Semi-annual report of the Consumer Financial Protection Bureau

Consumer Financial Protection Bureau

April 1, 2015 – September 30, 2015

Message from Richard Cordray

Director of the CFPB

At the Consumer Financial Protection Bureau, we are deeply committed to achieving our mission as the nation's first federal agency whose sole focus is protecting consumers in the financial marketplace. Financial products like mortgages, credit cards, and student loans involve some of the most important financial transactions in people's lives. Through the Dodd-Frank Wall Street and Consumer Protection Act, Congress created the Bureau to stand on the side of consumers and ensure they are treated fairly in the financial marketplace. Since we opened our doors, we have been focused on making consumer financial markets work better for the American people, and helping consumers improve their financial lives.

In this, our eighth Semi-Annual Report to Congress and the President, we provide an update on the Bureau's efforts to achieve this vital mission. Through fair rules, consistent oversight, appropriate enforcement of the law, and broad-based consumer engagement, the Bureau is helping to restore American families' trust in consumer financial markets, protect consumers from improper conduct, and ensure access to fair, transparent, and competitive markets.

In the six months covered by this report, our supervisory actions resulted in financial institutions providing more than $95 million in redress to over 177,000 consumers. During that timeframe we also announced orders through enforcement actions for approximately $5.8 billion in total relief for consumers who fell victim to various violations of consumer financial protection laws. We brought numerous enforcement actions for various violations of the Dodd-Frank Act, including an action against Residential Credit Solutions for blocking consumers' attempts to save their homes from foreclosure, an action against Discover for the failure to furnish clear information about the student loan interest consumers paid, and actions against Verizon and Sprint for mobile cramming. In joint actions, we worked with the New York

Department of Financial Services to take action against two companies for deceiving consumers about the costs and risks of their pension advance loans, we worked with the Office of the Comptroller of the Currency and the Federal Deposit Insurance Commission to take action against RBS Citizens Financial Group for unfairly failing to credit consumers for the full amounts of their deposits, and we worked with the Department of Justice to resolve actions with American Honda Finance Corporation and Fifth Third Bank that will put in place new measures to address discretionary auto loan pricing and compensation practices. The Bureau also took action against Security National Automotive Acceptance Company for engaging in unfair, deceptive and abusive acts or practices to collect debt from servicemembers, in violation of the Consumer Financial Protection Act.

The Bureau also issued a number of proposed and final rules. In September 2015, we issued a final rule which will increase the number of financial institutions able to offer certain types of mortgages in rural and underserved areas, and gives small creditors time to adjust their business practices to comply with the rules. In July 2015, we issued a final rule moving the effective date of the Know Before You Owe mortgage disclosure rule to October 3, 2015. Also, in June 2015, the Bureau issued a final rule to supervise larger nonbank auto finance companies. The rule extends the Bureau's supervision of consumer financial protection laws to any nonbank auto finance company that makes, acquires, or refinances 10,000 or more loans or leases in a year.

As a data-driven institution, the Bureau published several reports and other publications during this reporting period, highlighting several important topics in the consumer finance area, including a mid-year update on student loan complaints, a report on reverse mortgage advertisements and consumer risks, a report highlighting complaints received from servicemembers and their families, and a K-12 financial education guide for policymakers. In July 2015, we began publishing monthly reports highlighting information about consumer complaints.

The premise that lies at the very heart of our mission is that consumers should have someone standing on their side to see that they are treated fairly in the financial marketplace. To date, the CFPB has handled approximately 726,000 consumer complaints, including complaints on credit reporting, debt collection, money transfers, bank accounts and services, credit cards, mortgages, vehicle loans, payday loans, student loans, and certain other consumer financial products or services, including prepaid cards, debt settlement services, credit repair services, and pawn and title loans. In June 2015, we also began adding consumer complaint narratives and optional public responses by companies.

The progress we have made has been possible thanks to the engagement of hundreds of thousands of Americans who have utilized our consumer education tools, submitted complaints, participated in rulemakings, and told us their stories through our website and at numerous public meetings from coast to coast. We have also benefited from an ongoing dialogue and constructive engagement with the institutions we supervise, with community banks and credit unions with whom we regularly meet, and with consumer advocates throughout the country. Our progress has also resulted from the extraordinary work of the Bureau's employees—dedicated public servants who are committed to promoting a healthy consumer financial marketplace. Each day, we work to accomplish the goals of renewing people's trust in the marketplace and ensuring that markets for consumer financial products and services are fair, transparent, and competitive. These goals not only support consumers in all financial circumstances, but also help responsible businesses compete on a level playing field, which helps to reinforce the stability of our economy as a whole.

In the years to come, we look forward to continuing to fulfill the vision of an agency dedicated to ensuring a consumer financial marketplace marked by transparency, responsible practices, sound innovation, and excellent customer service.

Finally, I would like to close by thanking our former Deputy Director, Steven Antonakes, for his exceptional service to consumers. Steve was an enormous asset to the Bureau and a great friend and colleague to me since our early days at the Bureau. His contributions to this agency have been extensive and invaluable, having served in dual roles as Deputy Director and Associate Director of our Supervision, Enforcement, and Fair Lending Division. We miss him greatly but are happy that he now gets to spend more time with his family.

Sincerely,

Richard Cordray
Director

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1. Executive summary

The Consumer Financial Protection Bureau (CFPB or Bureau) presents this Semi-Annual Report to the President, Congress, and the American people in fulfillment of its statutory responsibility and commitment to accountability and transparency. This report provides an update on the Bureau's mission, activities, accomplishments, and publications since the last Semi-Annual Report, and provides additional information required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank or Dodd-Frank Act).[1]

The Dodd-Frank Act created the Bureau as the nation's first Federal agency with a mission of focusing solely on consumer financial protection and making consumer financial markets work for American consumers, responsible businesses, and the economy as a whole. In the wake of the financial crisis of 2008-2010, the President and Congress recognized the need to address widespread failures in consumer protection and the rapid growth in irresponsible lending practices that preceded the crisis. To remedy these failures, the Dodd-Frank Act consolidated most Federal consumer financial protection authority in the Bureau.[2] The Dodd-Frank Act charged the Bureau with, among other things:

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[1] Appendix B provides a guide to the Bureau's response to the reporting requirements of Section 1016(c) of the Dodd-Frank Act. The last Semi-Annual Report was published in June 2015 and may be viewed at: http://files.consumerfinance.gov/f/201506_cfpb_semi-annual-report-spring-2015.pdf.

[2] Previously, seven different federal agencies were responsible for rulemaking, supervision, and enforcement relating to consumer financial protection. The agencies which previously administered statutes for which authority transferred to the Bureau are the Federal Reserve Board (and the Federal Reserve Banks) (Board or FRB), Department of Housing and Urban Development (HUD), Federal Deposit Insurance Corporation (FDIC), Federal

- Ensuring that consumers have timely and understandable information to make responsible decisions about financial transactions;
- Protecting consumers from unfair, deceptive, or abusive acts and practices, and from discrimination;
- Monitoring compliance with Federal consumer financial law and taking appropriate enforcement action to address violations;
- Identifying and addressing outdated, unnecessary, or unduly burdensome regulations;
- Enforcing Federal consumer financial law consistently in order to promote fair competition;
- Ensuring that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation; and
- Conducting financial education programs.[3]

The Bureau has continued its efforts to listen and respond to consumers and industry, to be a resource for the American consumer, and to develop into a great institution worthy of the responsibility conferred on it by Congress.

1.1 Listening to consumers

Listening and responding to consumers is central to the Bureau's mission. The Bureau continues to provide consumers with numerous ways to make their voices heard. Consumers nationwide have engaged with the Bureau through public field hearings, listening events, roundtables and town halls, and through our website, consumerfinance.gov. Consumer engagement strengthens the Bureau's understanding of current issues in the ever-changing consumer financial

Trade Commission (FTC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), and Office of Thrift Supervision.

[3] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1021 (b) and (c).

marketplace and informs every aspect of the Bureau's work, including research, rule writing, supervision, and enforcement.

The Bureau has continued to improve the capabilities of its Office of Consumer Response to receive, process, and facilitate responses to consumer complaints. Consumer Response has also continued to expand a robust public Consumer Complaint Database. The database updates nightly and as of September 30, 2015 was populated by over 465,000 complaints from consumers about financial products and services from all over the country.

On June 25, 2015, the CFPB marked a milestone for consumer empowerment when the Bureau began to publish consumer complaint narratives in the Consumer Complaint Database.[4] Consumers now have the choice to share in their own words their experiences with the consumer financial marketplace. Only those narratives for which opt-in consumer consent is obtained and to which a robust personal information scrubbing process is applied are eligible for disclosure. The CFPB gives companies the opportunity to respond publicly to the substance of the consumer complaints they receive from the CFPB by selecting from a set list of public-facing response categories. Companies are under no obligation to avail themselves of the opportunity. The Bureau also issued a Notice and Request for Information to seek input from the public on best practices for "normalizing" the raw complaint data it makes available via the database to make the complaint data easier for the public to use and understand.

On July 16, 2015, the Bureau launched the first in a new series of monthly reports to highlight key trends from consumer complaints submitted to the Bureau. The monthly report includes complaint data on complaint volume, most-complained-about companies, state and local information, and product trends. Each month, the report highlights a particular product and geographic location and will provide insight for the public into the hundreds of thousands of consumer complaints on financial products and services expected to be handled by the CFPB. The report uses a three-month rolling average, comparing the current average to the same period in the prior year where appropriate, to account for monthly and seasonal fluctuations. In some cases, month-to-month comparisons are used to highlight more immediate trends.

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[4] See Final Policy Statement on Consumer Narratives; 80 FR 15572, March 24, 2015.

1.2 Delivering for American consumers and leveling the playing field

The Bureau has continued to expand its efforts to serve and protect consumers in the financial marketplace. The Bureau seeks to serve as a resource on the macro level, by writing clear rules of the road and enforcing consumer financial protection laws in ways that improve the consumer financial marketplace, and on the micro level, by helping individual consumers resolve their specific issues with financial products and services. While the various divisions of the Bureau play different roles in carrying out the Bureau's mission, they all work together to protect and educate consumers, help level the playing field for participants, and fulfill the Bureau's statutory obligations and mission under the Dodd-Frank Act. In all of its work, the Bureau strives to act in ways that are fair, reasonable, and transparent.

We are working to provide tools and information to develop practical skills and support sound financial decision-making directly to consumers. These skills include being able to ask questions and to plan ahead. One way we are doing this is with our online tool, *Ask CFPB*. This tool provides answers to over 1,000 questions about financial products and services, including on topics such as mortgages, credit cards, and how to dispute errors in a credit report. This resource is found at consumerfinance.gov/askcfpb/. We are also focusing on helping consumers build the skills to plan ahead. For example, our Paying for College set of tools helps students and their families compare what their college costs will be down the road as they decide where to pursue a college education. Our Owning a Home set of tools helps consumers shop for a mortgage loan by helping them understand what mortgages are available to them, explore interest rates, compare loan offers, and by providing a closing checklist. The Money Smart for Older Adults curriculum, developed with the FDIC, includes resources to help people prevent elder financial exploitation and prepare financially for unexpected life events.

We are working with other government agencies, social service providers, and community service providers to develop channels to provide decision-making support in moments when consumers are most receptive to receiving information and developing financial decision-making skills. This support includes integrating financial capability into other programs and services where consumers may be seeking assistance. We are also tailoring our approaches to financial decision-making circumstances, challenges, and opportunities for specific populations, including servicemembers and veterans, students and young adults, older Americans, and lower-income and other economically vulnerable Americans.

When Federal consumer financial protection law is violated, the Bureau's Supervision, Enforcement, and Fair Lending Division is committed to holding the responsible parties accountable. In the six months covered by this report, our supervisory actions resulted in financial institutions providing more than $95 million in redress to over 177,000 consumers. During that timeframe, we also have announced orders through enforcement actions for approximately $5.8 billion in total relief for consumers who fell victim to various violations of consumer financial protection laws, along with over $153 million in civil money penalties. We brought numerous enforcement actions for various violations of the Dodd-Frank Act, including an action against Residential Credit Solutions for blocking consumers' attempts to save their homes from foreclosure, an action against Discover for the failure to furnish clear information regarding the student loan interest consumers paid, and actions against Verizon and Sprint for mobile cramming. In joint actions, we worked with the New York Department of Financial Services to take action against two companies for deceiving consumers about the costs and risks of their pension advance loans, and we also worked with the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation to take action against RBS Citizens Financial Group for failing to credit consumers for the full amounts of their deposits, and worked with the Department of Justice to resolve actions with American Honda Finance Corporation and Fifth Third Bank that will put in place new measures to address discretionary auto loan pricing and compensation practices. The Bureau also took action against Security National Automotive Acceptance Company for engaging in unfair, deceptive and abusive acts or practices to collect debt from servicemembers, in violation of the Consumer Financial Protection Act. The Bureau has also continued to develop and refine its nationwide supervisory program for depository and nondepository financial institutions, through which those institutions are examined for compliance with Federal consumer financial protection law.

Continuing the CFPB's policy of transparency, the Bureau has released one edition of *Supervisory Highlights* during this reporting period. This edition reported examination findings in the areas of consumer reporting, debt collection, student loan servicing, mortgage origination, mortgage servicing, and fair lending. It also included information about recent public enforcement actions that were a result, at least in part, of CFPB's supervisory work. This publication is intended to inform both industry and the public about the development of the Bureau's supervisory program and to discuss, in a manner consistent with the confidential nature of the supervisory process, broad trends in examination findings in key market or product areas.

The Bureau has also published new guidance documents, in partnership with other regulators where appropriate, to help institutions know what to expect and how to become, or remain, compliant with the law, including bulletins on private mortgage insurance cancellation and termination, the Section 8 housing choice voucher homeownership program, and interstate land sales.

Reasonable regulations are essential for protecting consumers from harmful practices and ensuring that consumer financial markets function in a fair, transparent, and competitive manner. The Research, Markets, and Regulations Division has focused its efforts on promoting markets in which consumers can shop effectively for financial products and services and are not subject to unfair, deceptive, or abusive acts or practices. During this reporting period, the Research and Markets teams released a data point on "credit invisibles" and technical reports regarding the National Survey of Mortgage Borrowers and the National Mortgage Database. The Regulations office issued regulations modifying and clarifying a number of rules implementing changes made by the Dodd-Frank Act to the laws governing various aspects of the mortgage market, including amendments relating to small creditors and rural or underserved areas under Regulation Z, a rule moving the effective date of the Know Before You Owe mortgage disclosure rule to October 3, 2015, and an interpretive rule on homeownership counseling organizations lists and high-cost mortgage counseling.

During this reporting period, the Bureau has issued several other proposed or final rules or requests for information under the Dodd-Frank Act, including issuing a final rule which will increase the number of financial institutions able to offer certain types of mortgages in rural and underserved areas, and gives small creditors time to adjust their business practices to comply with the rules, a final rule defining larger participants of the automobile financing market and defining certain automobile leasing activity as a financial product or service, which extends the Bureau's supervision relating to consumer financial protection laws to any nonbank auto finance company that makes, acquires, or refinances 10,000 or more loans or leases in a year, and a request for information (RFI) regarding student loan servicing.

To support the implementation of and industry compliance with its rules, the Bureau has published a number of plain-language compliance guides summarizing certain rules, and it has

actively engaged in discussions with industry about ways to achieve compliance.[5] The Bureau also continued its efforts to streamline, modernize, and harmonize financial regulations that it inherited from other agencies.

In addition to implementing the Dodd-Frank Act, the Bureau continues to explore other areas where regulations may be needed to ensure that markets function properly and possibly harmful or inefficient practices are addressed. Over the next six months, the Bureau will continue implementing the Dodd-Frank Act and using its regulatory authority to ensure that consumers have access to consumer financial markets that are fair, transparent, and competitive.

1.3 Building a great institution

The Bureau continues to grow and evolve as an institution. As of September 30, 2015, the CFPB team consisted of 1,486 employees working to carry out the Bureau's mission. It has worked to build a human and physical infrastructure that promotes – and will continue to promote – diversity, transparency, accountability, fairness, and service to the public. That infrastructure includes:

- Demonstrating a strong commitment to openness and utilizing the Bureau's website to share information on its operations;
- Recruiting highly-qualified, diverse personnel;
- Providing training and engagement opportunities for CFPB staff to improve skills, increase knowledge, and maintain excellence; and
- Further promoting diversity and inclusion in the CFPB's workforce and among its contractors, including through the Bureau's Office of Minority and Women Inclusion (OMWI).

[5] http://www.consumerfinance.gov/guidance/#compliance.

The Bureau recognizes that the best way to serve consumers is to ensure that its workforce reflects the ideas, backgrounds, and experiences of the American public. OMWI supports the Bureau's mission by working with the offices of Human Capital and Civil Rights to continue building a diverse and inclusive workforce that can foster broader and better thinking about how to approach markets.[6]

We will continue working hard to ensure that the American people are treated fairly in the consumer financial marketplace. We encourage you to visit consumerfinance.gov for updates.

[6] During the previous reporting period, the Bureau's Office of Equal Employment and Opportunity transitioned to the Office of Civil Rights (OCR), and it and the OMWI office moved under the umbrella of the newly created Office of Equal Opportunity and Fairness (OEOF), housed in the Director's Office and reporting directly to Director Cordray.

2. Consumer challenges in obtaining financial products and services

The challenges consumers face in navigating and obtaining financial products and services are a driving force behind the CFPB's efforts to make consumer financial markets work better. Listening and responding to consumers are integral components of our mission, and the Bureau provides numerous ways for consumers to make their voices heard.

2.1 Consumer concerns

The Bureau's long-term vision for consumer finance markets is one where consumer protections and business opportunities work in tandem, where financial firms lead through responsible business practices, and where educated consumers can make well-informed decisions. It is critical for the stability of the marketplace and the well-being of consumers to ensure that everyone is playing by the same rules.

As markets and consumers continue to emerge from the continuing effects of the devastating financial crisis of 2008, the Bureau finds that debt collection is central and cuts across virtually all credit products: credit cards, mortgages, student loans, payday loans, and other consumer loans. Currently, about 30 million consumers – nearly one out of every ten Americans – are subject to debt collection, for amounts that average about $1,500 each.

Many companies in this industry play by the rules. But others cut corners and seek to gain an advantage by ignoring the rules. These bad actors are a detriment to every company that is faithfully following the law, and their actions harm consumers.

During the reporting period covered by this report, consumers shared with the CFPB their experiences – positive and negative – with financial products and services. Consumers have the opportunity to provide the Bureau with such feedback through a variety of forums, including the Tell Your Story feature on the CFPB's website, and by participating in roundtables, town halls, and field hearings. This feedback is critical to our efforts to understand the challenges consumers face in obtaining access to the financial products and services they need.

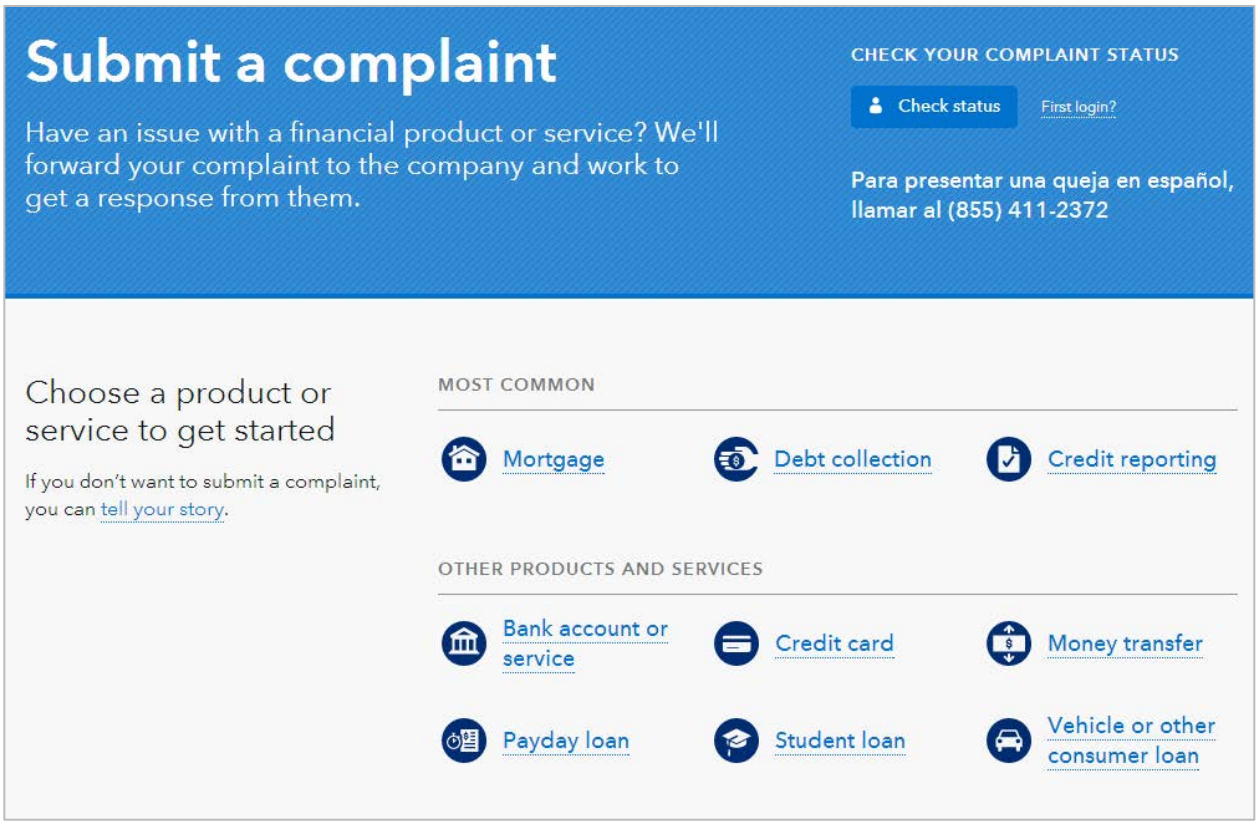
With respect to credit cards, the first consumer financial product the Bureau accepted complaints about, many of the stories that consumers have shared with us over the past year through Tell Your Story indicate that consumers continue to experience issues with attempts to resolve billing disputes, payment issues, and fraud and identity theft related issues as well as related problems with debt collection and credit reporting. Consumers also express frustration with receiving unwanted promotional offers, only to be denied credit. Others report their surprise when companies increase their interest rate, citing a change in the consumer's credit rating.

In addition to Tell Your Story, consumers have opportunities to voice concerns and share their experiences in person at field hearings and public meetings, which focus on particular consumer finance issues. During this reporting period,[7] consumers and advocates participated in a large Bureau-sponsored field hearing in Milwaukee, WI. This event drew hundreds of participants, many of whom shared their personal experiences with student debt and other consumer financial issues.

The CFPB's Office of Community Affairs has also hosted roundtable conversations with leaders of consumer, civil rights, community, housing, faith-based, student, and other organizations. The roundtables provided opportunities for stakeholders to meet with Director Cordray, Deputy Director Antonakes, and other senior Bureau staff to share their first-hand perspectives on key consumer finance issues that affect their communities.

[7] Between April 1, 2015 and September 30, 2015.

