous such communications, SNAAC collectors have characterized delinquencies as violations of a DoDI or military regulations and have said that the servicemembers were subject to UCMJ action.

9. In many instances, SNAAC collectors have contacted commanding officers on multiple occasions regarding a single account and have escalated contacts up the chain of command. On numerous occasions, after servicemembers had

* “Command” as used herein will also include civilian employers of SNAAC borrowers.