Collecting, investigating, and responding to consumer complaints are integral parts of the CFPB's work, as set forth in the Dodd-Frank Act.[8] The Bureau hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints.

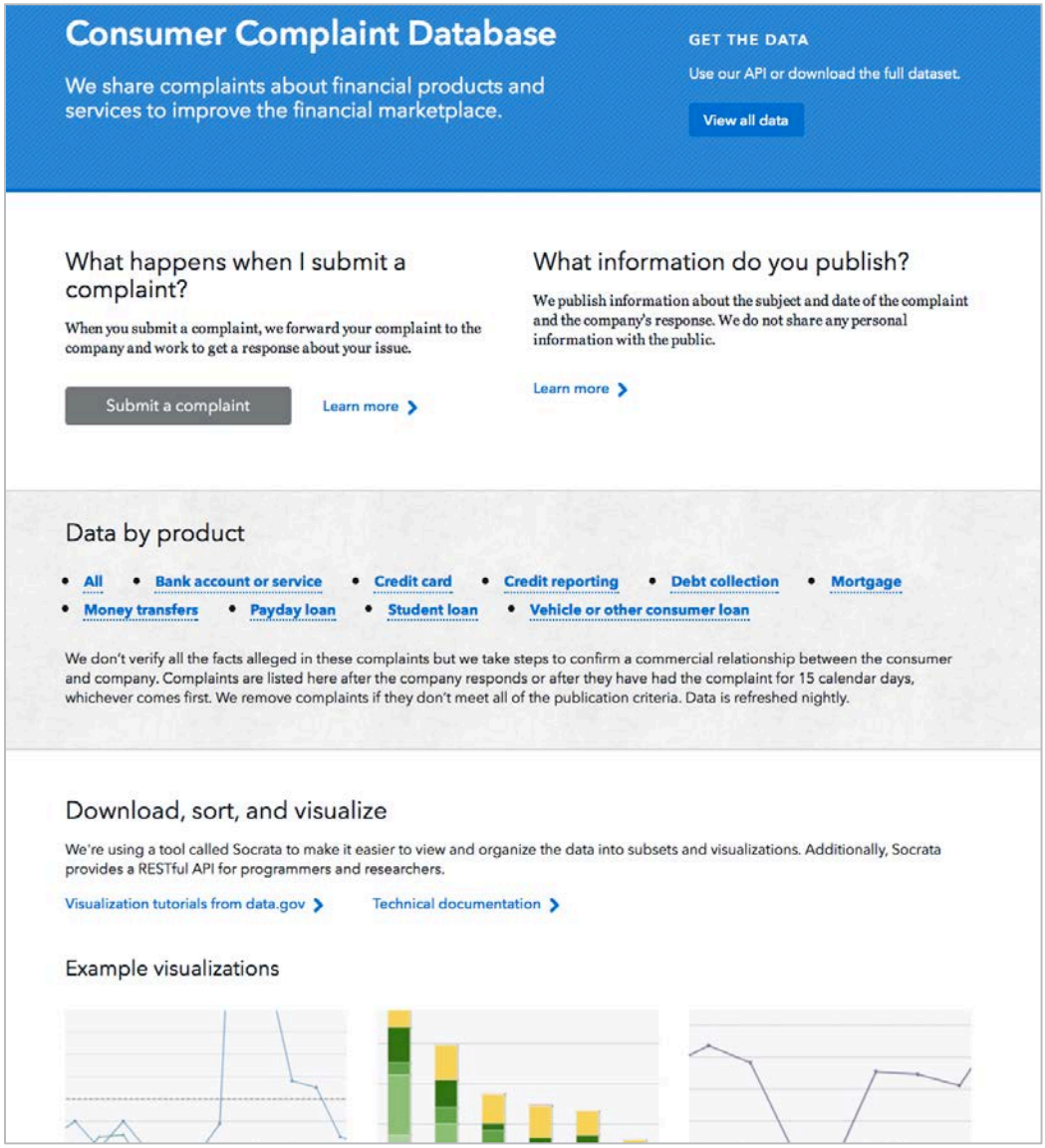


consumerfinance.gov/complaint

The CFPB began Consumer Response operations on July 21, 2011, by accepting consumer complaints about credit cards. The Bureau now accepts complaints about mortgages, bank accounts and services, student loans, vehicle and other consumer loans, credit reporting, money transfers, debt collection, payday loans, prepaid cards, additional nonbank products (including

[8] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1021(c)(2).

debt settlement services, credit repair services, and pawn and title loans), and digital currency. The CFPB continues to work toward expanding its complaint-handling capacity and plans to include other products and services. Consumers may also contact the CFPB with questions about other products and services. The Bureau answers questions and refers consumers to other regulators or additional resources as appropriate.



consumerfinance.gov/complaintdatabase

Information about consumer complaints is available to the public through the Bureau's public Consumer Complaint Database (the database), launched on June 19, 2012. The database was initially populated with credit card complaints received on and after June 1, 2012, and has been expanded over time:

- October 2012: added credit card complaints dating back to December 1, 2011;
- March 2013: added mortgage complaints dating back to December 1, 2011, bank account and service complaints, student loan complaints, vehicle and other consumer loan complaints, all dating back to March 1, 2012;
- May 2013: added credit reporting complaints dating back to October 22, 2012 and money transfer complaints dating back to April 4, 2013;
- November 2013: added debt collection complaints dating back to July 10, 2013;
- July 2014: added payday loan complaints dating back to November 6, 2013;
- January 2015: added prepaid cards, other consumer loans (pawn and title), and other financial services dating back to July 19, 2014; and
- June 2015: added consumer complaint narratives and optional company public responses.

A complaint is listed in the database when the company responds to the complaint, or after the company has had the complaint for 15 days, whichever comes first. Complaints can be removed if they do not meet all of the publication criteria.[9]

The database updates nightly, and contains certain individual complaint-level data collected by the CFPB, including the type of complaint, the date of submission, the consumer's zip code, and the company that the complaint concerns. The database also includes information about the actions taken by a company in response to a complaint – whether the company's response was

[9] *See* Disclosure of Certain Credit Card Complaint Data, 77 Fed. Reg. 37,558 (June 22, 2012).

timely, how the company responded, and whether the consumer disputed the company's response. The database does not include confidential information about consumers' identities.

On June 25, 2015, the CFPB began to publish consumer complaint narratives in the Consumer Complaint Database. Consumers now have the choice to share in their own words their experiences with the consumer financial marketplace. Only those narratives for which opt-in consumer consent is obtained and to which a robust personal information scrubbing process is applied are eligible for disclosure. The CFPB gives companies the option to respond publicly to the substance of the consumer complaints they receive from the CFPB by selecting from a set list of public-facing response categories.

Web-based features of the database facilitate the ability to filter data based on specific search criteria, to aggregate data in various ways, such as by complaint type, company, zip code, date, or any combination of available variables, and to download data. Information from the database has been shared on social media and evaluated using other new applications.

The Bureau continually strives to improve data quality and protect sensitive information, while making data increasingly available through reports to Congress and to the public about the complaints the CFPB receives and by sharing certain data with the public through the Consumer Complaint Database.

2.2 How the CFPB handles complaints

In keeping with the CFPB's statutory responsibility and its commitment to accountability, the following pages provide an overview of the handling and analysis of complaints received by the Bureau from October 1, 2014 through September 30, 2015.[10]

[10] While the reporting period for this Semi-Annual Report is six months, Dodd-Frank Act § 1016(c)(4) requires "an analysis of complaints about consumer financial products or services that the Bureau has received and collected in its central database on complaints during the preceding year." Therefore, this section reports on the time period October 1, 2014 through September 30, 2015.

The CFPB's Consumer Response team screens all complaints submitted by consumers based on several criteria, including whether the complaint falls within the Bureau's primary enforcement authority, whether the complaint is complete, and whether the complaint is duplicative of a prior submission by the same consumer. Screened complaints are forwarded via a secure web portal to the appropriate company.[11] The company reviews the information, communicates with the consumer as needed, and determines what action to take in response. The company then reports back to the consumer and the CFPB via the secure company portal, and the Bureau invites the consumer to review the response and provide feedback.[12] Consumer Response analyzes complaints to spot trends and identify risks to consumers to inform the Bureau's work to supervise companies, enforce Federal consumer financial laws, and write rules and regulations. Consumers who have submitted complaints to the Bureau through Consumer Response can log onto the secure consumer portal available on the CFPB's website, or call a toll-free number, to receive status updates, provide additional information, and review responses provided to the consumer by the company.

Throughout this process, subject-matter experts help monitor certain complaints. For example, the Office of Servicemember Affairs coordinates with Consumer Response on complaints submitted by servicemembers or their spouses and dependents.

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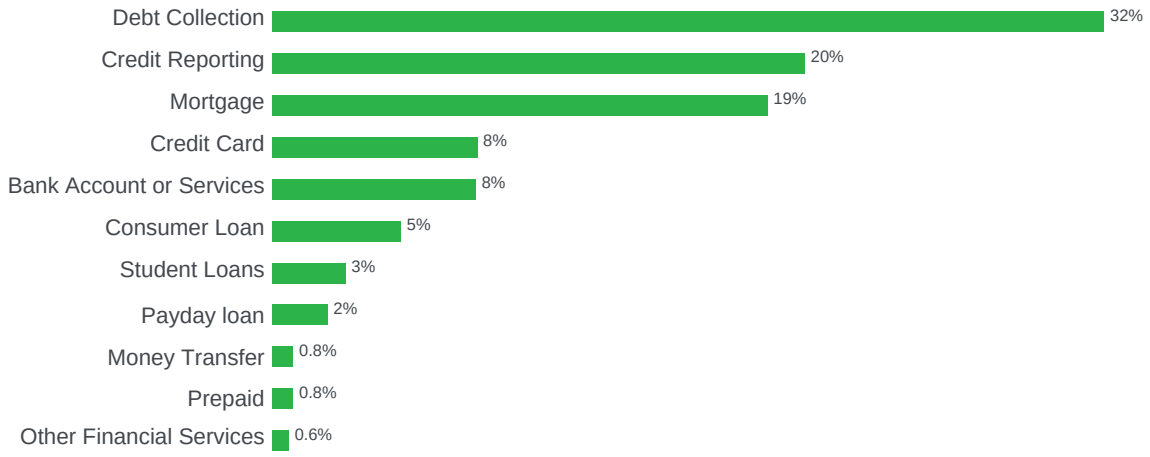
[11] Consumer Response may refer a complaint to the appropriate regulator if, among other reasons, it does not involve a product or market that is within the Bureau's jurisdiction or that is not currently being handled by the Bureau.

[12] The CFPB requests that companies respond to complaints within 15 calendar days. If a complaint cannot be closed within 15 calendar days, a company may indicate that its work on the complaint is "In progress" and provide a final response within 60 calendar days.

2.2.1 Complaints received by the CFPB

Between October 1, 2014 and September 30, 2015, the CFPB received approximately 265,500 consumer complaints.[13] Approximately 70% of all consumer complaints were submitted through the CFPB's website and 7% via telephone calls. Referrals accounted for 13% of all complaints received, with the remainder submitted by mail, email, and fax.[14]

FIGURE 1: CONSUMER COMPLAINTS BY PRODUCT



The Dodd-Frank Act created the Office of Servicemember Affairs to address the specific challenges faced by servicemembers, veterans, and their families (collectively "servicemembers"). The Office of Servicemember Affairs monitors complaints from servicemembers in conjunction with Consumer Response. Between October 1, 2014 and September 30, 2015, approximately 18,400 complaints were submitted by servicemembers.

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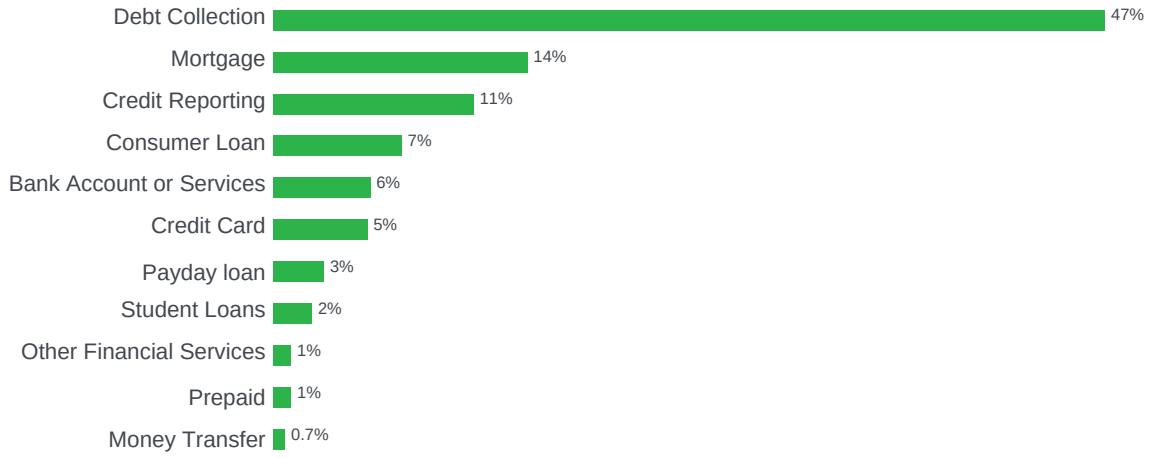
[13] Unless otherwise noted or the context suggests otherwise, the various tables and complaint tabulations appearing herein cover this period.

[14] This analysis excludes multiple complaints submitted by a given consumer on the same issue and whistleblower tips. All data are current through September 30, 2015. Since launching Consumer Response operations on July 21, 2011 through September 30, 2015, the CFPB received approximately 726,000 consumer complaints.

FIGURE 2: SERVICEMEMBER COMPLAINTS BY PRODUCT

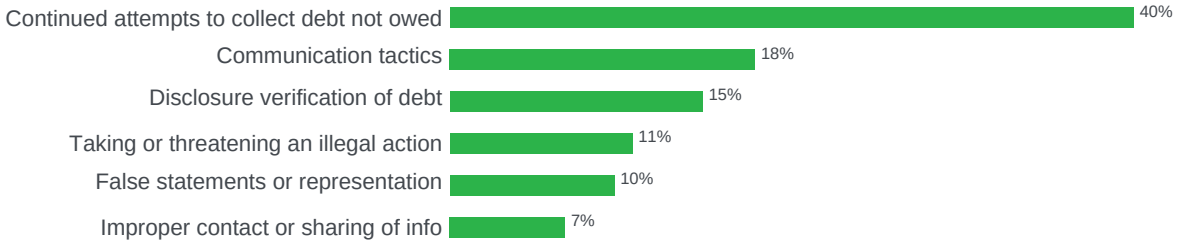


The tables and figures presented below show complaints by type, actions taken, company responses, and consumers' feedback about company responses.[15]

Consumers' debt collection complaints

Figure 3 and Table 1 show the types of debt collection complaints reported by consumers for the approximately 84,700 debt collection complaints the CFPB has received.

FIGURE 3: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS



[15] Percentages may not sum to 100% due to rounding.

TABLE 1: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS

Types of Debt Collection Complaints	%
Continued attempts to collect debt not owed (Debt was discharged in bankruptcy, debt resulted from identity theft, debt was paid, debt is not mine)	40%
Communication tactics (Frequent or repeated calls, called outside of 8am-9pm, used obscene, profane or other abusive language, threatened to take legal action, called after sent written cease of communication notice)	18%
Disclosure verification of debt (Did not receive notice of right to dispute, not enough information to verify debt, did not disclose communication was an attempt to collect a debt)	15%
Taking/threatening an illegal action (Threatened to arrest me or take me to jail if I do not pay, threatened to sue me on debt that is too old to be sued on, sued me without properly notifying me of lawsuit, sued me where I did not live or did not sign for the debt, attempted to/collected exempt funds, seized or attempted to seize property)	11%
False statements or representation (Attempted to collect wrong amount, impersonated attorney, law enforcement or government official, indicated committing crime by not paying debt, indicated should not respond to lawsuit)	10%
Improper contact or sharing of information (Contacted me after I asked not to, contacted my employer, contacted me instead of my attorney, talked to a third party about my debt)	7%
Total debt collection complaints	100%

The most common type of debt collection complaint is about continued attempts to collect a debt that the consumer reports is not owed. In many of these cases, the attempt to collect the debt is not itself the problem; rather, consumers assert that the calculation of the amount of underlying debt is inaccurate or unfair. In other cases, the consumer complains about the furnishing of information to credit reporting agencies. These complaints, which are often consistent with complaints consumers submit to the Bureau about credit reporting, suggest that consumers frequently only learn about debt collection accounts when they check their credit reports.

Complaints about debt collectors' communications tactics (telephone collections especially) are also still very common. In addition to the frequent complaints about collection calls, which consumers say are too frequent or at inconvenient times of the day, there were a significant number of complaints about calls to third parties or calls to the consumer's place of employment.

Consumers also complained about the lack of debt validation received from debt collectors and consumers often ask collectors for additional documentation to support the debt. The amount of documentation provided by some debt collectors in response appears to frustrate many consumers, especially when the documentation is a simple invoice or bill for the services or goods that were the subject of the debt being collected. There are a number of collectors who reportedly respond to any consumer complaints by closing the account and returning it to their client.

Consumers' mortgage complaints

Figure 4 and Table 2 show the types of mortgage complaints reported by consumers for the approximately 50,400 mortgage complaints the CFPB has received.

FIGURE 4: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

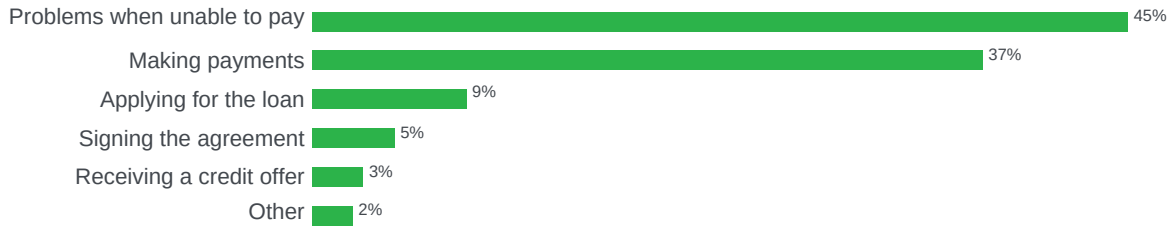


TABLE 2: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

Types of Mortgage Complaints	%
Problems when you are unable to pay (Loan modification, collection, foreclosure)	45%
Making payments (Loan servicing, payments, escrow accounts)	37%
Applying for the loan (Application, originator, mortgage broker)	9%
Signing the agreement (Settlement process and costs)	5%
Receiving a credit offer (Credit decision/Underwriting)	3%
Other	2%
Total mortgage complaints	100%

The most common type of mortgage complaint involves problems consumers face when they are unable to make payments, such as issues relating to loan modifications, collections, or foreclosures. In particular, consumers still complain about delays and ambiguity in the review of their modification applications. Some consumers expressed concerns about the documentation requests they received and argued that they were not provided a reasonable date by which the required documents had to be returned but instead were instructed to return the documents "immediately". Other consumers complained that they were not considered for all available loss mitigation options or that the terms of the approved modification were unfavorable (*e.g.*, required interest only payments). Consumers with successfully completed loan modifications have complained that some servicers do not amend derogatory credit reporting accrued by consumers during trial periods although documents provided to the consumers by servicers indicated that they would do so.

Other common types of mortgage complaints address issues related to making payments, including loan servicing, posting of payments, or management of escrow accounts. For example, consumers expressed concerns over difficulties they experience when the servicing of their loan is transferred, including complaints about fees charged by the prior servicer, unexplained escrow deficiencies, issues with the new servicer accepting the previous servicer's modification, and communication between the old and new servicer (especially when loss mitigation efforts are ongoing).

Consumer complaints about mortgage originations tend to involve the lengthy application and approval processes and unauthorized credit inquiries. Consumers also complained about delayed loan denials that occurred just before settlement but were based upon information that was disclosed early in the application process (*e.g.*, bankruptcy, lack of employment history, etc.). They expressed frustration that fees were charged even though they believe the loan originator knew that the loan would not be approved. A number of complaints involved the lender's refusal to honor rate-locks, and concerns that the terms of loans with variable interest rates were not clearly disclosed.

Consumers' credit reporting complaints

Figure 5 and Table 3 show the types of credit reporting complaints reported by consumers for the approximately 54,310 credit reporting complaints the CFPB has received.

FIGURE 5: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

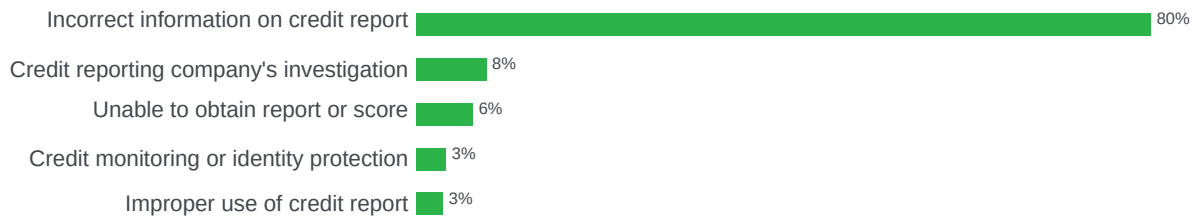


TABLE 3: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

Types of Credit Reporting Complaints	%
Incorrect information on credit report (Information is not mine, Account terms, Account status, Personal information, Public record, Reinserted previously deleted information)	80%
Credit reporting company's investigation (Investigation took too long, Did not get proper notice of investigation status or results, Did not receive adequate help over the phone, Problem with statement of dispute)	8%
Unable to get my credit report or credit score (Problem getting free annual report, Problem getting report or credit score)	6%
Credit monitoring or identity protection services (Problem cancelling or closing account, Billing dispute, Receiving unwanted marketing or advertising, Account or product terms and changes, Problem with fraud alerts)	3%
Improper use of my credit report (Report improperly shared by credit reporting company, Received marketing offers after opting out, Report provided to employer without written authorization)	3%
Total credit reporting complaints	100%

This table illustrates that the most common type of credit reporting complaint is about incorrect information appearing on the consumer's credit report, such as information that does not belong to the consumer, incorrect account status, and incorrect personal information. Of the approximately 37,400 such complaints submitted by consumers, approximately 29,600 (68%) were about the three nationwide credit reporting companies.

Other common complaints are about issues with credit reporting companies' investigations of information disputed by consumers and difficulties in obtaining a credit report or credit score. Consumers report that credit reporting companies sometimes return findings on their disputes within only a few days, and consumers question the depth and validity of such quick investigations. Additionally, consumers report frustration when they have submitted documentation that they believe proves that the information provided by the data furnisher was inaccurate, but no change is made to their credit report.

Consumers' bank account and service complaints

Figure 6 and Table 4 show types of bank account and service complaints, such as complaints about checking and savings accounts, reported by consumers for the approximately 20,800 bank account and service complaints received by the CFPB.

FIGURE 6: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

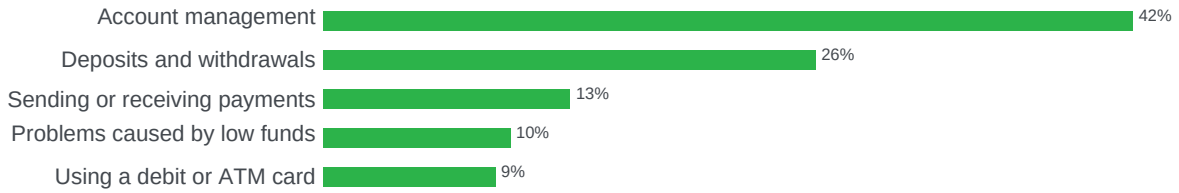


TABLE 4: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

Types of Bank Account and Service Complaints	%
Account opening, closing, or management (Confusing marketing, denial, disclosure, fees, closure, interest, statements, joint accounts)	42%
Deposits and withdrawals (Availability of deposits, withdrawal problems and penalties, unauthorized transactions, check cashing, payroll deposit problems, lost or missing funds, transaction holds)	26%
Making or receiving payments, sending money to others (Problems with payments by check, card, phone or online, unauthorized or fraudulent transactions, money/wire transfers)	13%
Problems caused by my funds being low (Overdraft fees, late fees, bounced checks, credit reporting)	10%
Using a debit or ATM card (Disputed transaction, unauthorized card use, ATM or debit card fees, ATM problems)	9%
Total bank account and service complaints	100%

As the table illustrates, the most common type of bank account and service complaint relates to opening, closing, or managing the account. These complaints address issues such as account maintenance fees, legal processing fees for judgments and levies, changes in account terms, confusing marketing, early withdrawal penalties for certificates of deposit, and involuntary account closures. Other common complaints relate to deposit and withdrawal issues, such as transaction holds, the company's right to offset deposit accounts, and unauthorized debit card charges. In this area, many consumers are frustrated by companies' handling of error disputes and requests to stop payment on preauthorized electronic debits. Another common type of complaint relates to problems caused by a consumer's funds being low, including overdraft fees, bounced checks, charged-off accounts, and negative reporting to credit reporting agencies. In this area, many consumers are frustrated by the way some companies appear to manipulate the order in which deposits and withdrawals are posted to consumers' accounts to maximize overdraft fees.

Consumers' credit card complaints

Table 5 shows the most common types of credit card complaints that the CFPB has received as reported by consumers. About 74% of the approximately 20,800 credit card complaints fell into these 10 categories.

TABLE 5: MOST COMMON CREDIT CARD COMPLAINTS REPORTED BY CONSUMERS

Complaint	%
Billing disputes	16%
Other	12%
Identity theft/Fraud/Embezzlement	11%
Closing/Cancelling account	8%
Delinquent account	5%
Customer service/Customer relations	5%
APR or interest rate	5%
Advertising and marketing	5%

Complaint	%
Late fee	4%
Transaction issue	3%
Credit card complaints in top 10 types	74%

As the table illustrates, billing disputes are the most common type of credit card complaint. Consumers continue to be confused and frustrated by the process and by their limited ability to challenge inaccuracies on their monthly credit card billing statements. For example, some consumers realize only after their claim has been denied that they needed to notify their credit card companies within 60 days of any billing errors. In other cases, consumers are not aware that companies typically do not stop a merchant charge once the cardholder has authorized it, or do not override a merchant's "no-return policy." Other common types of credit card complaints relate to identity theft, fraud, or embezzlement; closing or cancelling an account; and annual percentage rates or interest rates.

Consumers' consumer loan complaints

Figure 7 and Table 6 show the types of consumer loan complaints, such as complaints about installment loans, vehicle loans and leases, personal lines of credit, and pawn and title loans reported by consumers for the approximately 13,000 consumer loan complaints received by the CFPB.[16]

[16] The Bureau began handling complaints about pawn and title loans as part of the consumer loan complaint category on July 19, 2014.

FIGURE 7: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

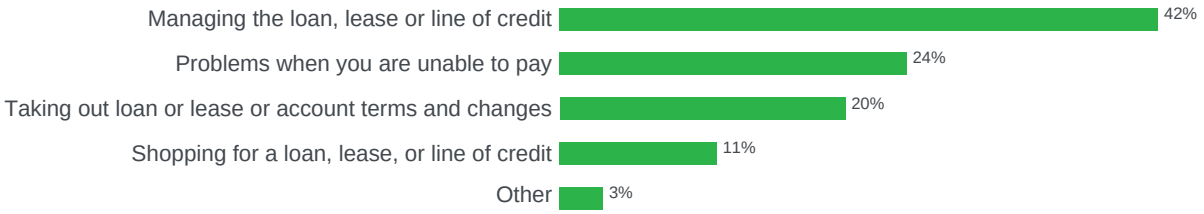


TABLE 6: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

Types of Consumer Loan Complaints	%
Managing the loan, lease, or line of credit (Billing, late fees, damage or loss, insurance (GAP, credit, etc.), credit reporting, privacy)	42%
Problems when you are unable to pay (Debt collection, repossession, set-off from bank account, deficiency, bankruptcy, default, fraud)	24%
Taking out the loan or lease / Account terms and changes (Term changes (mid-deal changes, changes after closing, rates, fees, etc.), required add-on products, trade-in payoff, fraud)	20%
Shopping for a loan, lease, or line of credit (Sales tactics or pressure, credit denial, confusing advertising or marketing)	11%
Other (Charged fees or interest I did not expect, identity theft/fraud/embezzlement, billing disputes, credit reporting, other)	3%
Total consumer loan complaints	100%

The table illustrates that the most common type of consumer loan complaint pertains to managing the loan, lease, or line of credit. Other common types of complaints address problems consumers have when they are unable to pay (including issues related to debt collection, bankruptcy, and default) and problems when taking out the loan or lease, such as term changes.

Consumers' student loan complaints

Figure 8 and Table 7 show the types of student loan complaints reported by consumers for the approximately 7,500 student loan complaints received by the CFPB.

FIGURE 8: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS

TABLE 7: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS

Types of Student Loan Complaints	%
Dealing with my lender or servicer (Making payments, getting information about my loan, managing my account)	60%
Can't repay my loan (Deferment, forbearance, default, bankruptcy, payment plan, refinancing)	35%
Getting a loan (Confusing terms, rates, denial, confusing advertising or marketing, sales tactics or pressure, financial aid services, recruiting)	5%
Total student loan complaints	100%

The most common type of student loan complaint concerns problems consumers confront when they are dealing with lenders or servicers. Consumers also report problems when they are unable to pay, such as issues related to default, student debt collection, and bankruptcy. Consumers report that they continue to struggle with the limited affordable payment options permitted in their loan agreements. Specifically, some consumers say they are unable to refinance or restructure the repayment terms of their loan, either to lower monthly payments during periods of financial hardship or to improve existing terms based upon the consumer's improved credit profile and credit-worthiness. Some consumers also express confusion about the difference between their private loans and public loans, specifically when it comes to forbearance and deferment options.

Consumers' payday loan complaints

Figures 9-10 and Table 8 show the types of payday loan complaints reported by consumers for the approximately 5,700 payday loan complaints the CFPB has received.

FIGURE 9: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS

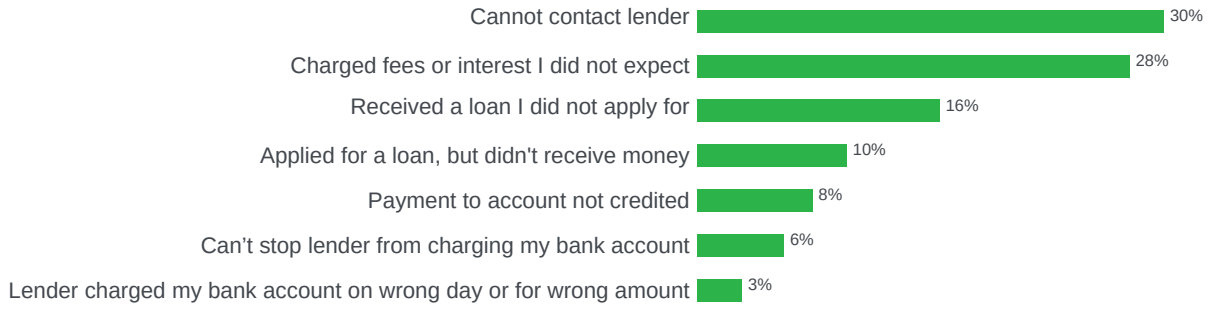


FIGURE 10: TYPES OF PAYDAY LOANS CONSUMERS COMPLAIN ABOUT

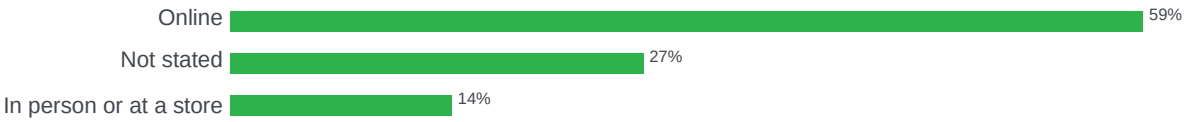


TABLE 8: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS, BY TYPE OF LOAN

Type of Payday Complaint	In person / at a store	Online	Not Stated	Total
Cannot contact lender	29%	28%	37%	30%
Charged fees or interest I did not expect	32%	32%	17%	28%
Received a loan I did not apply for	7%	12%	28%	16%
Applied for a loan, but didn't receive money	6%	11%	8%	10%
Payment to account not credited	12%	8%	5%	8%
Can't stop lender from charging my bank account	9%	6%	3%	6%
Lender charged my bank account on wrong day or for wrong amount	6%	3%	2%	3%
Total	100%	100%	100%	100%

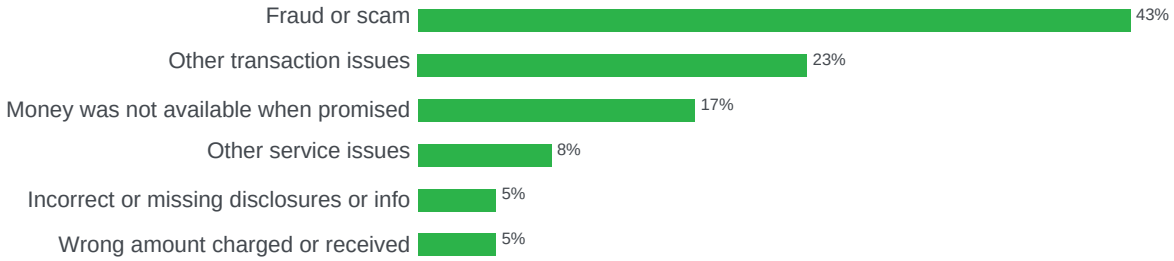
Of the 5,700 payday loan complaints submitted by consumers, approximately 59% were about problems consumers experienced after obtaining a payday loan online. Approximately 14% reported problems when obtaining a payday loan in person or at a store. For the remaining approximately 27% of complaints, the consumer did not indicate how the loan was obtained.

The most common type of payday loan or deposit advance (*i.e.*, bank payday advance loan) complaint is about problems with contacting the lender. Consumers also complain about being charged unexpected fees or interest. Other common types of consumer complaints involve receiving loans for which they did not apply and issues with applying for the loan, but not receiving the money.

Consumers' money transfer complaints

Figure 11 and Table 9 show the types of money transfer complaints reported by consumers for the approximately 2,200 money transfer complaints the CFPB has received.[17]

FIGURE 11: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS



[17] The Bureau began handling complaints about virtual currency as part of the money transfer complaint category on August 11, 2014.

TABLE 9: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS

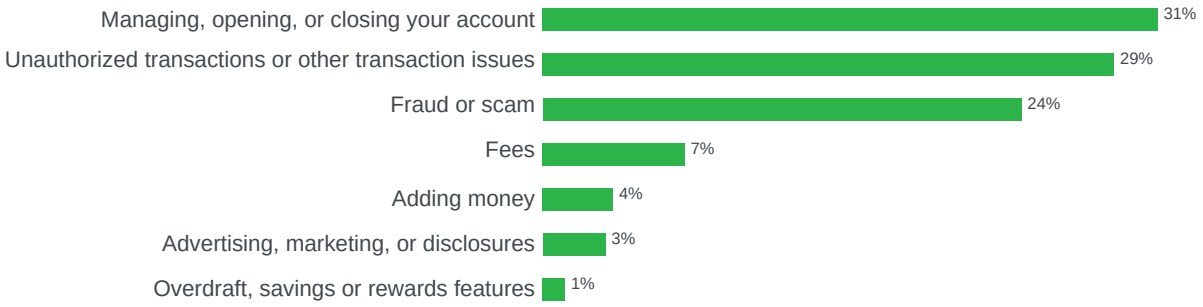
Types of Money Transfer Complaints	%
Fraud or scam	43%
Other transaction issues (Unauthorized transaction, cancellation, refund, etc.)	23%
Money was not available when promised	17%
Other service issues (Advertising or marketing, pricing, privacy, etc.)	8%
Incorrect/missing disclosures or info	5%
Wrong amount charged or received (Transfer amounts, fees, exchange rates, taxes, etc.)	5%
Total money transfer complaints	100%

This table illustrates that the most common type of money transfer complaint was about fraud or scams. In these cases, the consumer is prompted to send funds as a result of a scam, and someone other than the consumer's intended recipient ultimately receives the funds. For example, consumers often complain that they were prompted to transfer funds in response to a request for help from a family member or friend; for the purchase of goods or services, the rental of an apartment, a loan, or a job opportunity; or to pay taxes on lottery earnings. In response to such complaints, companies engaged in money transfers suggest that they have no liability when someone other than the intended recipient receives the funds, as long as the company complied with its policies and procedures and the minimum identification requirements were satisfied by the recipient. Another common type of complaint involves issues with other transactions, such as the refusal to cancel transactions or honor refunds when the consumer believes the company should provide them.

Consumers' prepaid card complaints

Figure 12 and Table 10 show the types of prepaid card complaints reported by consumers for the approximately 2,100 prepaid card complaints the CFPB has received.[18]

FIGURE 12: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS



[18] CFPB began accepting complaints about prepaid cards on July 19, 2014.

TABLE 10: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS

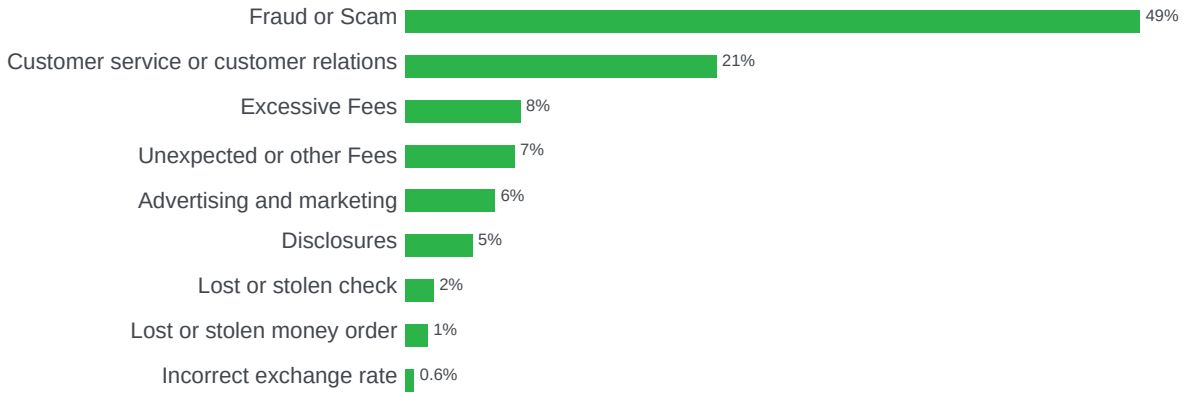
Types of Prepaid Card Complaints	%
Managing, opening, or closing your account	31%
Unauthorized transactions or other transaction issues	29%
Fraud or scam	24%
Fees	7%
Adding money	4%
Advertising, marketing, or disclosures	3%
Overdraft, savings or rewards features	1%
Total prepaid card complaints	100%

The most common types of prepaid card complaints involved managing, opening, or closing a prepaid card account and unauthorized transactions or other transaction issues. Consumers also commonly complain about frauds and scams in relation to prepaid cards. Some consumers are frustrated that they are charged an inquiry fee when they call to obtain the balance on the card. Many consumers appear to be confused about the application of various fees related to the maintenance of the account, including fees that are assessed when funds are deposited on the card or withdrawn from the card. Consumers also complained that they did not know that prepaid cards expire and that they have experienced differences in error resolution procedures among issuers. The remaining complaints involved issues with adding money to a reloadable prepaid card, dealing with misleading advertising or marketing, or not being properly compensated on rewards.

Other financial services complaints

Figure 13 and Table 11 show the types of other financial services complaints reported by consumers for the approximately 1,700 other financial services complaints the CFPB has received.[19]

FIGURE 13: TYPES OF OTHER FINANCIAL SERVICES COMPLAINTS REPORTED BY CONSUMERS



[19] CFPB began accepting complaints about check cashing, credit repair, debt settlement, foreign currency exchange, money orders, refund anticipation checks, and travelers' and cashiers' checks on July 19, 2014.

TABLE 11: TYPES OF OTHER FINANCIAL SERVICES COMPLAINTS REPORTED BY CONSUMERS

Types of Other Financial Services Complaints	%
Fraud or scam	49%
Customer service or customer relations	21%
Excessive fees	8%
Unexpected or other fees	7%
Advertising and marketing	6%
Disclosures	5%
Lost or stolen check	2%
Lost or stolen money order	1%
Incorrect exchange rate	0.6%
Total other financial services complaints	100%

Of the 1,700 other financial services complaints submitted by consumers, approximately 49% dealt with fraud or scams. Approximately 21% of complaints were about customer service issues, while approximately 8% of complaints dealt with excessive fees or unexpected fees and advertising and marketing. The remaining complaints for other financial services involved issues with disclosures and lost or stolen checks or money orders, and incorrect exchange rates.

How companies respond to consumer complaints

Approximately 167,000 (or 63%) of all complaints received between October 1, 2014 and September 30, 2015 were sent by Consumer Response to companies for review and response.[20] Table 12 shows how companies responded to these complaints during this time period.

Company responses include descriptions of steps taken or that will be taken, communications received from the consumer, any follow-up actions or planned follow-up actions, and a categorization of the response. Response category options include "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," "Closed," "In progress," and other administrative options. "Monetary relief" is defined as objective, measurable, and verifiable monetary relief to the consumer as a direct result of the steps taken or that will be taken in response to the complaint. "Closed with non-monetary relief" indicates that the steps taken by the company in response to the complaint did not result in monetary relief to the consumer that is objective, measurable, and verifiable, but may have addressed some or all of the consumer's complaint involving non-monetary requests. "Non-monetary relief" is defined as other objective and verifiable relief to the consumer as a direct result of the steps taken or that will be taken in response to the complaint. "Closed with explanation" indicates that the steps taken by the company in response to the complaint included an explanation that was tailored to the individual consumer's complaint. For example, this category would be used if the explanation substantively meets the consumer's desired resolution or explains why no further action will be taken. "Closed" indicates that the company closed the complaint without relief – monetary or non-monetary – or explanation. Consumers are given the option to review and dispute all company closure responses.

Companies have responded to approximately 94% of complaints[21] sent to them and report having closed 90% of the complaints sent to them. Table 12 shows how companies have responded to consumer complaints, and Table 13 shows untimely company responses as a percentage of complaints sent to companies for response.

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[20] The remaining complaints have been referred to other regulatory agencies (23%), found to be incomplete (11%), or are pending with the consumer or the CFPB (2% and 2%, respectively).

[21] Companies have responded to approximately 157,400 of the 167,000 sent to them for response.

TABLE 12: HOW COMPANIES HAVE RESPONDED TO CONSUMER COMPLAINTS[22]

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administ-rative response	Company reviewing	Company did not provide a timely response
Debt collection	<1%	15%	67%	4%	1%	4%	8%
Credit reporting	<1%	25%	69%	<1%	<1%	4%	<1%
Mortgage	3%	4%	79%	2%	3%	7%	2%
Credit card	19%	11%	63%	<1%	1%	4%	<1%
Bank account or service	19%	5%	68%	2%	1%	5%	<1%
Consumer loan	6%	7%	76%	1%	2%	6%	2%
Student loans	5%	6%	81%	<1%	<1%	5%	2%
Payday loan	4%	3%	63%	4%	13%	4%	10%
Money transfers	12%	3%	75%	<1%	<1%	6%	3%
Prepaid	27%	6%	59%	1%	2%	4%	1%
Other financial services	9%	4%	68%	2%	2%	7%	7%
All	5%	12%	71%	2%	2%	5%	3%

[22] While companies' responses under previous categorizations were maintained, for operational and reporting purposes, responses categorized as "full resolution provided," "partial resolution provided," and "closed with relief" are considered a subset of "closed with monetary relief," and responses categorized as "no resolution provided" and "closed without relief" are categorized as "closed with explanation."

TABLE 13: UNTIMELY COMPANY RESPONSES AS A PERCENTAGE OF COMPLAINTS SENT TO COMPANY

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administ-rative response	Company reviewing	No response
Debt collection	<1%	5%	46%	10%	<1%	<1%	36%
Credit reporting	0%	15%	48%	2%	0%	0%	35%
Mortgage	2%	2%	72%	6%	1%	1%	15%
Credit card	5%	6%	58%	5%	3%	0%	23%
Bank account or service	16%	3%	65%	4%	0%	<1%	11%
Consumer loan	4%	6%	47%	5%	2%	<1%	36%
Student loans	2%	3%	85%	4%	1%	1%	4%
Payday loan	2%	2%	41%	4%	0%	0%	51%
Money transfers	0%	0%	73%	0%	0%	2%	25%
Prepaid	23%	15%	46%	0%	0%	0%	15%
Other financial services	5%	0%	36%	0%	0%	0%	59%
All	2%	5%	52%	8%	1%	<1%	31%

After Consumer Response forwards complaints to companies, the company has 15 days to respond and 60 days to provide a final response, where applicable. Company responses provided outside of these windows are deemed untimely. As shown in Table 12, consumers did not receive a timely response in 3% of cases. Where companies eventually responded to the consumer, most often they provided a response of "Closed with explanation." However, Table 13 shows that 31% of complaints with untimely company responses never received a response.

Other financial services complaints were the most likely to receive no response, with 59% of complaints with an untimely company response never receiving a response.

Companies sometimes report an amount of monetary relief, where applicable. Through September 30, 2015, companies provided relief amounts in response to more than 9,400 complaints. For companies which have reported monetary relief, the median amount of relief reported was $140; however, the amount varies by product.

TABLE 14: MONETARY RELIEF REPORTED BY COMPANIES

Product	Number of complaints	Median amount
Debt collection	420	$347
Credit reporting	200	$23
Mortgage	1,210	$500
Credit card	3,200	$100
Bank account or service	3,090	$105
Consumer loan	480	$278
Student loans	250	$176
Payday loan	80	$319
Money transfers	180	$100
Prepaid	270	$200
Other financial services	30	$186
Overall	**9,420**	**$140**

Companies also have the option to provide non-monetary relief in response to complaints. Consumers have received a range of non-monetary relief in response to their complaints, such as:

- providing mortgage foreclosure alternatives that did not include direct monetary payments to the consumer, but that help them to keep their home;
- stopping harassment from debt collectors;

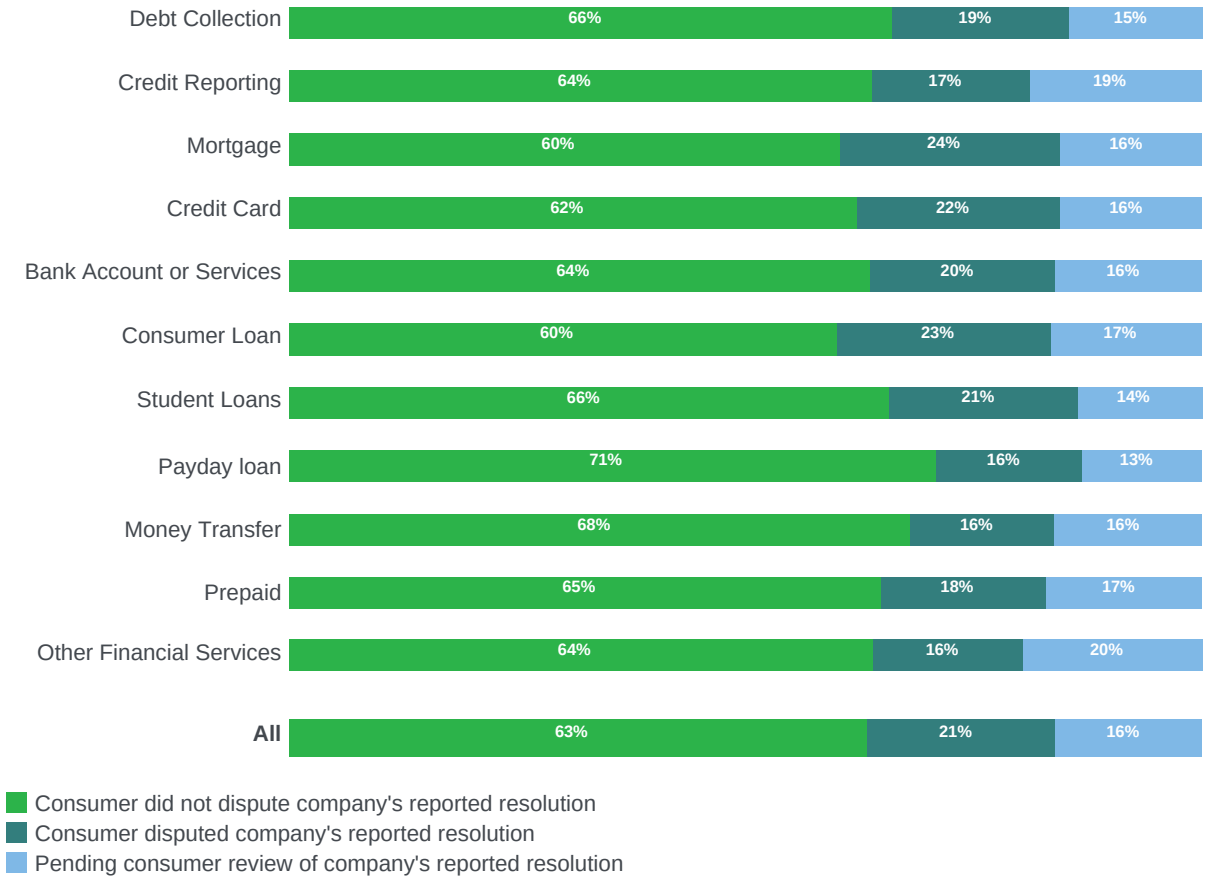
- cleaning up consumers' credit reports by correcting submissions to credit bureaus; restoring or removing a credit line;
- correcting account information, including in credit reports; and
- addressing formerly unmet customer service issues.

Consumers' feedback about companies' responses

Once the company responds, the CFPB provides the company's response to the consumer for review. Where the company responds "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," or "Closed," consumers are given the option to provide feedback on the company's response. Figure 14 shows how consumers responded to the approximately 149,600 complaints where they were given the option to provide feedback.

Approximately 63% of such consumers did not dispute the responses provided, while approximately 21% of consumers did dispute the response provided. The rest were pending with consumers at the end of this period.

FIGURE 14: CONSUMER FEEDBACK ABOUT COMPANY RESPONSES



Consumer response investigation and analysis

After requesting that companies respond to complaints sent to them for response and giving consumers the opportunity to review and provide feedback on company responses, Consumer Response reviews the complaint, the company's response, and the consumer feedback to identify market problems and consumer educational opportunities. Consumer Response analyzes consumer complaint data to monitor trends and identify risks to consumers. Consumer Response produces reports and share data and observations to inform internal and external stakeholders. In the course of our review, Consumer Response may ask companies and consumers for additional information. Consumer Response may also refer complaints to colleagues in the CFPB's Division of Supervision, Enforcement, and Fair Lending & Equal Opportunity for further consideration and prioritization.

Listening to consumers and reviewing and analyzing their complaints is an integral part of the CFPB's work in understanding issues in the consumer financial marketplace, and in helping the

market work better for consumers. The information shared by consumers and companies throughout the complaint process informs the Bureau about business practices that may pose risks to consumers and helps the Bureau supervise companies, enforce federal consumer financial laws, and write better rules and regulations.

2.3 Shopping challenges

The challenges that consumers face in the marketplace highlight the importance of a tenet that is central to the CFPB's mission – promoting markets in which consumers can understand and anticipate the risks, costs, and other terms of financial products and services. When the costs, risks, and other key features of financial products are transparent and understandable, consumers are better able to compare products and choose the best ones for their situation.

Prior Semi-Annual reports highlighted challenges consumers faced shopping for a particular lending or deposit product, including the markets for mortgages, credit cards, student loans, checking accounts, and small-dollar credit. Work completed by the CFPB over the past six months sheds further light on consumers with limited credit histories who can face substantially reduced access to credit. Consumers' credit history influences most decisions to grant credit, including mortgage loans, auto loans, credit cards, and private student loans. The following describes findings from a Bureau Data Point focusing on "credit invisibles," those consumers without credit histories maintained by the Nationwide Credit Reporting Agencies (NCRAs), and the "unscored," those consumers with NCRA credit records that do not contain enough information to generate a widely used credit score.

2.3.1 Credit invisibles

Consumers with limited credit histories reflected in the credit records maintained by the three NCRAs, including consumers with no such records, face significant challenges in accessing most credit markets. These records are often used by lenders when making credit decisions, such as when deciding whether to approve a loan application or in setting a loan's interest rate. If a consumer does not have a credit record with one of the NCRAs or if the record contains insufficient information to assess her creditworthiness, lenders are much less likely to extend credit. As a result, consumers with limited credit histories can face substantially reduced access to credit.

In broad terms, consumers with limited credit histories can be placed into two groups. The first group consists of consumers without NCRA credit records. We refer to this group as "credit invisibles." The second group includes consumers who, while they have NCRA credit records, have records that are considered "unscorable," meaning they contain insufficient credit histories to generate a credit score. Prior to our Data Point, very little was known about the number or characteristics of credit invisibles or consumers with unscored credit records.

The CFPB's Data Point estimated the number and demographic characteristics of credit invisible and unscored consumers. The key findings of this report include:

- As of 2010, 26 million consumers in the United States were credit invisible, representing about 11% of the adult population. An additional 19 million consumers, or 8.3% of the adult population, had credit records that were treated as unscorable by a commercially-available credit scoring model. These records were about evenly split between those that were unscored because of an insufficient credit history (9.9 million) and because of a lack of recent history (9.6 million).

- There is a strong relationship between income and having a scored credit record. Almost 30% of consumers in low-income neighborhoods are credit invisible and an additional 15% have unscored records. These percentages are notably lower in higher-income neighborhoods. For example, in upper-income neighborhoods, only 4% of adults are credit invisible and another 5% have unscored credit records.

Blacks and Hispanics are more likely than Whites or Asians to be credit invisible or to have unscored credit records. About 15% of Blacks and Hispanics are credit invisible (compared to 9% of Whites and Asians) and an additional 13% of Blacks and 12% of Hispanics have unscored records (compared to 7% of Whites). These differences are observed across all age groups, suggesting that these differences materialize early in the adult lives of these consumers and persist thereafter.

3. Delivering for American consumers and leveling the playing field

The CFPB exercises its authorities under Federal consumer financial laws to administer, implement, and promote compliance with those laws. To this end, the Bureau has worked to expand the resources it makes available to consumers to build the foundation necessary for making consumer financial markets work better.

3.1 Resources for consumers

The CFPB has launched a variety of offices, detailed below, to provide assistance and information to consumers. The Bureau strives to provide individualized help to consumers based on their specific issues with financial products and services, with a goal of improved financial literacy and capability – among the public as a whole, and among consumers who have experienced particular challenges in the financial markets.

3.1.1 Consumer response

As detailed in the previous section, Consumer Response receives complaints and inquiries directly from consumers. Complaints are accepted through the CFPB website, consumerfinance.gov, and by telephone, mail, email, fax, and referral.

Consumers submit complaints on the CFPB website using complaint forms tailored to specific products, and can also log on to the secure consumer portal to check the status of a complaint and review a company's response. While on the website, consumers can chat with a live agent to receive help completing a complaint form. Consumers can also call the Bureau's toll-free number to ask questions, submit a complaint, check the status of a complaint, and more.[23] The CFPB's U.S.-based contact centers handle calls with little-to-no wait times, provide services to consumers in more than 180 languages, and serve hearing and speech-impaired consumers via a toll-free telephone number. Cutting-edge technology, including the secure company and consumer portals, makes the process efficient and user-friendly for consumers and companies. The CFPB also provides secure channels for companies to communicate directly with dedicated staff about technical issues.

Consumer Response processes complaints and responds to inquiries while continually seeking new ways to improve existing processes to make them as efficient, effective, and easy-to-use as possible. Based on feedback from consumers and companies, as well as from its own observations, Consumer Response identifies new opportunities to improve its processes and implement changes with each product launch. By applying the lessons learned through previous complaint function rollouts, Consumer Response has continued to improve its intake process, enhanced its communication with companies, and ensured the system's ease-of-use and effectiveness for consumers. The CFPB has also invested significant effort into researching and understanding how to make the complaint form more intuitive to more accurately capture consumers' issues.

3.1.2 Consumer education and engagement

An essential part of the mission of the CFPB is to empower consumers to take control over their financial lives. The CFPB's Consumer Education and Engagement Division (CEE) develops and implements initiatives to educate and empower consumers to make better-informed financial decisions. Despite the availability of a wide range of information about managing money and about financial products and services, many consumers still struggle to make the financial

[23] To find more information about submitting a complaint, please see Appendix A.

decisions that serve their life goals. The Bureau hears every day from people experiencing difficulty in their financial lives, who often express regret that they did not know more about the risks involved in particular financial decisions at the time they made those decisions. Recent research indicates that significant numbers of Americans are worried about their household finances – from not being able to cover regular expenses, to not having savings to cover a financial shock, to not having enough money to retire.

The Dodd-Frank Act mandates that the Bureau work to improve the financial literacy of consumers in America. The Bureau has developed a strategy and a range of initiatives to help consumers take control over their financial lives. Broadly, this strategy recognizes that financial literacy and financial capability require more than simply providing consumers with more information. Being able to manage one's financial life and make the financial decisions that will serve one's life goals requires a combination of knowledge, skills, and action. For that reason, the Bureau has pursued a strategy that focuses on identifying how, where, when, and through whom the Bureau can provide assistance to consumers for maximum benefit. The Bureau then develops and implements initiatives to carry out those approaches.

The Bureau's strategy to improve financial literacy has two key aspects. First, the Bureau is seeking to provide assistance to consumers at important points in their financial lives. This includes building channels with a broad range of entities that consumers trust and may look to for financial and related guidance. Second, the Bureau is moving forward on research to identify effective approaches to financial education and better define the metrics for success. Fundamental to this strategy is developing approaches to provide youth with opportunities to develop the knowledge, skills, and attitudes that will serve them as adults. This strategy has been informed by the Bureau's consultations with the Financial Literacy and Education Commission (FLEC), and is aligned with FLEC's guiding vision of sustained financial well-being for U.S. individuals and families.

The Bureau's financial education strategy focuses on identifying opportune moments to engage consumers about their financial decisions and providing information, tools, or other decision-making supports to help with those decisions. The Bureau strives to provide consumers with financial decision-making resources and skills that will serve them today and in the future. The Bureau is working to address financial decision-making issues that affect consumers generally, and also issues that affect specific populations – servicemembers, students and young adults, older adults, and consumers who are low-income or economically vulnerable.

The Bureau seeks to provide consumers with assistance directly, and also works with others who can provide consumers with financial educational assistance in connection with other types of services consumers may seek. The Bureau is targeting its direct-to-consumer educational tools and resources toward assisting consumers with the financial aspects of large life decisions, starting with going to college, moving on to buying a home and, later in life, retiring; and on smaller decisions that can have large life consequences, such as starting a habit of savings, managing debt, and passing along financial life skills to one's children. The Bureau also provides a robust tool, *Ask CFPB*, to answer common consumer questions that arise as people make choices about their financial lives and about financial products and services.

As part of its efforts to assist consumers in their financial lives, the Bureau engages in a rich and ongoing dialogue with stakeholders to share information, learn about promising practices, and identify opportunities to create or strengthen channels to bring financial education and financial capability programming to consumers. These stakeholders include financial education practitioners; federal, state, and local government agencies; and various other private and nonprofit organizations.

The Bureau's financial education research program focuses on determining how to define and measure financial well-being as the end goal of financial education; identifying the knowledge, skills, and habits associated with financially capable consumers; and identifying effective approaches to improving financial capability and well-being. The Bureau will use the results of this research to refine how it supports consumers' financial decisions. The Bureau is sharing the results as they become available so others can look to the Bureau's findings as they make choices about how to provide financial education that can lead to better outcomes for consumers in America.

Highlights of education initiatives

The Bureau has undertaken a broad array of education initiatives this year, as well as continued or expanded upon prior initiatives. Highlights of these initiatives are described below.

Bureau tools and information to assist consumers directly in making financial decisions:

- *Ask CFPB* (consumerfinance.gov/askcfpb/) is an interactive online tool that gives consumers "when you need it" answers to questions about financial products and services including credit cards, mortgages, student loans, bank accounts, credit reports, payday loans, and debt collection.

- *Paying for College* (consumerfinance.gov/paying-for-college/) is a set of online tools for students and families evaluating their higher education financing options – comparing college costs and financial aid, learning about college money and loan options, and assessing repayment options.
- *Owning a Home* (consumerfinance.gov/owning-a-home/) is a set of online tools for consumers to use as they begin and pursue the process of finding a home mortgage product that fits their needs and their budget. It helps consumers understand the basics of mortgages, orient themselves in the market and process, and consider various factors that may affect their own mortgage decision.
- *CFPB en Español* (consumerfinance.gov/es/) provides Spanish-speaking consumers, who make up the second largest language group in the United States, a central point of access to the Bureau's most-used consumer resources available in Spanish.

The Bureau is working with community institutions, government agencies, and other organizations to integrate financial education or capability strategies into existing service programs or consumer relationships:

- Schools provide the opportunity to transform the financial lives of a generation of Americans by introducing key money and finance-related concepts early, and building on that foundation consistently through the kindergarten through grade 12 (K-12) school years. The Bureau has launched a youth financial education initiative to build on existing efforts to integrate financial education into K-12 curricula and undertake other approaches to improving youth financial capability. This work includes a guide to help policymakers connect with tools, information, and insights to enhance K-12 financial education efforts; and a tool for analyzing and identifying appropriate and promising youth financial education curricula.
    - The Bureau is working with the FDIC to engage teachers, parents and caregivers, and financial institutions to improve the financial futures of young people. With the Bureau's participation, the FDIC released a new education series for youth, *Money Smart for Young People*, along with a new series of guides for parents and caregivers. *Money Smart for Young People* is available for download from the FDIC website at fdic.gov/consumers/education/torc/curriculumtools.html; the guides for parents and caregivers are also available at consumerfinance.gov/parents/. The collaboration includes a CFPB-hosted web page for parents and caregivers

at consumerfinance.gov/parents/, and an FDIC-hosted web page for teachers at fdic.gov/teachers.

- Employers, including the federal government as an employer, can play an important role in helping people avoid financial distress and in promoting long-term financial well-being. Employers can do this by implementing practices in the workplace that strengthen financial capability, including making it easier for employees to adopt positive saving and investing habits. The Bureau has developed information about these practices in its report, *Financial wellness at work*. The report is available at consumerfinance.gov/reports/financial-wellness-at-work/.
  - The Bureau continues its workplace initiative focused on empowering public service organizations to help their employees tackle their student debt. As part of this initiative, the Bureau developed a toolkit, *Employer's guide to assisting employees with student loan repayment*. Public service organizations can use the toolkit to help employees learn about their options and work toward qualifying for federal loan repayment benefits available for student debt, including public service loan forgiveness. The Bureau is asking public service employers to take a pledge to help their employees in this effort. The pledge can be found at consumerfinance.gov/pledge/.
  - The Bureau is working with the Department of Labor's Employment and Training Administration to assist municipal leaders and local workforce boards in 25 communities over the next two years to integrate financial capability services into their year-round youth employment programs. Innovations and lessons from this work will be shared with the Department of Labor's broader Workforce System, which includes American Job Centers nationwide.
- Community organizations often serve as first responders in times of financial crisis for American families. Libraries are trusted institutions, and serve as a central neighborhood resource. The Bureau is working with libraries and national organizations with community networks to identify resources and community partnerships that can help libraries develop financial education programming. The Bureau is providing information and trainings for librarians. These efforts will help libraries build the expertise to help consumers research their financial questions. Resources for libraries are available at consumerfinance.gov/library-resources/. The Bureau is also working with faith communities and other neighborhood organizations to inform them about CFPB resources that individuals and community groups may use.

- Volunteer Income Tax Assistance (VITA) sites assist more than 3.5 million low-income households each year to prepare their tax returns and, when eligible, apply for the Earned Income Tax Credit. For the third year, the Bureau offered training and materials that site managers and volunteer tax preparers at VITA sites could use to encourage consumers to save a portion of their tax refunds. The training was offered to VITA site managers and their volunteer tax preparers nationwide via webinar in 2015. The Bureau offered an array of educational materials for taxpayers as well, in English and Spanish, explaining available savings options, such as direct deposit into an account and purchase of a Series I savings bond. The Bureau made these materials available via download at consumerfinance.gov/blog/taxtime2015/. The Bureau offered printed copies of posters and table tents, and delivered printed copies to VITA sites across the country.

- To support consumers and the mortgage industry in transitioning to new residential mortgage disclosure forms effective for applications for home purchase mortgage loans received beginning October 3, 2015, the Bureau developed a new consumer information booklet, *Your home loan toolkit: A step-by-step guide*. The *Toolkit* is designed to help consumers purchasing a house to use the new forms to guide them through the process of shopping for a mortgage and buying a home. The toolkit integrates new requirements under the Dodd-Frank Act and lenders can use the *Toolkit* to satisfy the requirement under the Real Estate Settlement Procedures Act, Regulation X, and Regulation Z to provide a special information booklet to help consumers better understand the nature and costs of real estate settlement services. Because the booklet is delivered to millions of consumers each year, it will help spread plan-language educational messages at a time when consumers are entering into a major financial transaction. The *Toolkit* is available in print-ready and web-ready versions, in English and Spanish, at consumerfinance.gov/learnmore/#respa.

- The Bureau expanded its offerings for financial education practitioners by establishing the *CFPB Financial Education Exchange* (*CFPB FinEx*). *CFPB FinEx* is an online and in-person information exchange designed to provide financial education practitioners with centralized access to CFPB tools, resources, and research on consumer financial behavior and effective practices. *CFPB FinEx* facilitates discussion among financial educators and allows the Bureau to gather feedback on financial education tools and approaches. Financial educators can access CFPB tools, resources, and research through a *Resources for financial educators* web page, which is available at consumerfinance.gov/adult-financial-education/. This web page includes a printable, shareable inventory of Bureau

tools, resources, and reports, which is available at consumerfinance.gov/f/201505_cfpb_finex-resource-inventory.pdf.

- The Bureau launched a toolkit, *Your Money, Your Goals*, for use by frontline staff in social services organizations. The toolkit allows social services organizations to help the people they serve strengthen their financial capability and personal money management skills. Ten entities, including federal, state, tribal, and local agencies and national organizations, participated in the rollout by training frontline staff across the country. The Bureau also developed, field-tested, and released versions adapted for specific types of users – legal aid organizations, community volunteers, and workers – and has worked with various entities to expand the reach of these adapted versions. More information is available at consumerfinance.gov/your-money-your-goals/.

- The *ROADS to Financial Independence* initiative (Reach Outcomes. Achieve Dreams. Succeed.) aims to ensure that more Americans with disabilities have the tools, resources, and support to improve their financial lives and build a brighter economic future. This initiative integrates financial education counseling with employment, independent living, and other support services provided to individuals with disabilities. Participants have the opportunity to make more informed financial decisions, set financial goals, and work toward improving their financial lives through improved credit, reduced debt, and increased savings.

- The Bureau hosts a series of virtual *Military financial educator forums* on consumer financial topics for service providers who deliver financial, educational, or legal counseling to servicemembers and their families worldwide. The Bureau makes these forums available as on-demand video trainings on the Bureau's website at consumerfinance.gov/servicemembers/on-demand-forums-and-tools/. These trainings currently cover issues in debt collection, credit reporting, veteran consumer issues, and solutions for servicemembers with troubled mortgages.

- The Bureau and the FDIC collaborate in serving older adults and distribute a financial education tool, *Money Smart for Older Adults* (MSOA), as a stand-alone module in the FDIC's *Money Smart* financial education program. MSOA provides information for older adults and their caregivers on preventing and responding to financial exploitation such as scams and identity theft, and resources on how to prepare financially for unexpected life events. MSOA is offered by community organizations around the country that interact with older adults, family members, or caregivers. The FDIC and CFPB released the Spanish version of this program in 2014. Participant guides are available for

download at consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf and are available for order through promotions.usa.gov/cfpbpubs.html. Community organizations that wish to offer the course in their communities can order the instructor materials from the FDIC at fdic.gov/consumers/consumer/moneysmart/olderadult.html.

3.2 Outreach

In addition to its efforts to engage specific populations, the CFPB regularly hosts public events across the country to discuss CFPB initiatives and to solicit input about issues related to consumer financial products and services. During this reporting period, the public participated in a field hearing on student loans in Milwaukee, WI and a public event on the Bureau's Know Before you Owe initiative in Washington, D.C.

An audience member participates during the public session at a field hearing on student lending in Milwaukee, WI.

In conjunction with these public events, Director Cordray and Deputy Director Antonakes held roundtables with community leaders, legal services attorneys, housing counselors, local officials, community banks, credit unions, housing industry participants, and others as part of the CFPB's commitment to engage with the public. The CFPB also hosted two public meetings of its Community Bank Advisory Council; both were located in Washington, D.C. and occurred on April 22, 2015 and September 30, 2015. Additionally, the CFPB held a public meeting of its Consumer Advisory Board in Omaha, NE on June 18, 2015.

The Bureau has also actively solicited the perspectives of consumer and civil rights groups, including holding roundtables with community-based organizations across the country. During this reporting period, the Bureau's Office of Community Affairs has engaged thousands of community group representatives through more than 150 meetings, briefing calls, and public appearances.

The Bureau's Office of Financial Institutions and Business Liaison was established in April 2013 to facilitate and coordinate dialogue with all industry participants, and since April 2015 has hosted more than 300 meetings, briefing calls, and public appearances with financial institutions and financial industry trade associations.

Director Cordray and senior CFPB leadership have also delivered several speeches at widely-attended industry and nonprofit conferences.[24] In addition to direct outreach through field events, roundtables, public meetings, speeches, and briefing calls, the CFPB launched Project Catalyst to support innovators in creating consumer-friendly financial products and services. The Bureau believes that markets work best when they are open to new ideas, and that the insights and innovations that come from looking at problems and solutions from new angles hold great potential in our efforts to achieve our mission of making the consumer finance market work for all consumers. Project Catalyst is designed to open lines of communication and foster collaborations that promote consumer-friendly innovation.

To these ends, Project Catalyst has continued to develop its outreach efforts and to introduce policy tools. One policy tool is the "pitch a pilot" program in which Bureau subject matter

[24] A list of speeches given in this reporting period by CFPB personnel may be found in Appendix H of this report.

experts work with entrepreneurial companies to better understand what works for consumers and to inform our policy-making in the process. Another policy tool is a trial disclosure program in which the CFPB provides waivers of federal disclosure requirements for successful applicants to allow them to develop and test innovative and consumer-friendly disclosures. More information about Project Catalyst is available on the CFPB's website.[25]

3.3 Partnerships

The Bureau has furthered many existing partnerships and formalized several new ones.

To date, the Bureau has signed numerous memoranda of understanding (MOUs) with intergovernmental partners, including federal agencies, state financial regulatory entities, state and tribal attorneys general, and municipal law enforcement agencies. The Bureau has also actively solicited the perspectives of consumer and civil rights groups.

Senior Bureau leadership has also testified before Congress 56 times since the Bureau opened its doors in 2011, including three occasions between April 1, 2014 and September 30, 2015.[26]

3.3.1 Office of the Consumer Advisory Board and Councils

The CFPB's Office of the Consumer Advisory Board and Councils is charged with managing the Bureau's advisory groups and serving as the liaison between advisory group members and the Bureau.[27] In addition to its regular engagements with external stakeholders, the Bureau's outreach also includes the:

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[25] http://www.consumerfinance.gov/ProjectCatalyst/.

[26] CFPB testimony before Congress may be found in Appendix G of this report. The numbers in this section conform to the reporting period, while the numbers in Appendix G go back a calendar year to conform with the remaining appendices.

[27] http://www.consumerfinance.gov/blog/category/consumer-advisory-board/.

- Consumer Advisory Board (CAB);
- Community Bank Advisory Council (CBAC);
- Credit Union Advisory Council (CUAC); and
- Academic Research Council (ARC).

Among its responsibilities, the Office of the Consumer Advisory Board and Councils:

- Manages the policies and procedures for the constitution and management of advisory boards and councils;
- Manages the selection process for the Bureau's advisory boards and councils;
- Conducts agenda setting for advisory board and council meetings;
- Regularly facilitates discussions between the Bureau and advisory board/council members; and
- Recommends policy and associated strategies as suggested by advisory boards and councils.

The Consumer Advisory Board and Councils offer vital insight and perspective of financial service providers as the Bureau strives to issue thoughtful, research-based rules.

The Consumer Advisory Board meets at least twice per year. The Credit Union Advisory Council and Community Bank Advisory Council each meet, on average, twice per year in person and twice per year by conference call. The Academic Research Council meets once a year.

Participants at the Consumer Advisory Board meeting on June 18, 2015 in Omaha, NE.

Role of the Consumer Advisory Board

Section 1014(a) of the Dodd-Frank Act states:

> *The Director shall establish a Consumer Advisory Board to advise and consult with the Bureau in the exercise of its functions under the Federal consumer financial laws, and to provide information on emerging practices in the consumer financial products or services industry, including regional trends, concerns, and other relevant information.*[28]

The Advisory Board and Councils help the Bureau solicit external stakeholder feedback on a range of topics, including consumer engagement, policy development, and research, and from a range of actors, including academics, industry, community members, and advocates. The

[28] Dodd-Frank Act, Pub. L. No. 111-203, § 1014(a).

advisory boards and councils consult on a variety of cross-cutting topics, report on meetings, and the CFPB provides minutes and/or summaries of their meetings on the Bureau's website. Members of the Bureau's board and councils serve for limited, specified terms.

Membership and public application process of the Consumer Advisory Board and Councils

Membership to all of the Bureau's Advisory bodies is facilitated through a public process whereby members of the public may apply to serve on a board or council. The Bureau will accept applications for these four advisory bodies on a yearly basis. On January 16, 2015, the Bureau announced that applications for 2015 membership was open and requested applications be submitted no later than February 28, 2015.[29] New CAB members will serve a three-year term and new ARC, CBAC, and CUAC members will serve two-year terms. On September 18, 2015, the Bureau was pleased to announce the appointment of these new board and council members.[30]

Section 1014(b) of the Dodd-Frank Act states:

> *In appointing the members of the Consumer Advisory Board, the Director shall seek to assemble experts in consumer protection, financial services, community development, fair lending and civil rights, and consumer financial products or services and representatives of depository institutions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and seek representation of the interests of covered persons and consumers, without regard to party affiliation.*[31]

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[29] http://www.consumerfinance.gov/blog/accepting-applications-for-our-advisory-board-and-councils-2015/.

[30] http://www.consumerfinance.gov/newsroom/cfpb-announces-new-members-of-the-consumer-advisory-board-community-bank-advisory-council-and-credit-union-advisory-council/.

[31] Dodd-Frank Act, Pub. L. No. 111-203, § 1014(b).

Meetings of the Consumer Advisory Board and the other Councils

The Bureau has held three meetings of the Advisory Board and Councils during this reporting period:

- One CAB meeting – June 2015 in Omaha, NE
- Two CBAC meetings – April 2015 and September 2015 - both in Washington, D.C.

Generally, Director Cordray provides remarks at Bureau Board and Council meetings, which are made available on our website. A public hearing has always been a part of the CAB meetings that are held in the field. However, in order to provide additional transparency into the discussions of the CAB and Councils, the Bureau now makes full advisory council meetings open and accessible to the public. The public meetings provide an opportunity for members of the public to hear the information and expertise CAB and Council members provide to the Bureau on the financial issues affecting their communities or constituencies. Any subcommittee meetings or discussions are also reported out and posted to consumerfinance.gov in meeting minutes and the CAB's annual report to the Bureau.

Topics covered with our Consumer Advisory Board and the other councils

In April 2015, the CBAC met to discuss credit scores and credit reporting. CBAC members shared trends in the marketplace and highlighted how credit scores and credit reports impact smaller financial institution's ability to lend to consumers.

In June 2015, the CAB traveled to Omaha, NE to discuss payday lending, trends and themes related to payday lending, and trends and themes related to challenges low-income consumers face in the mortgage market. The CAB heard directly from consumers in the audience who shared their thoughts on the Bureau's consideration of a small dollar lending proposal to end payday debt traps.

In September 2015, the CBAC met again to discuss consumer challenges in payments. CBAC members shared their views on the Bureau's guiding principles for protecting consumers as the private sector develops new faster payment systems.

For more information about the CAB and the other CFPB advisory bodies, please visit our website.

4. Regulations and guidance

In the past six months, the Bureau has continued to issue a number of proposed and final rules that relate to the Dodd-Frank Act, including a proposed and final rule delaying the effective date of the 2013 "Know Before You Owe" (KBYO) mortgage disclosure rule under the Real Estate Settlement Procedures Act (RESPA) and the Truth in Lending Act (TILA), a final rule facilitating access to credit in rural and underserved areas, and a final rule defining larger participants for the automobile financing market and defining certain automobile leasing activity as a financial product or service. The Bureau has continued to work on proposed and final rules on various other matters within its authority that would address longstanding consumer protection concerns in a number of consumer financial services markets. In addition, the Bureau is continuing to follow up on an earlier Request for Information seeking public comment on potential projects to streamline regulations. The Bureau also continues to be deeply engaged in assisting the mortgage industry with the implementation of Dodd-Frank Act requirements, including the Bureau's mortgage regulations.

4.1 Implementing statutory protections

The CFPB continues to engage in significant activities designed to implement the Dodd-Frank Act consumer protection provisions. Following the Bureau's issuance of mortgage rules in January 2013[32] and the KBYO rule in November 2013, the Bureau has continued to engage in

[32] In January 2013, the Bureau issued several rules implementing changes made by the Dodd-Frank Act to the laws governing various aspects of the mortgage market, including assessments of consumers' ability to repay their loans, mortgage servicing, loan originator compensation, and other topics. These rules, all of which took effect by January

activities to support the implementation process for these rules with both industry and consumers, as described further in Section 4.3. Other statutory implementation efforts have included issuing additional rules pursuant to Dodd-Frank mandates. Much of the Bureau's recent activity continues to be mortgage-related:

- In July 2014, the Bureau proposed amendments to Regulation C to, among other things, require lenders to report new data elements, as well as to implement other Dodd-Frank Act revisions to the Home Mortgage Disclosure Act (HMDA). On August 29, 2014, these proposed changes were published in the *Federal Register*. Prior to issuing the proposed rule, the Bureau, along with the Small Business Administration's Office of Advocacy and the Office of Management and Budget, launched a small business review panel process to gather input on the rulemaking in February 2014. The comment period for the proposed rule closed at the end of October 2014. The Bureau is working to finalize the rule and to use the feedback provided by the public to determine how to improve the HMDA data in an efficient and effective manner. The Bureau is also planning efforts to assist the industry with implementation of a final HMDA rule, similar to the Bureau's efforts on KBYO and the 2013 Mortgage Rules.

- In October 2014, the Bureau took steps to provide additional guidance to industry on mortgage-related issues involving the 2013 Mortgage Rules. The Bureau issued a final rule that provides an alternative small servicer definition for nonprofit entities that meet certain requirements and amends the existing exemption from the ability-to-repay rule for nonprofit entities that meet certain requirements. The final rule also provides a cure mechanism for the points and fees limit that applies to qualified mortgages.

- In October 2014, in response to industry feedback, the Bureau proposed amendments to the KBYO rule to seek comment on limited and technical issues concerning the rule. After notice and comment, the proposed amendments were adopted on January 18, 2015. The KBYO rule was modified to extend the timing requirement for creditors to provide a revised Loan Estimate when a consumer locks the loan's interest rate or

18, 2014, are now providing significant improvements in the mortgage process that benefit both consumers and the mortgage industry alike through strengthened consumer protections and increased efficiencies. The Bureau's implementation activities for these rules are further discussed in section 4.3.

extends a lock rate, to provide for the placement on the Loan Estimate of language relating to construction loans, to provide for placement of the Nationwide Mortgage Licensing System and Registry unique identifier on the integrated disclosures, and to make non-substantive corrections, such as corrected or updated citations and cross-references.

- In November 2014, the Bureau proposed amendments to certain mortgage servicing rules issued in 2013 in part to implement Dodd-Frank Act amendments to RESPA and TILA. These proposed amendments focus primarily on clarifying, revising, or amending provisions regarding force-placed insurance notices, policies and procedures, early intervention, and loss mitigation requirements under Regulation X's servicing provisions; and periodic statement requirements under Regulation Z's servicing provisions. The proposed amendments would also address proper compliance regarding certain servicing requirements when a consumer is a potential or confirmed successor in interest, is in bankruptcy, or sends a cease communication request under the Fair Debt Collection Practices Act (FDCPA). The proposed rule would also make technical corrections to several provisions of Regulations X and Z.

- In January 2015, the Bureau proposed amendments to some of the Bureau's 2013 Mortgage Rules implementing the Dodd-Frank Act that would modify definitions relating to small creditors, including those that operate predominantly in "rural or underserved" areas. On September 21, the Bureau issued a final rule that revises the Bureau's regulatory definitions of small creditor and rural areas, for purposes of special provisions and exemptions from requirements provided to certain small creditors under the Bureau's mortgage rules.

- In April 2015, the Bureau issued a final interpretive rule on how to provide mortgage applicants with a list of local homeownership counseling organizations. The interpretive rule restates guidance issued in 2013, and provides further guidance for lenders who are building their own lists of housing counselors. The rule also includes guidance on the qualifications for providing high-cost mortgage counseling and for lender participation in such counseling.

- In June 2015, the Bureau, in conjunction with the OCC, Board, FDIC, NCUA and FHFA issued a final rule that implements minimum requirements for state registration and supervision of appraisal management companies.

- In June 2015, the Bureau proposed a rule delaying the effective date of the KBYO rule to October 3, 2015. In July 2015, the Bureau issued the final rule that delayed the effective date of the KBYO rule as proposed and made certain technical amendments and corrections.

4.2 Addressing longstanding consumer protection and regulatory burden concerns in other markets

In addition to work implementing Dodd-Frank Act mandates relating to mortgages, the Bureau has continued to focus attention on a number of issues in other consumer financial products and services markets. This work includes rulemakings to revise regulations the Bureau inherited from other agencies and the issuance of a proposed rule governing prepaid cards, as well as continued research and other preparations for rulemakings to address several longstanding issues regarding debt collection, payday loans and deposit advance programs, and overdraft features on deposit accounts.

As reflected in its Spring 2015 regulatory agenda, the Bureau has continued work on a number of projects to address longstanding concerns in other consumer financial services markets. For example:

- In November 2014, the Bureau proposed amendments to Regulations E and Z to create a comprehensive set of consumer protections for prepaid financial products, which are increasingly being used by consumers in place of traditional checking accounts. The proposed rule would expressly bring prepaid products within the ambit of Regulation E (which implements the Electronic Fund Transfer Act) as prepaid accounts and create new provisions specific to such accounts. The proposal would also amend Regulation E and Regulation Z (which implements the Truth in Lending Act) to regulate prepaid accounts with overdraft services or credit features. The comment period for the proposed rule closed at the end of March 2015, and the Bureau is reviewing the feedback provided by the public.

- The Bureau is considering developing a proposed rule on debt collection, building upon the comments received concerning an Advance Notice of Proposed Rulemaking on debt collection issued in November 2013, and is conducting research, analysis, and outreach

as appropriate on this topic. Debt collection generates more complaints to the federal government each year than any other consumer financial services market. The Bureau distributed a survey to consumers to learn about their experiences with credit and debt, including debt collection. The results of the survey will provide information related to debt collection on a broad cross-section of consumers that is not available elsewhere. The Bureau has conducted further industry outreach by soliciting cost information from debt collection industry participants. The Bureau is also undertaking consumer testing initiatives to determine what information would be useful for consumers to have about debt collection and their debts and how that information should be provided to them.

- The Bureau is developing proposals for regulations to address issues in the markets for payday, vehicle title, and some high-cost installment loans. In April 2015, the Bureau released an outline of proposals under consideration and convened a Small Business Review Panel with the Office of Management and Budget and the Office of Advocacy in the Small Business Administration. The Bureau is continuing to gather feedback on the proposals under consideration from small entities and a wide variety of other stakeholders before issuing a proposed rule.

- The Bureau is considering rules to address consumer harms from practices related to payday loans and other similar credit products, including failure to determine whether consumers have the ability to repay without default or reborrowing and certain payment collection practices. Under the Small Business Regulatory Enforcement Fairness Act (SBREFA), the Bureau released in March 2015 an outline of proposals under consideration for the rulemaking. As part of the SBREFA process, in April 2015, the Bureau along with the Office of Management and Budget and the Small Business Administration's Chief Counsel for Advocacy, met with small lenders that may be affected by the rulemaking to obtain feedback on the proposals. This rulemaking builds on Bureau research, including a white paper the Bureau published on these products in April 2013, a data point providing additional research in March 2014, and ongoing analysis. The Bureau expects to issue a Notice of Proposed Rulemaking in early 2016 after additional outreach and analysis.

- Building on Bureau research and other sources, the Bureau is also engaged in policy analysis and further research initiatives in preparation for a rulemaking on overdraft programs on checking accounts. The CFPB issued a white paper in June 2013 based primarily on supervisory data from several large banks that highlighted a number of possible consumer protection concerns, including how consumers opt in to overdraft

coverage for ATM and one-time debit card transactions, overdraft coverage limits, transaction posting order, overdraft and insufficient funds fee structure, and involuntary account closures. In July 2014, the CFPB released a report, based on data from the same sources, providing additional information about the outcomes of consumers who do and do not opt in to overdraft coverage for ATM and one-time debit card transactions. The July 2014 report also explored the transactions that overdraw consumer accounts. The CFPB is continuing to engage in additional research and has begun consumer testing initiatives relating to the opt-in process.

- In March 2015, the Bureau issued a report to Congress, as required by the Dodd-Frank Act, concerning the use of agreements providing for arbitration of any future dispute between covered persons and consumers in connection with the offering or providing of consumer financial products or services. The report expanded on preliminary results of arbitration research that the Bureau released in December 2013. Following completion of the Panel process, consideration of the Panel's recommendations, and other stakeholder outreach, the Bureau expects to commence a rulemaking.

The Bureau has continued to work on defining larger participants in markets for consumer financial services and products. Under Title X of the Dodd-Frank Act, the Bureau is authorized to exercise supervisory authority over larger participants that it defines by rule.

In June 2015, the Bureau issued a final rule to supervise larger nonbank auto finance companies. The rule extends supervision of the Bureau's consumer finance laws to any nonbank auto finance company that makes, acquires, or refinances 10,000 or more loans or leases in a year.

With regard to regulations that the CFPB inherited, the Bureau issued a Request for Information in December 2011 seeking comment on opportunities to streamline, modernize, and harmonize regulations inherited from other federal agencies. The Bureau has sought to address such issues in the course of its rulemakings; for instance, by using the rulemakings to consolidate mortgage disclosures under TILA and RESPA to clarify or reduce the burden of existing regulations, and by exploring opportunities to reduce unwanted regulatory burden as part of the HMDA rulemaking.

The Bureau has also continued to launch other rulemaking and guidance initiatives designed to streamline existing regulations and reduce regulatory burden.

In April 2015, the Bureau finalized a rule to temporarily suspend card issuers' obligations under Regulation Z to submit credit card agreements to the CFPB for a period of one year (i.e., four quarterly submissions), in order to reduce burden while the CFPB works to develop a more streamlined and automated electronic submission system. Other requirements, including card issuers' obligations to post these agreements on their own publicly available websites, remain unaffected.

4.3 Facilitating implementation of new regulations

As the Bureau has issued regulations to implement Dodd-Frank Act requirements, it has focused intently on supporting the implementation process for these rules with both industry and consumers. The Bureau has continued to provide implementation support for the mortgage rules issued under Title XIV of the Dodd-Frank Act, which went into effect by January 18, 2014, including engaging in public outreach, speaking at industry conferences, and providing training to housing counselors. The Bureau has developed regulatory implementation materials and reference aids that support and assist regulatory implementation efforts for the KBYO mortgage disclosure rule, the recently-issued rule revising the definitions of small creditor and rural area under Regulation Z, and other rules. These materials include rule summaries, compliance guides, sample forms, charts and other reference aids, and webinar recordings, which are available on a section of the Bureau's website dedicated to regulatory implementation.[33] These materials, along with other communications and outreach efforts, facilitate industry access to information on regulatory requirements and developments, particularly for smaller businesses that may have limited legal and compliance staff. The Bureau plans to develop additional tools and resources to facilitate implementation and compliance with new rules, and to update existing resources to reflect regulatory amendments.

[33] http://www.consumerfinance.gov/regulatory-implementation/.

The Bureau finalized the KBYO mortgage disclosure rulemaking in November 2013.[34] In developing the rule, the Bureau sought to facilitate implementation by incorporating in the regulation and the Official Interpretations detailed instructions for completing the forms along with many examples. The Bureau included illustrative examples for completing the new forms for various different types of mortgage products and closing scenarios. The Bureau has been working on a number of initiatives to help facilitate implementation before the October 2015 effective date:

- Guides and sample forms – Shortly after the Bureau finalized the KBYO rule, the Bureau published a plain-language small entity compliance guide providing an overview and summary of key aspects of the KBYO rule; a plain-language guide to forms providing detailed, illustrated instructions on completing the new Loan Estimate and Closing Disclosure forms; and a number of sample completed forms to assist in the implementation and understanding of the new rules. The Bureau revised and published updated versions of the two guides reflecting the amendments to the rule issued in January 2015 and July 2015.
    - The Bureau published a number of sample forms, in both English and Spanish, to provide additional support to lenders as they make any necessary changes to their systems.
    - The Bureau published a sample timeline that illustrates the new disclosure timing requirements for a sample real estate transaction. This timeline is particularly useful to lenders and settlement service providers that need to adjust their business requirements around the new rules.

[34] As discussed in Section 4.1, in January 2015, after extensive outreach to stakeholders, the Bureau published an amendment to the KBYO rule making two minor modifications and technical amendments to the rule in order to smooth compliance for industry. An additional amendment was issued in July 2015 to change the effective date of the rule to October 3, 2015.

- In May 2015, the Bureau published a new edition of the Examination Manual, updated to reflect the changes created by the new disclosure forms.

- Webinars and other informal guidance – In conjunction with the Federal Reserve System, the Bureau has conducted a series of webinars on the KBYO rule. Early webinars provided an overview of the final rule and the new disclosures and addressed basic questions regarding interpretation and application of the rule. Later webinars addressed specific implementation and interpretive questions. Links to recordings of all five webinars have been posted on the Bureau's regulatory implementation web page. The Bureau has published an index of questions asked and topics addressed during each of the webinars to give viewers faster access to specific information. In addition, a webinar designed for housing counselors was presented in July 2015 and has been made available on the Bureau's website.

- Public outreach – Bureau staff has spoken at a number of industry conferences, roundtables and other formal events. Bureau staff continues to engage in extensive outreach to discuss the mortgage rules, identify and address implementation issues as they arise, and provide informal oral guidance in response to interpretive inquiries from a myriad of stakeholders. The Bureau recognizes that non-profits, like housing counselors, also play a significant role in providing consumers with support in the home buying process, and has included them in its public outreach activities.

- Inter-agency coordination – The Bureau continues to coordinate with other federal government regulators that also conduct examinations of mortgage companies to develop examination procedures for the KBYO rule and to promote a consistent regulatory experience for industry. The Bureau has engaged in outreach to other state and federal regulators affected by the new disclosures.

In September 2015, the Bureau launched a suite of other tools and resources to help industry and consumers understand the new mortgage disclosure requirements and process, and updated its website to feature these materials. The newly-updated Owning a Home site includes an interactive guide to the new mortgage disclosures and loan process, a guide to understanding loan options, a calculator to explore interest rates, checklists, and other resources. The Bureau's *Ask CFPB* questions have been updated to reflect changes made by the KBYO mortgage disclosure rule. The Bureau has also developed an awareness campaign for Real Estate Professionals to assist them in understanding and complying with the new rule. As part of this campaign, the Bureau issued a Real Estate Professionals guide and created a web page with

informati0n and resources to help professionals understand regulatory changes and work with consumers to ensure smooth and on-time closings.

Bureau staff is working to monitor implementation of the new rules as they take effect, and to prepare broader research efforts to assess the impact of the rules over time. This information will provide vital feedback to the Bureau both in assessing the need for follow up within the remittances and mortgage markets and in improving its general rulewriting process over time. With respect to the KBYO mortgage disclosure rule, the Bureau continues to engage in outreach and monitoring efforts to ensure that institutions are making any business process, operational, or technological systems changes that may be necessary to comply with requirements of the rule and generate the new forms.

Finally, one other important initiative launched by the Bureau to support both new and ongoing compliance efforts is the release of its "eRegulations" project, in which the Bureau released a web-based, open source tool that aims to make regulations easier to navigate, read, and understand. eRegulations presents regulation text and commentary in a clear format, and allows users to compare different versions to identify changes. The Bureau began this effort in October 2013 with the online release of Regulation E (including the new remittance transfer rules) with the goals of increased compliance, more efficient supervision, and improved accessibility.[35] The Bureau unveiled Regulation Z in May 2014.[36] Work is underway to add other Bureau regulations.

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[35] http://www.consumerfinance.gov/eregulations/1005.

[36] http://www.consumerfinance.gov/eregulations/1026.

5. Supervision

The CFPB's supervisory authority extends to banks, thrifts, and credit unions with assets of more than $10 billion, as well as affiliates of those institutions. In addition, the CFPB supervises nonbank mortgage originators and servicers, payday lenders, and private student lenders of all sizes, and also supervises larger nonbank participants of other markets as the CFPB defines by rule. To date, the CFPB has promulgated larger-participant rules with respect to nonbank debt collectors, consumer reporting agencies, student loan servicers, international money transmitters, and auto lenders.

The CFPB's Offices of Supervision Examinations and Supervision Policy are located within the Division of Supervision, Enforcement, and Fair Lending. These two offices develop and administer the CFPB's nationwide supervisory program for depository and nondepository financial institutions. In conducting its supervisory activities, the CFPB focuses on maintaining consistency across markets, industries, charters, and regions, as well as on ensuring efficient and effective examinations and supervisory work. The CFPB follows a risk-based approach to examinations, prioritizing consumer products and markets that pose significant risks to consumers.

5.1 Supervisory activities

Since the last Semi-Annual Report was released in May 2015, the CFPB has issued the following public document:

Supervisory Highlights

Continuing the CFPB's policy of transparency, Supervision has committed to periodically issuing "Supervisory Highlights." The goal of this publication is to inform both industry and the public about the development of the CFPB's supervisory program, as well as to discuss broad trends in examination findings in key market or product areas.

The Summer 2015 edition of Supervisory Highlights, issued in June 2015,[37] shared supervisory observations made and addressed during the CFPB's supervisory and examination work completed between January 2015 and April 2015. The edition reported examination findings in the areas of consumer reporting, debt collection, student loan servicing, mortgage origination, mortgage servicing, and fair lending, and information about recent public enforcement actions that were a result, at least in part, of CFPB's supervisory work. The report also included information on supervision program developments, such as updated mortgage origination examination procedures reflecting upcoming mortgage disclosure rule changes, as well as information on CFPB's risk-based approach to supervision.

[37] http://www.consumerfinance.gov/reports/supervisory-highlights-summer-2015/.

5.2 Supervisory guidance

Bulletin on Interstate Land Sales Full Disclosure Act Amendment

In August 2015, the CFPB issued a compliance bulletin[38] to provide information to developers and other interested parties relating to a recent amendment to the Interstate Land Sales Full Disclosure Act.

Bulletin on cancellation and termination of private mortgage insurance

In August 2015, the CFPB issued a compliance bulletin[39] providing guidance to mortgage servicers regarding the cancellation and termination of private mortgage insurance. The bulletin explains certain requirements of the Homeowners Protection Act and is intended to help servicers comply with the law.

Bulletin on Section 8 housing choice voucher homeownership program

On May 11, 2015, the Bureau issued a bulletin providing guidance to help lenders avoid prohibited discrimination against applicants whose income includes vouchers from the Section 8 Housing Choice Voucher (HCV) Homeownership Program.[40] The bulletin reminds lenders that discriminating against a consumer because some or all of their income is from a public assistance program may violate federal fair lending protections. This bulletin is discussed in the Fair Lending Outreach section of this Report.

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[38] http://files.consumerfinance.gov/f/201508_cfpb_bulletin-on-interstate-land-sales-full-disclosure-act-amendment-federal-register.pdf.

[39] http://files.consumerfinance.gov/f/201508_cfpb_compliance-bulletin_private-mortgage-insurance-cancellation-and-termination.pdf.

[40] http://files.consumerfinance.gov/f/201505_cfpb_bulletin-section-8-housing-choice-voucher-homeownership-program.pdf.

5.3 Coordination and information sharing with other government agencies

The CFPB and state regulators coordinate on examinations under a framework for coordination on supervision and enforcement entered into by the CFPB and the Conference of State Bank Supervisors, acting on behalf of state financial regulatory authorities.[41] Examination coordination under the framework may occur where the CFPB and state regulators each have supervisory jurisdiction over particular depository or nondepository financial institutions. The framework is an outgrowth of information sharing MOUs entered into by the CFPB and 63 state financial regulatory authorities in all 50 states, Puerto Rico, the District of Columbia, and Guam. The MOUs provide that state regulators and the CFPB will work together to achieve examination efficiencies and to avoid duplication of time and resources expended. The MOUs also establish safeguards and restrictions on the treatment of any shared information.

In addition, the CFPB coordinates with federal prudential regulators[42] on examination planning and policy considerations. Representatives of the CFPB and the federal prudential regulators meet regularly to coordinate supervisory and other activities. The CFPB also coordinates and collaborates with federal prudential regulators and federal law enforcement agencies, such as the DOJ and the FTC, in enforcement investigations and actions, including in the fair lending context.

The CFPB is a member of the Federal Financial Institutions Examination Council (FFIEC). As part of its mission, the FFIEC facilitates the development of consistent examination principles, standards, procedures, and report formats, and otherwise makes recommendations to promote uniformity in the supervision of financial institutions. As discussed in Section 4.3, in 2015, the FFIEC member agencies updated examination procedures for TILA and RESPA. The updated

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[41] http://files.consumerfinance.gov/f/201305_cfpb_state-supervisory-coordination-framework.pdf.

[42] FRB, FDIC, NCUA, and OCC.

procedures reflect regulatory amendments, including those related to the TILA-RESPA Integrated Disclosures.

5.4 Examiner training and commissioning

The CFPB's Supervision Learning & Development (SL&D) team is responsible for training and commissioning the CFPB's field examination staff. The primary vehicle for commissioning is the Examiner Commissioning Program (ECP), which became effective as of October 27, 2014. The finalized ECP policy replaced the previous Interim Commissioning Policy (ICP), which allowed regional directors to submit executive review nomination memos for highly experienced examiners and field managers. The CFPB issued 173 commissions under the ICP to examiners, field managers, and headquarters staff. After the first 10 months under the new ECP, an additional 14 examiners have achieved commissioned examiner status, bringing the total number of commissioned examiners to 184, which accounts for attrition through retirement and departures from the CFPB.

The ECP includes five instructor-led, classroom-based courses, as well as formal on-the-job training (OJT) modules, Acting Examiner-in-Charge (EIC) assignments, and a comprehensive multiple-choice test. The ECP finishes with a case study assessment. Within 12-18 months of achieving commissioned examiner status under ECP, examiners will complete a 120 day rotational assignment in any of a variety of offices in the Washington D.C. headquarters. Completed and fully-implemented components of the ECP currently include the following instructor-led classroom-based courses: Operations and Deposits/Prepaid Products, Lending Principles, Fair Lending Examination Techniques, Advanced Communications, and EIC Capstone course.

Now that all parts of the ECP are finished and fully implemented there are two paths to a commission. One is through successful completion of the ECP, including the comprehensive test and case study assessment. The second is an abbreviated program for examiners commissioned at other agencies who are required to complete the two-week EIC Capstone course within one year of joining the CFPB in order to better understand processes and reports specific to CFPB.

5.5 Technology

The CFPB is planning to replace its existing examination management software (known as the "Supervision and Examination System"). The new system will aid the CFPB in supervising and enforcing Federal consumer financial law by utilizing current technology to support monitoring of bank and nonbank entities and collaboration across offices, and to improve the efficiency of the supervisory process.

The CFPB is using a Compliance Tool (the Tool) to assist in conducting examinations of entities subject to CFPB supervision. The Tool provides for secure and standardized data submissions to the CFPB, and supports consistency in the examination process across institutions. The Tool is a software system that collects, validates, and analyzes loan portfolio and deposit account data through an electronic system. It enables covered entities to upload data securely and improves the ability of CFPB examiners to conduct risk-based and targeted compliance reviews.

5.6 Reporting on the Truth in Lending Act, the Electronic Fund Transfer Act, and the Credit Card Accountability Responsibility and Disclosure Act

5.6.1 Reporting on TILA, EFTA, and the CARD Act

TILA and EFTA require the CFPB to file an annual report to Congress that includes a description of the administration of functions under TILA and EFTA, and an assessment of the extent to which compliance with TILA and EFTA have been achieved. In addition, Section 502(e) of the Credit Card Accountability Responsibility and Disclosure Act (CARD Act) requires reporting on supervisory and enforcement activities with respect to compliance by credit card issuers with applicable Federal consumer protection statutes and regulations.

This part of the CFPB's Semi-Annual Report to Congress will provide the information required by TILA, EFTA, and the CARD Act.

First, it describes the CFPB's and other agencies' enforcement efforts and required reimbursements to consumers by supervised institutions, as they relate to TILA, EFTA, their respective implementing regulations, Regulation Z and Regulation E, and the CARD Act. Second, the report provides an assessment of the extent of compliance with the provisions of TILA, EFTA, and their implementing regulations. This TILA, EFTA, and CARD Act report covers the period between January 1, 2014 and December 31, 2014.[43]

5.6.2 TILA: public enforcement actions and reimbursements

The purposes of TILA are: (1) to provide a meaningful disclosure of credit terms to enable consumers to compare the various credit terms available in the marketplace more readily and to avoid the uninformed use of credit; and (2) to protect consumers against inaccurate and unfair credit billing and credit card practices. 15 USC § 1601(a).

The enforcement efforts made, and reimbursements required, by all the agencies assigned enforcement authority under TILA are discussed in this section.

The agencies charged with enforcement of TILA under section 15 USC § 1607 include:

- the CFPB;
- the FDIC;
- the FRB;
- the NCUA;
- the OCC;
- the FTC;
- the Department of Transportation (DOT);
- the Farm Credit Administration (FCA); and
- the Grain Inspection, Packers and Stockyards Administration of the Department of Agriculture.

[43] In order to facilitate reporting on an interagency basis, this TILA, EFTA, and CARD Act report is based on the full calendar year of 2014. This update is delivered annually in the Fall Semi-Annual Report.

During the reporting period of January 1, 2014 through December 31, 2014, the following agencies reported enforcement actions under TILA, including:

TABLE 15: ENFORCEMENT ACTIONS RELATED TO TILA

Agency	Summary
CFPB	Obtained debt relief, through a consent order, for servicemembers and other consumers from consumer lending companies for, among other things, failing to accurately disclose the finance charge and annual percentage rate for financing agreements, and failing to disclose or accurately disclose required financial information from billing statements. The companies also engaged in unfair, deceptive, and abusive practices in debt collection. Ordered an online mortgage lender, through a consent order, to refund consumers for, among other things, improperly charging up-front fees. The consent order also covered the lender's unfair and deceptive practices and violations of RESPA and the Mortgage Acts and Practices Rule. Filed a consent order in federal court requiring a financing company, catering to military members, to provide relief to consumers for, among other things, failing to disclose required account-opening disclosures. The Bureau's action also involved a nationwide furniture and electronics retailer, and included the companies' unfair and abusive debt collection practices as well as violations of EFTA.
FDIC	Issued two civil money penalties for violations of TILA.
OCC	Issued a consent order against the president and chief executive officer of one financial institution for failing to comply with federal laws and regulations, including TILA.
FTC	Entered into a stipulated final order with an auto dealer for deceptive claims in advertised vehicle finance offers. Issued final consent orders against nine auto dealers for deceptive advertisements in the financing of motor vehicles. Issued a consent agreement for public comment settling allegations that an auto dealership deceptively advertised purchased and finance terms as well as other misleading promotional offers. Obtained stipulated consent orders against two lead generators of mortgage loans for advertising credit terms that were not offered by the creditor, disseminating deceptive refinancing advertisements, and providing incomplete terms in advertisements. Obtained a stipulated order against a homebuilder for deceptively advertising the finance terms that were not accurate.

No other agencies with TILA enforcement authority reported taking any enforcement actions related to TILA during the January 1, 2014 through December 31, 2014 time period.

For TILA and Regulation Z violations found during the same time period, the CFPB, FRB, FDIC, and NCUA required 38 institutions to reimburse an estimated 19,000 consumers approximately $243 million. This amount includes reimbursements required by the enforcement actions noted in Table 15. These totals also include those stemming from CFPB consent orders with three institutions for violations of Federal consumer protection laws, including TILA. The consent orders, referenced in Table 15, required refunds of an estimated $242.5 million to approximately 17,000 consumers.

5.6.3 EFTA: public enforcement actions and reimbursements

The purpose of EFTA is to provide a basic framework establishing the rights, liabilities, and responsibilities of participants in electronic fund and remittance transfer systems. 15 USC § 1693(b).

The enforcement efforts made, and reimbursements required, by all the agencies assigned enforcement authority under EFTA are discussed in this section. The CFPB will continue to consider the potential benefits and costs to consumers and financial service providers in evaluating new rules under EFTA. The CFPB will also continue to monitor the market and evaluate the adequacy of consumer protection under EFTA.

The agencies charged with enforcement of EFTA under 15 USC § 1693o include:

- the CFPB;
- the FDIC;
- the FRB;
- the NCUA;
- the OCC;
- the FTC;
- the DOT, and
- the Securities and Exchange Commission.

During the reporting period of January 1, 2014 through December 31, 2014 the following agencies reported enforcement actions under EFTA, including:

TABLE 16: ENFORCEMENT ACTIONS RELATED TO EFTA

Agency	Summary
CFPB	Filed a consent order in federal court against a nationwide furniture and electronics retailer (as discussed previously under Enforcement Actions related to TILA) for violations related to EFTA's requirement for written authorization for preauthorized transfers from consumer's account.
FDIC	Issued three civil money penalties and two Cease & Desist orders for violations of EFTA.
FTC	Obtained a settlement in one case against an internet enterprise and entered a stipulated order against a marketer of weight loss products for debiting consumers' debit cards, or using other electronic fund transfers, to debit consumers' bank accounts on a recurring basis without obtaining proper written authorization from the consumer. Obtained a settlement with a payday lender for requiring consumers' authorization for recurring electronic payments from their bank accounts as a condition of obtaining payday loans.

No other agencies with EFTA enforcement authority reported taking any enforcement actions related to EFTA during the January 1, 2014 through December 31, 2014 time period.

For EFTA and Regulation E violations found during the same time period, the NCUA required, as a result of non-public enforcement actions, eight institutions to reimburse eight consumers a total of $3,500.

The CFPB order discussed in Table 16, which also involved TILA and other violations, required the nationwide furniture and electronics retailer to reimburse consumers $2.5 million.

5.6.4 CARD Act: public enforcement actions and reimbursements

The CARD Act amended TILA to establish fair and transparent practices relating to the extension of credit under an open-end consumer credit plan. Section 502(e) of the CARD Act requires reporting on supervision and enforcement activities undertaken by the Federal banking agencies (the FRB, FDIC, and OCC), and the FTC with respect to compliance by credit card issuers with applicable Federal consumer protection statutes and regulations.

During the reporting period of January 1, 2014 and December 31, 2014, the following agencies reported several enforcement actions under applicable Federal consumer protection law:

TABLE 17: ENFORCEMENT ACTIONS RELATED TO THE CARD ACT AND RELATED LAWS

Agency	Summary
FRB	Ordered a financial institution to reimburse consumers for deceptive acts or practices relating to services provided to schools disbursing financial aid to students
FDIC	Issued 11 civil money penalties and four Cease & Desist orders for violations of the Federal Trade Commission Act.
OCC	Ordered three financial institutions and affiliates to reimburse consumers for illegal credit card practices, including unfair billing practices with respect to credit card "add-on products" such as identity theft protection. Two of these enforcement actions were taken in conjunction with the CFPB.

No other agencies reported taking any enforcement actions related to the CARD Act and related applicable Federal consumer financial laws during the January 1, 2014 and December 31, 2014 time period.

As a result of enforcement actions taken during the same time period, the CFPB, FRB, FDIC, NCUA, and OCC required 11 institutions and affiliates to reimburse more than 2.8 million consumers over $558.9 million. This amount includes reimbursements required by the enforcement actions noted in Table 17 as well as non-public enforcement actions. These totals include those stemming from actions taken by the OCC and CFPB jointly (see Table 17), ordering two institutions to refund an estimated $507 million to approximately 2.3 million consumers.

5.6.5 Assessment of compliance and common violations – TILA and EFTA

The FFIEC agencies reported overall compliance by supervised entities with TILA (including those related to open-end credit) and EFTA, and their respective implementing regulations.[44] However, the agencies reported that more institutions were cited for violations of Regulation Z than Regulation E over the reporting period. This section outlines the most frequently cited violations of Regulation Z and Regulation E reported by the FFIEC agencies for the reporting period.

For the reporting period of January 1, 2014 through December 31, 2014, the most frequently cited violations of Regulation Z reported by the FFIEC agencies were:[45]

- 12 C.F.R. § 1026.18(d) – On closed-end credit, failure to disclose, or accurately disclose, the finance charge, using that term, or a brief description of the term finance charge.
- 12 C.F.R. § 1026.19(a)(1) – On residential mortgage transactions subject to the Real Estate Settlement Procedures Act, failure to make good faith estimates of the disclosures required by 12 C.F.R. § 1026.18 and to deliver or place them in the mail no later than three business days after receiving the written application.

For the reporting period of January 1, 2014 through December 31, 2014, the most frequently cited violations of Regulation E reported by the FFIEC agencies were:

- 12 C.F.R. § 1005.11(c) – Failure to comply with the requirements involving time limits and the extent of investigation for resolving errors in electronic fund transfers.
- 12 C.F.R. § 1005.11(d) – Failure to follow the procedures when an investigation determines no error or a different error occurred.

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[44] Other agencies either do not conduct compliance examinations or reported general compliance for the laws under their jurisdiction.

[45] Because the FFIEC agencies use different methods to compile the data, the information presented here supports only general conclusions.

5.6.6 Outreach Related to TILA and EFTA

The FFIEC agencies issue guidance and examination procedures to assist supervised institutions in complying with the requirements of TILA and EFTA and their respective implementing regulations. The agencies also provide guidance to industry members on these topics through participation in conferences (including teleconferences) and outreach events.

In addition, in 2014 the FTC hosted two public workshops on such topics as predatory lending practices related to payday lending, title lending, and cash advances on tribal dividend payments. The FTC issued a consumer publication providing guidance on deceptive auto sales and financing promotions and released blog posts that included guidance for consumers and businesses regarding unauthorized withdrawals from consumer accounts, including in payday lending.

6. Enforcement

The CFPB aims to enforce the consumer protection laws within the Bureau's jurisdiction consistently and to support consumer-protection efforts nationwide by investigating potential violations both independently and in conjunction with other federal and state law enforcement agencies.

6.1 Conducting investigations

Since the CFPB's launch, the Offices of Enforcement (Enforcement) and Fair Lending and Equal Opportunity (Fair Lending) have been investigating potential violations of federal consumer financial laws. Some investigations were transferred to the Bureau by the prudential regulators and HUD, while the Bureau initiated other investigations based on potentially problematic practices that Bureau staff identified or consumers and others reported. In utilizing its investigation resources, Enforcement considers many factors, including amount of consumer harm and the significance of the potential law violation. Investigations currently underway span the full breadth of the Bureau's enforcement jurisdiction. Further detail about ongoing investigations will not generally be made public by the Bureau until a public enforcement action is filed.

6.2 Enforcement actions

Section 1016(c)(5) of the Dodd-Frank Act requires the Bureau to include in the semi-annual report "a list, with a brief statement of the issues, of the public supervisory and enforcement actions to which the Bureau was a party during the preceding year." The Bureau was a party in 59 public enforcement actions from October 1, 2014 through September 30, 2015, detailed as follows:

In the Matter of Fifth Third Bank (File No. 2015-CFPB-0025) (consent order entered September 28, 2015).

The CFPB took action against Fifth Third for deceptive acts or practices in the marketing and sales of its "Debt Protection" credit card add-on product. From 2007 through February 2013, Fifth Third marketed and sold the product to its customers during telemarketing calls and online. The Bureau found that Fifth Third's telemarketers deceptively marketed the add-on product during calls. Among other things, Fifth Third's misrepresented costs and fees for coverage and misrepresented or omitted information about eligibility for coverage. The CFPB's order requires that Fifth Third provide $3 million in relief to roughly 24,500 customers, cease engaging in illegal practices, and pay a $500,000 penalty to the CFPB civil penalty fund.

In the Matter of Fifth Third Bank (File No. 2015-CFPB-0024) (consent order entered September 28, 2015).

Following a Bureau examination and subsequent joint investigation with the DOJ, the Bureau and the DOJ reached a settlement with Fifth Third Bank to provide $18 million in relief to consumers harmed by illegal discriminatory auto lending practices. Fifth Third charged African-American and Hispanic consumers more in dealer markup for auto loans than similarly-situated non-Hispanic white consumers based on race and national origin. Such conduct violates the Equal Credit Opportunity Act (ECOA), which prohibits creditors from discriminating on certain prohibited bases, including race and national origin, in any aspect of a credit transaction. Going forward, Fifth Third will reduce dealer discretion to mark-up the interest rate to only 1.25% above the buy rate for auto loans with terms of five years or less, and 1% for auto loans with longer terms. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

United States of America and Consumer Financial Protection Bureau v. Hudson City Bank, F.S.B. (D.N.J. No. 2:15-cv-07056-CCC-JBC)(proposed consent order filed on September 24, 2015).

The CFPB and the DOJ filed a joint complaint and proposed consent order to address unlawful redlining in Hudson City Bank's mortgage business. Based on a CFPB examination followed by a joint investigation, the complaint alleges that from 2009 to 2013 Hudson City unlawfully redlined in violation of the ECOA by structuring its business so as to avoid majority-Black-and-Hispanic neighborhoods in New York, New Jersey, Connecticut, and Pennsylvania, thereby discouraging applications from those neighborhoods. If entered by the court, the consent order

will require Hudson City to pay $25 million in loan subsidies to qualified borrowers in the affected communities, $2.25 million in community programs and outreach, and a $5.5 million penalty. The order will also require Hudson City to open two new branches, revise its compliance management system, expand its assessment area under the Community Reinvestment Act, and assess the credit needs of majority-Black-and-Hispanic communities. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

Consumer Financial Protection Bureau v. World Law Group (S.D. Fla. No. 1:15-cv-23070-MGC D) (preliminary injunction orders entered by the court on September 2, 2015 and September 14, 2015).

The CFPB took action against World Law Group for running a debt-relief scheme that charged consumers exorbitant, illegal upfront fees. In a complaint filed in the U.S. District Court for the Southern District of Florida, the Bureau alleges that the debt-relief scheme falsely promised consumers a team of attorneys to help negotiate debt settlements with creditors, failed to provide legal representation, and rarely settled consumers' debts. World Law is alleged to have taken $67 million from at least 21,000 consumers before providing any debt-relief services. The Bureau alleges that the conduct violated the Electronic Fund Transfer Act, the Telemarketing Sales Rule, and the CFPA's prohibition against unfair and deceptive acts and practices. The Court issued the preliminary injunction because it found that the Bureau is likely to prevail and that the public interest is served by granting the Order. The case will proceed until the court makes a final determination or the parties settle the matter.

Consumer Financial Protection Bureau v. Student Financial Aid Services, Inc. (E.D. Cal. No. 2:15-cv-01581) (consent order entered on September 11, 2015).

The CFPB took action against Student Financial Aid Services, Inc. for its sales and billing practices. In a complaint filed in the U.S. District Court for the Eastern District of California, the Bureau alleges that the company gave consumers misleading information about the total cost of its subscription financial services and imposed on consumers undisclosed and unauthorized automatic recurring charges for those services. The Bureau alleges that the conduct violated the Electronic Fund Transfer Act, the Telemarketing Sales Rule, and the CFPA's prohibition against unfair and deceptive acts and practices. The court entered an order requiring Student Financial Aid Services, Inc. to pay $5.2 million to the Bureau for consumer redress, pay a civil penalty of $1 to the CFPB's Civil Penalty Fund, and end the sales and billing practices described in the complaint.

In The Matter of Portfolio Recovery Associates, LLC (File No. 2015-CFPB-0023) (consent order entered September 9, 2015).

The CFPB took action against Portfolio Recovery Associates (PRA), one of the largest debt buyers in the country. As a debt buyer, PRA purchases delinquent or charged-off accounts for a fraction of the value of the debt, but has the right to collect the full amount claimed by the original lender. The Bureau found PRA bought debts that were potentially inaccurate, lacking documentation, or unenforceable. Without verifying the debt, the company collected payments by pressuring consumers with false statements and churning out lawsuits using robo-signed court documents. PRA is required to pay $19 million in consumer relief and $8 million civil monetary penalties.

In The Matter of Encore Capital Group, Inc., Midland Funding, LLC, Midland Credit Management, Inc. and Asset Acceptance Capital Corp. (File No. 2015-CFPB-0022) (consent order entered September 9, 2015).

The CFPB took action against Encore Capital Group, one of the nation's two largest debt buyers. The Bureau found violations of the Fair Debt Collection Practices Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act related to Encore's collection of bad debts, litigation practices, and other collections activities. Specifically, the Bureau found that Encore threatened and deceived consumers to collect on debts the company should have known were inaccurate or had other problems. The Bureau ordered Encore to cease reselling debts, stop collections on $125 million worth of judgments, and halt collection of future debts that cannot be verified. Encore is required to pay up to $42 million in consumer relief and $10 million in civil monetary penalties.

Consumer Financial Protection Bureau and Anthony J. Albanese, Acting Superintendent of Financial Services of the State of New York v. Pension Funding, LLC; Pension Income, LLC; Steven Covey; Edwin Lichtig; and Rex Hofelter (C.D. Cal. No. 8:15-cv-01329) (complaint filed August 20, 2015).

The CFPB joined with the New York Department of Financial Services to take action against two companies, Pension Funding, LLC and Pension Income, LLC, and three of the companies' individual managers for deceiving consumers about the costs and risks of their pension-advance loans. The complaint alleges that from 2011 until about December 2014, Pension Funding and Pension Income offered consumers lump-sum payments for agreeing to redirect all or part of their pension payments for eight years and that the individual defendants, Steven Covey, Edwin

Lichtig, and Rex Hofelter, designed and marketed these loans and were responsible for the companies' operations. The complaint alleges that the companies and individuals violated the CFPA's prohibitions against unfair, deceptive, and abusive acts or practices.

In the Matter of Springstone Financial, LLC (File No. 2015-CFPB-0021) (consent order entered August 19, 2015).

From January 2009 through December 2014, Springstone, a wholly owned subsidiary of Lending Club Corporation, administered a health-care-financing program that offered consumers two credit products: an installment loan and a deferred-interest loan product. Consumers used these products to pay for medical care, including dental care. The Bureau found that providers who were trained and monitored by Springstone to market the deferred-interest product misled consumers about the terms and conditions of the product during the application process. To ensure that harmed consumers are appropriately compensated and that consumers will no longer be subject to these illegal practices, the Bureau's order requires Springstone to refund $700,000 to more than 3,200 consumers.

In the Matter of: RBS Citizens Financial Group, et al. (File No. 2015-CFPB-0020) (consent order entered August 11, 2015).

The CFPB joined with the OCC and FDIC to take action against Citizens Financial Group, Inc., Citizens Bank, N.A., and Citizens Bank of Pennsylvania for failing to credit consumers for the full amounts of their deposits and thus violating the CFPA's prohibition against unfair and deceptive conduct. The Bureau's consent order requires the banks to pay $7.5 million in civil money penalties. In addition to the Bureau's penalty, the OCC and FDIC imposed their own penalties totaling $13 million. The Bureau's Order also requires the bank to redress all consumers harmed by the practice. Expected redress is approximately $11 million.

In the Matter of Residential Credit Solutions, Inc. (File No. 2015-CFPB-0019)(consent order entered July 30, 2015).

The CFPB took action against Residential Credit Solutions, Inc. (RCS) for blocking consumers' attempts to save their homes from foreclosure. The mortgage servicer failed to honor modifications for loans transferred from other servicers, treated consumers as if they were in default when they weren't, sent consumers escrow statements falsely claiming they were due a refund, and forced consumers to waive their rights in order to get a repayment plan. The CFPB ordered RCS to pay a $100,000 penalty and $1.5 million in redress to consumers whose loan modifications were delayed or not honored. The order also requires RCS to honor loan

modifications with prior servicers, end all mortgage servicing violations, obtain detailed account level documents from the prior servicers, create a home preservation program, and put in place other reforms. RCS's practices violated the CFPA's prohibitions against unfair and deceptive practices, as well as the Gramm-Leach-Bliley Act.

In the Matter of: LoanCare, LLC. (File No. 2015-CFPB-0018) (consent order entered July 28, 2015).

The CFPB found that LoanCare, LLC, a Virginia-based mortgage servicing company, violated the CFPA by falsely claiming that consumers would experience greater interest savings under the Equity Accelerator Program through more frequent mortgage payments. In fact, the Program did not result in more frequent payments. LoanCare paid a $100,000 penalty.

Consumer Financial Protection Bureau v. Gordon, et al. (C.D. Cal. No. 12-cv-06147) (stipulated judgment and order entered against various defendants on February 1, 2013; order granting the Bureau's motion for summary judgment against other defendants entered June 26, 2013; appeal pending).

This action involves a nationwide mortgage relief scheme in which the CFPB alleged that the defendants took advantage of financially distressed homeowners by promising to help them obtain loan modifications and charging them advance fees ranging from $2,500 to $4,500. On February 1, 2013, the court entered a stipulated final judgment and order for permanent injunction as to defendants Abraham Michael Pessar, Division One Investment and Loan, Inc., and Processing Division, LLC. On June 26, 2013, the court granted summary judgment in favor of the CFPB against defendants Chance Edward Gordon and the Gordon Law Firm, P.C., finding that those defendants violated the Dodd-Frank Act by falsely representing: (1) that consumers would obtain mortgage loan modifications that substantially reduced consumers' mortgage payments or interest rates and (2) that defendants were affiliated with, endorsed by, or approved by the U.S. government, among other things. The Court also found that Gordon violated Regulation O by receiving up-front payments, failing to make required disclosures, wrongly directing consumers not to contact lenders, and misrepresenting material aspects of defendants' services. The court awarded an $11,403,338.63 judgment for equitable monetary relief against Gordon. Gordon appealed the court's decision on August 23, 2013. Oral argument on that appeal is scheduled for October 2015.

Consumer Financial Protection Bureau v. Borders & Borders, PLC, et al. (W.D. Ky. No. 3:13-cv-01047-JGH) (complaint filed October 24, 2013).

The CFPB filed a complaint alleging that Borders & Borders, a real estate closing law firm, had set up joint ventures with local real estate and mortgage brokers for the purpose of funneling kickbacks to those brokers in exchange for referrals to Borders & Borders. The complaint seeks injunctive and other equitable relief. On February 12, 2015, the Court denied the defendants' motion for judgment on the pleadings.

In the Matter of: Paymap, Inc. (File No. 2015-CFPB-0017) (consent order entered July 28, 2015).

The Bureau found that Paymap, Inc., a Colorado-based payment processing company, violated the CFPA by falsely claiming that consumers would experience greater interest savings under the Equity Accelerator Program through more frequent mortgage payments. However, the Program did not result in more frequent payments. Paymap also falsely claimed that a typical consumer saved thousands of dollars using the program when that was not true. In fact, a tiny fraction, if any, of consumers achieved this level of interest savings. Paymap was required to return $33.4 million to consumers, which represents all fees paid by every consumer who enrolled in the Equity Accelerator Program since July 21, 2011, approximately 125,000 consumers. Paymap also paid a $5 million penalty.

Consumer Financial Protection Bureau v. Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (File No. 2015-CFPB-0016) (consent order filed entered July 22, 2015).

The CFPB took action against Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (Discover) for unfair and deceptive acts and practices related to the failure to furnish clear information regarding the student-loan interest consumers paid, unfair practices related to initiating collection calls at inconvenient times, deceptive acts and practices related to overstating the amounts due in billing statements, and violations of the FDCPA related to collection activities on acquired student loans. Discover was ordered to pay a $2.5 million civil money penalty for these violations and to pay up to $16 million in redress to consumers affected by these practices.

In the Matter of: Citibank, N.A., et al. (File No. 2015-CFPB-0015) (consent order entered July 21, 2015).

The CFPB ordered Citibank, N.A. and its subsidiaries Department Stores National Bank and Citicorp Credit Services, Inc. (USA) (collectively, Citibank) to provide an estimated $700 million in relief to consumers. The Bureau found Citibank actively marketed and enrolled consumers in several debt protection add-on products, as well as credit monitoring, credit report retrieval services, and wallet protection services and that Citibank or its service providers engaged in deceptive marketing of these add-ons products. Citibank or its vendors also billed for these products even though it could not provide the promised services. When collecting payments on certain credit card accounts, Department Stores National Bank and its service provider further misrepresented the fees charged or failed to disclose no-cost payment alternatives. The consent order states that Citibank engaged in unfair and deceptive practices in violation of the CFPA, as well as violations of the Telemarketing Sales Rules as applied to Citicorp Credit Services, Inc. (USA), a non-bank subsidiary of Citibank. The CFPB ordered Citibank to pay $35 million in civil money penalties. The CFPB took this action in coordination with the OCC, which separately ordered a $35 million civil penalty and restitution from Citibank and Department Stores National Bank for some of the same illegal practices.

In the Matter of American Honda Finance Corporation (File No. 2015-CFPB-0014) (consent order entered July 14, 2015).

After a joint investigation, the CFPB and DOJ reached a settlement with American Honda Finance Corporation to provide $24 million in relief to consumers harmed by illegal and discriminatory auto lending practices. Honda charged African-American, Hispanic, and Asian and Pacific Islander consumers more in dealer markup for auto loans than similarly-situated non-Hispanic white consumers based on race and national origin in violation of ECOA. Going forward, Honda will reduce dealer discretion to markup the interest rate to only 1.25% above the buy rate for auto loans with terms of five years or less, and 1% for auto loans with longer terms. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

In the Matter of: Chase Bank, USA N.A. and Chase Bankcard Services, Inc. (File No. 2015-CFPB-0013) (consent order entered July 8, 2015).

The Bureau found that Chase violated the CFPA's prohibition on deceptive and unfair acts and practices when selling delinquent credit card accounts. Chase sold erroneous and unenforceable

charged-off credit card accounts to debt buyers. These debts sometimes overstated the amount owed, were not actually owed by the borrower named, or could not be lawfully enforced. The Bureau also found that Chase filed sworn documents that were not executed or notarized lawfully, that contained inaccurate amounts, or were not based on the direct knowledge of the signer. The Bureau ordered Chase to pay $50 million in restitution to consumers and a $30 million civil money penalty. Chase has also agreed that it will not collect on or sell over 500,000 credit card accounts, and that it will reform its practices, including by prohibiting its debt buyers from reselling the debts they purchase from Chase. The Bureau was joined by 48 state attorneys general who filed similar orders simultaneously, and the OCC who announced a civil penalty.

Consumer Financial Protection Bureau v. NDG Financial Corp., et al. (S.D.N.Y. No. 15-cv-5211) (complaint filed July 6, 2015).

The CFPB filed a complaint against the NDG Financial Corporation and nine of its affiliates for engaging in unfair, deceptive, and abusive practices relating to its payday lending enterprise. The complaint alleges that the enterprise, which has companies located in Canada and Malta, originated, serviced, and collected payday loans that were void under state law, represented that U.S. federal and state laws did not apply to the Defendants or the payday loans, and used unfair and deceptive tactics to secure repayment, all in violation of the Dodd-Frank Act.

Consumer Financial Protection Bureau v. Intersections Inc. (E.D. Va. No. 1:15-cv-835) (stipulated final judgment and order entered on July 1, 2015).

The CFPB took action against Intersections Inc. for unfair acts and practices which violated the CFPA. Intersections provided credit monitoring and identify theft products to consumers primarily through relationships with large depository institutions. Intersections authorized the billing of consumers during times when the company knew that those consumers were not receiving all, or in some cases any, of the benefits of the credit monitoring service. The majority of the consumer harm had already been remediated through prior Bureau actions against the depository institutions. The Intersections order requires the company to provide remediation to the remaining consumers, totaling approximately $55,000, and to pay a civil money penalty of $1.2 million.

Consumer Financial Protection Bureau v. Affinion Group Holdings, Inc. et al. (D. Conn. No. 5:15-cv-01005) (proposed stipulated final judgment filed July 1, 2015).

The CFPB filed a lawsuit and proposed settlement with Affinion Group Holdings, Inc. and its affiliated companies (collectively, Affinion) for violating the CFPA's prohibitions against unfair

and deceptive acts or practices. Affinion advertised, sold, and delivered identity theft and credit monitoring products as add-ons to consumer credit card accounts by establishing marketing and service agreements with banks. The complaint alleged that Affinion enrolled consumers in add-on products that claimed to provide consumers with benefits but that Affinion or its partner banks billed full product fees to at least 73,000 accounts while failing to provide the full promised services. The complaint also alleges that during customer retention calls, some Affinion employees misled consumers about product benefits. If entered by the court, the proposed stipulated final judgment and order would require Affinion to pay an estimated $6.8 million in restitution and impose $1.9 million in civil money penalties, and would also require Affinion to end its unfair billing and bar Affinion from engaging in telephone-based retention for certain products.

Consumer Financial Protection Bureau v. Cellco Partnership d/b/a Verizon Wireless (D.N. J. No. 3:15-cv-03268)(consent order entered June 9, 2015); ***Consumer Financial Protection Bureau v. Sprint Corporation*** (S.D.N.Y. No. 14-cv-9931) (consent order entered June 30, 2015).

On May 12, 2015, the Bureau announced settlements with Sprint and Verizon based on lawsuits alleging the wireless companies operated billing systems that allowed third parties to "cram" unauthorized charges on customers' mobile-phone accounts and ignored complaints about the charges. The complaints allege that Sprint and Verizon, as payment processors for third parties, violated the CFPA's prohibition against unfair practices by outsourcing payment processing for digital purchases to vendors but failing to properly monitor them, thereby allowing vendors unfettered access to cram illegitimate charges onto consumers' wireless bills. As a result, Sprint and Verizon will pay $120 million in redress, clearly and conspicuously disclose third-party charges on wireless bills, obtain consent from consumers prior to third-party billing, improve dispute resolution procedures, and enhance customer-service training programs. The companies will also pay $38 million in fines and penalties to the state attorneys general and the Federal Communications Commission, which joined the Bureau in these actions.

United States of America and Consumer Financial Protection Bureau v. Provident Funding Associates, L.P. (N.D. Cal. 4:14-cv-02373) (consent order entered on June 18, 2015).

The CFPB and the DOJ filed a joint complaint and consent order, which was entered by the court on June 18, 2015, to address discrimination in Provident Funding's wholesale mortgage business. Based on the agencies' investigation, the complaint alleges that from 2006 to 2011,

Provident's discretionary broker compensation policies resulted in mortgage brokers charging approximately 14,000 African-American and Hispanic borrowers more than similarly-situated non-Hispanic white borrowers, on the basis of race and national origin, in violation of ECOA. The consent order requires Provident to pay $9 million to harmed borrowers. Provident will also maintain its current non-discriminatory policies and procedures, including a fair lending training program and broker monitoring program. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

In the Matter of: Syndicated Office Systems, LLC, d/b/a Central Financial Control (File No. 2015-CFPB-0012) (consent order entered June 18, 2015).

The CFPB took action against Syndicated Office Systems, LLC, a medical debt collector, for mishandling consumer credit reporting disputes and preventing consumers from exercising important debt collection rights. The Bureau found that the company failed to: (1) investigate and respond to more than 13,000 consumer credit reporting disputes within the 30-day timeframe required by the Fair Credit Reporting Act (FCRA); and (2) send a "debt validation notice" to more than 10,000 consumers, as required by the FDCPA. Under the terms of the consent order, the company is required to provide over $5.4 million in total relief to harmed consumers and pay a $500,000 civil money penalty.

Consumer Financial Protection Bureau v. Security National Automotive Acceptance Company, LLC (S.D. OH. No. 1:15-cv-401) (complaint filed June 17, 2015).

The Bureau filed a lawsuit in federal district court against Security National Automotive Acceptance Company, LLC, an Ohio auto lender, addressing its collection of debt from servicemembers throughout the United States. The complaint alleges that the company engaged in unfair, deceptive, and abusive acts or practices in violation of the CFPA, including threatening to contact consumers' commanding officers regarding unpaid debt, disclosing consumers' debts to commanding officers and characterizing delinquencies as military violations subjecting the consumers to discipline, and falsely implying that the company intended to sue consumers when the company had not yet determined whether or not it would take such action. The CFPB is seeking compensation for victims, a civil money penalty fine, and an injunction against the company.

Consumer Financial Protection Bureau v. RPM Mortgage, Inc. and Erwin Robert Hirt (N.D. Cal. No. 4:15-cv-02475) (stipulated final judgement and order entered on June 9, 2015).

The CFPB brought an enforcement action against RPM Mortgage, Inc., a California mortgage lender, and its CEO, Erwin Robert Hirt, for providing RPM's loan officers with compensation that was derived in part from the interest rates of the loans they closed. The CFPB found that RPM paid or financed millions of dollars in unlawful bonuses, pricing concessions, and supplemental commissions to loan officers that were based on loan interest rates, which violates the Federal Reserve Board's Loan Originator Compensation Rule. For his role in managing the design and implementation of RPM's illegal compensation plan, Hirt was liable as a "related person." In addition to injunctive relief prohibiting the unlawful practices, RPM and Hirt were ordered to jointly pay $18 million in redress and each defendant was ordered to pay a $1 million penalty.

Consumer Financial Protection Bureau v. Guarantee Mortgage Corporation (File No. 2015-CFPB-0011) (consent order entered June 5, 2015).

The CFPB took action against Guarantee Mortgage Corporation for paying loan originators in part based on the interest rates charged on loans they had originated, in violation of the Federal Reserve Board's Loan Originator Compensation Rule. Guarantee Mortgage Corporation was ordered to pay $228,000 in civil penalties and prohibited from paying compensation in a manner that would violate the Loan Originator Compensation Rule.

Consumer Financial Protection Bureau & the State of Florida v. Harper, et al. (S.D. Fla. No. 9:14-cv-80931 JIC) (final judgment entered on May 28, 2015).

The CFPB, jointly with the Florida Attorney General, alleged that defendants took advantage of financially distressed homeowners in violation of Regulation O. Under the name of the Hoffman Law Group, the defendants promised homeowners that, in exchange for fees, they would include the homeowners as plaintiffs in mass-joinder lawsuits against their lenders and servicers to obtain mortgage modifications or foreclosure relief. The defendants rarely, if ever, obtained meaningful mortgage assistance relief for the consumers. The court issued a temporary restraining order on July 16, 2014, halting the defendants' business practices, placing the corporate defendants into receivership, and freezing the defendants' assets. On September 12, 2014, the clerk entered default against the five corporate defendants who had failed to appear, and entered orders adopting the stipulated preliminary injunctions on September 15, 2014 and

September 23, 2014, as to the three remaining individual defendants. On May 28, 2015, the U.S District Court for the Southern District of Florida found the corporate defendants liable for $11,730,579 and ordered them to pay a $10 million civil penalty, in addition to penalties to the State of Florida.

Consumer Financial Protection Bureau v. PayPal, Inc., and Bill Me Later, Inc. (D. Md. No. 1:15-cv-01426) (stipulated final judgment and order entered on May 21, 2015).

The CFPB brought an enforcement action against PayPal and Bill Me Later (collectively PayPal) for violations of the CFPA related to the companies' online credit product once called Bill Me Later and now called PayPal Credit. The CFPB alleged that PayPal deceptively advertised promotional benefits that it failed to honor, signed consumers up for credit without their permission, made them use PayPal Credit instead of their preferred payment method, charged deferred interest in a way that took unreasonable advantage of consumers, failed to post payments in a timely manner, and mishandled billing disputes. The CFPB alleged that this conduct violated the CFPA's prohibitions against unfair, deceptive, and abusive acts and practices. In addition to injunctive relief prohibiting the unlawful practices and requiring PayPal to make specific changes to improve its practices, the order requires PayPal to pay $15 million in consumer redress and a $10 million penalty.

Consumer Financial Protection Bureau v. Nationwide Biweekly Administration, Inc., et al. (N.D. Cal. No. 3:15-cv-2106) (complaint filed May 11, 2015).

The CFPB sued Nationwide Biweekly Administration, Inc., Loan Payment Administration LLC, and Daniel S. Lipsky. The complaint alleges that Defendants' marketing and administration of Nationwide's "Interest Minimizer" program violates the CFPA's prohibition against deceptive and abusive acts or practices and the Telemarketing Sales Rule. In particular, it alleges Nationwide and Lipsky abusively guarantee that consumers will save money on their mortgages when they know that a substantial majority of consumers will never save anything. The complaint also alleges that Defendants make numerous misrepresentations – including about the amount and existence of a setup fee (which can be up to $995), the nature of consumer savings, that consumers will save without paying more, that consumers cannot achieve similar savings on their own, and affiliation with mortgage lenders or servicers – to induce consumers to enroll in the program and pay the setup fee. The complaint seeks a permanent injunction, consumer redress, and civil money penalties.

Consumer Financial Protection Bureau and Consumer Protection Division, Office of the Attorney General of Maryland v. Genuine Title, LLC, Brandon Glickstein, Gary Klopp, Adam Mandelberg, William J. Peterson, III, Angela Pobletts, Jay Zukerberg, All County Settlements, LLC, BTS Management and Consulting, LLC, Carroll Abstracts, Inc., Marc LLC, and R&R Marketing Group, LLC (D. Md. No. 1:15-cv-01235-JFM) (complaint filed April 29, 2015; stipulated final judgments and orders entered May 5, 2015).

The CFPB and the State of Maryland filed a lawsuit in federal court against a title company, its principals, and several loan officers and their affiliated companies for violating RESPA and the CFPA. The complaint alleged that the title company and its principals provided cash or marketing services in exchange for the referral of settlement work. On May 5, 2015, the Court approved settlements with 10 of the 13 defendants. Under the settlements, the title company and its two principals are limited from participation in the mortgage industry for five years, three loan officers and four affiliated companies are limited from participation in the mortgage industry for two years, and the defendants will pay redress and penalties totaling $662,500.

In re: International Land Consultants, Inc., Rocco Toscano, Joseph Mazzucco, James Vincent, and James Tague (No. 2015-CFPB-0010) (consent order entered May 1, 2015).

The CFPB resolved an enforcement action against International Land Consultants, Inc.; Rocco Toscano; Joseph Mazzucco; James Vincent; and James Tague. The CFPB found that the respondents made misrepresentations to consumers related to the roads in a property development in Tennessee, in violation of the Interstate Land Sales Act. The respondents misrepresented in marketing materials and Housing and Urban Development-registered Property Reports that they would maintain the roads until they were accepted by Van Buren County, Tennessee. In fact, the roads were not maintained, and were not accepted by the county. The consent order in the matter requires the respondents to repair certain roads in the development to the CFPB's satisfaction, and consistent with an engineering report prepared by an independent consultant.

In the Matter of: Regions Bank (File No. 2015-CFPB-009) (consent order entered April 28, 2015).

Regulation E prohibits depository institutions from charging overdraft fees on certain transactions without first obtaining consumers' opt-in. In violation of that provision, Regions

Bank failed to obtain opt-ins from certain of its customers before charging them fees. The Bank also charged overdraft fees in connection with its deposit advance credit product when it had represented in disclosures to consumers that it would not do so. The CFPB ordered Regions to refund consumers charged illegal overdraft fees. Regions had voluntarily begun to redress consumers and, under the order, it will continue to pay redress, which will total approximately $49 million. Regions will also pay a $7.5 million penalty for violations of both Regulation E and the CFPA's prohibition against deceptive conduct.

Consumer Financial Protection Bureau v. Green Tree Servicing, LLC (D. Minn. No. 0:15-cv-02064-SRN-JSM) (stipulated order for permanent injunction entered April 23, 2015).

The CFPB, accompanied by the FTC, obtained a Stipulated Order for Permanent Injunction requiring the mortgage servicer Green Tree Servicing LLC, to pay a $15 million penalty and $48 million in redress to consumers whose loan modifications were not honored, who had their short sales decisions delayed because of Green Tree's poor servicing, or who were deceptively charged convenience fees when paying their mortgage. The order also requires Green Tree to honor loan modifications with prior servicers; obtain detailed account level documents from the prior servicers; create a home preservation program; and put in place other reforms. Green Tree's mortgage servicing practices violated the CFPA's prohibitions again unfair and deceptive practices, as well as the FDCPA, FCRA, and RESPA.

***Consumer Financial Protection Bureau v. Fort Knox National Company and Military Assistance Company*, LLC** (File No. 2015-CFPB-008) (consent order entered April 20, 2015).

The CFPB took action against Fort Knox National Company and Military Assistance Company, a processor of military allotments, for charging servicemembers fees without adequate disclosures. The CFPA found that their failure adequately to disclose fees to servicemembers constituted unfair, deceptive, and abusive acts and practices in violation of the Consumer Financial Protection Act of 2010. Fort Knox National Company and Military Assistance Company were ordered to pay $3.1 million in redress to affected servicemembers and required them clearly to disclose consumer fees in their payment processing businesses.

Consumer Financial Protection Bureau and Navajo Nation v. S/W Tax Loans, Inc. formerly d/b/a/ Fast Refund Loans, J Thomas Development, Inc. formerly d/b/a H&R Block, Dennis R. Gonzales, and Jeffrey Scott Thomas (D. N.M. No. 1:15-cv-00299) (stipulated final judgment and order entered April 16, 2015).

The CFPB and the Navajo Nation filed a lawsuit in federal court against a tax preparation firm, an affiliated tax refund anticipation loan company, and their principals for violating the CFPA and Regulation Z. The complaint alleged that the tax preparation company steered consumers to the loan company for refund anticipation loans without disclosing that the principal of the firm and the tax company stood to gain financially from each loan the consumers received. In addition, the complaint alleged that the tax refund loan company provided inaccurate APR disclosures for numerous tax loans and extended additional high-cost refund anticipation loans to consumers without disclosing that the consumers' tax refunds had been received by the company and would be available shortly. On April 16, 2015, the Court approved a settlement permanently barring the corporate defendants from offering refund anticipation loans and imposing the same bar on the individual defendants for five years, as well as providing for $254,000 in consumer redress (on top of $184,000 in refunds that Southwest had already provided consumers) and $438,000 in penalties.

In the matter of RMK Financial, Corp. (File No. 2015-CFPB-0007) (consent order entered April 9, 2015).

The CFPB took action against RMK Financial Corporation for deceptive mortgage advertising practices and failure to comply with the disclosure requirements for variable-rate mortgage products. The CFPB found that RMK Financial made material misrepresentations in its advertisements that improperly suggested that RMK Financial was, or was affiliated with, a United States government entity, or that the advertised mortgage credit products were endorsed or sponsored by a government program. The CFPB found that the conduct violated Regulation N and the deceptive acts and practices prohibition in the Consumer Financial Protection Act of 2010. In addition, the CFPB found that RMK Financial's ads contained misrepresentations about the loans' interest rates and estimated monthly payments. The CFPB found that the conduct violated the CFPA and TILA and its implementing regulation, Regulation Z. RMK Financial was ordered to pay $250,000 in civil money penalties and to comply with applicable federal laws.

Consumer Financial Protection Bureau v. Universal Debt & Payment Solutions, LLC, et al. (N.D.GA No. 1:15-CV-0859) (complaint filed March 26, 2015; preliminary injunction issued April 7, 2015).

On April 7, 2015, the Bureau obtained a preliminary injunction that froze the assets and enjoined unlawful conduct related to a phantom debt collection scheme. The Bureau's suit against a group of seven debt collection agencies, six individual debt collectors, four payment processors, and a telephone marketing service provider, alleges violations of the FDCPA and the CFPA's prohibition on unfair and deceptive acts and practices, and providing substantial assistance to unfair or deceptive conduct. The complaint alleges that the individuals, acting through a network of corporate entities, use threats and harassment to collect "phantom" debt from consumers. Phantom debt is debt consumers do not actually owe or debt that is not payable to those attempting to collect it. Their misconduct was facilitated by the substantial assistance of the payment processors and the telephone service provider. The Bureau is seeking a permanent injunction, redress for consumers, and a monetary penalty.

Consumer Financial Protection Bureau v. National Corrective Group, Inc., et. al. (D. Md. No. 1:15-cv-899) (stipulated final judgment and consent order entered on March 31, 2015).

The CFPB took action against National Corrective Group, Inc. (NCG) and its Chief Executive Officer for violations of the FDCPA and the deceptive acts and practices prohibition in the CFPA. NCG specializes in the collection of consumer debt for bounced checks, operating what is known as a "bad check diversion program." Many bad check diversion programs are run by companies that enter into contracts with state and local prosecutors' offices to collect bounced check debt. The CFPB's complaint alleged that NCG sent consumers notices on prosecutors' letterheads and created the false impression that consumers may be prosecuted for writing bounced checks. NCG told consumers that, to qualify for the diversion program and avoid prosecution, they must pay the bounced check debts and enroll in the company's financial education class for an additional fee. The consent order entered by the court requires NCG to end its illegal practices and imposes a $50,000 civil money penalty.

Consumer Financial Protection Bureau v. All Financial Services, LLC (D. Md. No. 1:15-cv-00420) (complaint filed February 12, 2015).

On February 12, 2015, the Bureau filed a lawsuit against All Financial Services, LLC in federal court. The complaint alleges that All Financial Services, LLC disseminated deceptive and

misleading advertisements for mortgage credit products in violation of Regulation N and the deceptive acts and practices prohibition in the CFPA. Additionally, the Bureau alleges that All Financial Services, LLC failed to maintain copies of disseminated advertisements as required by Regulation N. The Bureau is seeking a monetary penalty and injunctive relief. The case has been referred to a Magistrate Judge for settlement discussions, which are ongoing.

In the Matter of: Flagship Financial Group, LLC (File No. 2015-CFPB-0006) (consent order entered February 12, 2015).

The CFPB took action against Flagship Financial Group, LLC for misrepresentations in advertisements that improperly suggested that Flagship Financial Group, LLC was, or was affiliated with, a United States government entity and material misrepresentations that the advertised mortgage credit products were endorsed or sponsored by a government program. The CFPB found that the conduct violated Regulation N and the deceptive acts and practices prohibition in the CFPA. Flagship Financial Group was ordered to pay $225,000 in civil money penalties and to comply with applicable federal laws, including Regulation N.

In the Matter of: American Preferred Lending, Inc. (File No. 2015-CFPB-0005) (consent order entered February 12, 2015).

The CFPB took action against American Preferred Lending, Inc. for misrepresentations in advertisements that improperly suggested that American Preferred Lending, Inc. was, or was affiliated with, a United States government entity and material misrepresentations that the advertised mortgage credit products were affiliated with, endorsed or sponsored by a government program. The CFPB found that the conduct violated Regulation N and the deceptive acts and practices prohibition in the CFPA. American Preferred Lending, Inc. was ordered to pay $85,000 in civil money penalties and to comply with applicable federal laws, including Regulation N.

In the Matter of: NewDay Financial, LLC (File No. 2015-CFPB-0004) (consent order entered February 10, 2015).

The CFPB ordered NewDay Financial, LLC to pay a $2 million civil money penalty for violations of the CFPA and Section 8 of RESPA. NewDay is a non-bank mortgage lender focusing on originating refinance mortgage loans guaranteed by the Veterans Administration. In 2010, NewDay entered into a marketing relationship with a veterans' organization and was named the "exclusive lender" of that organization, but NewDay failed to disclose in advertising materials to consumers that the veterans' organization had a financial relationship with NewDay. This failure

to disclose the relationship in the circumstances constituted a deceptive act or practice, which violates the CFPA. In addition, NewDay's payments to the veterans' organization and the coordinating company for referral activities constituted illegal referral payments in violation of the RESPA.

Consumer Financial Protection Bureau v. Union Workers Credit Services, Inc. (N.D. Tex. No. 3:14-cv-04410-L) (consent order entered February 10, 2015).

The CFPB filed a lawsuit against Union Workers Credit Services (UWCS) on December 17, 2014. The complaint alleges that the company violated the CFPA by falsely advertising as a general-use card one that could, in fact, only be used to buy products from UWCS itself, and falsely implying an affiliation with unions. The Bureau also alleges violations of the FCRA and Regulation V based on UWCS's use of consumer reports without consumers' consent in connection with credit transactions not initiated by consumers and based on UWCS's failure to advise consumers of their right to opt out of pre-screened solicitations. A consent order was entered on February 10, 2015. The order permanently bans UWCS from marketing or offering credit in any form, making any misrepresentations in offering or providing consumer financial products or services, and violating the FCRA. It also requires UWCS to pay a $70,000 penalty.

In the Matter of: Continental Finance Company, LLC (File No. 2015-CFPB-0003) (consent order entered February 4, 2015).

The Bureau ordered Continental Finance Company to refund an estimated $2.67 million to approximately 98,000 consumers who were charged illegal credit card fees, pay a $250,000 penalty, and submit to the Bureau's supervisory authority under 12 C.F.R. 1091.110. Continental had misled consumers about credit card costs by mischaracterizing opt-out procedures for paper billing and misrepresented that security deposits would be FDIC-insured, in violation of the CFPA's prohibition on deceptive practices. Continental also assessed fees in violation of the CARD Act's limits during the first year after opening an account.

Consumer Financial Protection Bureau & State of Maryland v. Wells Fargo Bank, N.A., et. al. (D. Md. No. 1:15-cv-00179-RDB) (stipulated final judgments and consent orders entered on February 4, 2015); ***In the Matter of: Wells Fargo Bank, N.A.*** (File No. 2015-CFPB-0002) (consent order entered January 22, 2015); ***In the Matter of: JPMorgan Chase Bank, N.A.*** (File No. 2015-CFPB-0001) (consent order entered January 22, 2015).

The CFPB and the Maryland Attorney General reached settlements with Wells Fargo, JPMorgan Chase, and an individual loan officer and his wife for their participation in an illegal kickback

scheme with Genuine Title, a now-defunct title company. Genuine Title offered loan officers valuable marketing services and cash payments in return for referring homebuyers to Genuine Title for closing services, in violation of RESPA. Under the consent orders, Wells will pay over $10 million in consumer redress and $24 million in civil money penalties; Chase will pay over $300,000 in consumer redress and $600,000 in civil money penalties; and the individual loan officer and his wife will pay a $30,000 penalty and the loan officer is limited from participation in the mortgage industry for two years.

Consumer Financial Protection Bureau & Office of the Attorney General, State of Florida v. College Education Services, et al. (M.D. Fla. No. 8:14-cv-03078) (stipulated final judgment and order entered January 15, 2015).

The CFPB, jointly with the Florida Attorney General, took action against College Education Services, a provider of student-loan debt-relief services, along with its two owners Marcia Elena Vargas and Frank Liz. The CFPB found that the company engaged in deceptive marketing practices under the CFPA and the Telemarketing Sales Rule by falsely promising lower monthly payments for student loans, improved credit scores, and quick results. The CFPB also found that the company violated the Telemarketing Sales Rule's ban on advance fees for debt-relief services by requiring upfront payments from consumers and the CFPA's prohibition on abusive practices by taking money from consumers whom the company knew did not qualify for the relief promised. This action was resolved through a consent order that bans the company, Vargas, and Liz from operating in the debt-relief industry and imposes a $25,000 civil penalty.

Consumer Financial Protection Bureau, et al. v. Freedom Stores, Inc., et al. (E.D. Va. No. 2:14-cv-00643-AWA-TEM) (stipulated final judgment and order entered January 8, 2015).

The CFPB and the Attorneys General of North Carolina and Virginia reached a settlement with Freedom Stores, Inc., Freedom Acceptance Corporation, Military Credit Services LLC, and their owners, of claims relating to the companies' practices of extending credit to and collecting debts from members of the United States military and other consumers. The stipulated final judgment and order prohibits the companies from filing debt-collection actions far away from where a consumer resides or entered into the purchase contract, and from disclosing consumers' debts to third parties in attempting to collect. It also required the companies to provide over $2.5 million in consumer redress in the form of refunds or debt-forgiveness and to pay a $100,000 civil money penalty.

Consumer Financial Protection Bureau v. Irvine Web Works, Inc., et al. (C.D. Cal. No. 8:14-cv-1967) (complaint filed December 11, 2014).

The CFPB filed suit in federal court against Irvine Web Works, Inc., d/b/a Student Loan Processing.US (SLP) and its owner, James Krause. The complaint alleges that SLP and Krause falsely represented an affiliation with the Department of Education (ED), including through the use of a logo very similar to the ED logo, the claim that the company "work[s] with" ED, and the appearance of SLP mailings. The complaint also alleges that the defendants charged illegal advance fees for their student debt relief services, and deceived borrowers about the costs of the service by failing to clearly explain and disclose that they charge a monthly service fee that continues until the consumer's federal student loans are paid in full or discharged. The Bureau alleges these practices violate the TSR and the CFPA's prohibition on deception. The complaint seeks a permanent injunction, restitution, disgorgement, and civil money penalties.

Consumer Financial Protection Bureau v. Premier Consulting Group LLC, et. al. (S.D.N.Y. No. 1:13-cv-3064 (JLC)) (stipulated final judgment and order entered on December 4, 2014).

The CFPB entered a settlement with Premier Consulting Group LLC, a debt-settlement service provider, and the Law Office of Michael Lupolover. The Bureau had filed a complaint against these companies in May 2013. The Bureau's complaint alleged that the companies routinely charged consumers upfront fees before settling consumers' debts, in violation of the Telemarketing Sales Rule. Under the terms of the settlement, Premier was ordered to pay a civil penalty of $69,075, representing the amount of advance fees the companies took from consumers who did not have any debt settled. Premier and the Lupolover Firm will also be prohibited from any future violations of the Telemarketing Sales Rule.

Consumer Financial Protection Bureau v. Franklin Loan Corporation (C.D. Cal. No. 5:14-cv-02324-JGB) (stipulated final judgment and order entered on November 26, 2014).

The CFPB brought an enforcement action against Franklin Loan Corporation, a California mortgage lender, for granting its employees bonus payments for steering consumers into loans with higher interest rates. The CFPB found that Franklin Loan's conduct violated the Federal Reserve Board's Loan Originator Compensation Rule. The rule prohibits mortgage lenders from paying loan officers based on loan terms such as interest rate. In addition to injunctive relief prohibiting the unlawful practice, Franklin Loan was ordered to pay $730,000 in redress to affected consumers.

In the Matter of: DriveTime Automotive Group, Inc. and DT Acceptance Corp. (File No. 2014-CFPB-0007) (consent order entered November 19, 2014).

The Bureau took action against DriveTime, a "buy-here, pay-here" auto dealer, for debt collection practices in violation of the CFPA's prohibition on unfair acts and practices that included, repeatedly calling borrowers at work, repeatedly calling references, and repeatedly calling wrong numbers after being asked to stop. DriveTime also furnished inaccurate account information regarding the dates of repossessions and other facts, failed to conduct reasonable investigations of credit information furnishing disputes, and failed to implement reasonable written credit reporting policies and procedures, in violation of FCRA and the Furnisher Rule. The consent order requires DriveTime to pay an $8 million civil money penalty.

In the Matter of: Manufacturers and Traders Trust Company (File No. 2014-CFPB-0016) (consent order entered October 9, 2014).

The CFPB took action against Manufacturers and Traders Trust Company (M&T) for deceptively marketing free checking accounts in violation of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a)(1)(B), and the Truth in Savings Act, 12 U.S.C. §§ 4301-4313, and Sections 1030.8(a)(1) and (a)(2) of its implementing Regulation DD, 12 .C.F.R. §§ 1030.8(a)(1)and 1030.8(a)(2). M&T's advertising failed to inform consumers about key requirements to maintain free checking. When consumers failed to meet these requirements, M&T automatically converted their free checking accounts to checking accounts with fees. The CFPB ordered M&T to refund an estimated $2.9 million to approximately 59,000 account holders and to pay a $200,000 civil money penalty.

Consumer Financial Protection Bureau v. Richard F. Moseley, Sr., et al. (W.D. Mo. No. 4:14-cv-00789DW) (complaint filed September 8, 2014; stipulated preliminary injunction entered on October 3, 2014).

The CFPB filed a lawsuit against a confederation of online payday lenders known as the Hydra Group, and its principals, alleging that they use a maze of interrelated entities to make unauthorized and otherwise illegal loans to consumers. The CFPB alleged that the defendants' practices violate the CFPA, TILA, and EFTA. On September 9, 2014, a federal court in Kansas City issued an *ex parte* temporary restraining order against the defendants, ordering them to halt lending operations. The court also placed the companies in temporary receivership, granted the appointed receiver and the CFPB immediate access to the defendants' business premises,

and froze their assets. On October 3, 2014, the court entered a stipulated preliminary injunction against the defendants pending final judgment in the case.

Consumer Financial Protection Bureau v. Corinthian Colleges, et al. (N.D. Ill. No. 1:14-cv-07194) (complaint filed September 16, 2014).

On September 16, 2014, the CFPB filed a lawsuit against Corinthian Colleges, Inc. in federal court. The complaint alleges that Corinthian induced students to take private student loans by deceptively describing the job and career prospects of its graduates as well as Corinthian's career services, and by misrepresenting its job placement rates. Corinthian also engaged in aggressive debt collection practices in violation of the CFPA and the FDCPA. On May 4, 2015, Corinthian filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the District of Delaware. This filing came on the heels of a $30 million fine imposed April 4, 2015 by the U.S. Department of Education. On April 26, 2015, Corinthian closed its schools. On June 25, 2015, the Bureau filed a proof of claim in connection with Corinthian's bankruptcy matter. The proof of claim is for $467,748,584, an estimated amount of restitution owed to harmed consumers resulting from Corinthian's alleged violations. On August 28, 2015, the bankruptcy court approved Corinthian's liquidation plan. Corinthian filed its answer to the Bureau's complaint a short time before dissolving on September 21, 2015.

7. Fair lending

As part of its mandate, the CFPB's Office of Fair Lending (Fair Lending) is charged with "providing oversight and enforcement of Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities" that are enforced by the CFPB, including the Equal Credit Opportunity Act (ECOA) and the Home Mortgage Disclosure Act (HMDA).[46] This part of Fair Lending's mandate is accomplished primarily through fair lending supervision and enforcement work. Interagency coordination[47] and outreach to industry groups and fair lending, civil rights, consumer and community advocates[48] are also important elements of our mandate. In addition, the Bureau published a recent fair lending report to Congress[49] on the efforts of the Bureau and our fulfillment of our fair lending mandate. Published on April 28, 2015, the Fair Lending Report of the Consumer Financial Protection Bureau[50] provides an overview of the Bureau's risk-based fair lending prioritization process; supervision tools; recent public enforcement actions; interagency coordination efforts and reporting; and outreach activities during calendar year 2014. In this Semi-Annual Report update, we focus on highlights from our fair lending supervision and enforcement activities, and continued efforts in interagency coordination and outreach.

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[46] Dodd-Frank Act, § 1013(c)(2)(A).

[47] Dodd-Frank Act, §1013(c)(2)(B).

[48] Dodd-Frank Act, §1013(c)(2)(C).

[49] Dodd-Frank Act, § 1013(c)(2)(D).

[50] *See* Consumer Financial Protection Bureau, Fair Lending Report of the Consumer Financial Protection Bureau (Apr. 28, 2015), *available at* http://files.consumerfinance.gov/f/201504_cfpb_fair_lending_report.pdf.

7.1 Fair lending supervision and enforcement

7.1.1 Fair lending supervision

The CFPB's Fair Lending Supervision program assesses compliance with Federal fair lending consumer financial laws and regulations at banks and nonbanks over which the Bureau has supervisory authority. Supervision activities range from assessments of the institutions' fair lending compliance management systems to in-depth reviews of products or activities that may pose heightened fair lending risks to consumers. As part of its Fair Lending Supervision program, the Bureau continues to conduct three types of fair lending reviews at Bureau-supervised institutions: ECOA baseline reviews, ECOA targeted reviews, and HMDA reviews. The Bureau's supervisory work has focused on the areas of mortgage, auto lending, and credit cards, but has included other product areas as well.

In conducting reviews, CFPB examination teams have observed various factors that indicate heightened fair lending risk, including:

- Weak or nonexistent fair lending compliance management systems (CMS);
- Underwriting and pricing policies that consider prohibited bases in a manner that violates ECOA or presents a fair lending risk;
- Discretionary policies without sufficient controls or monitoring to prevent discrimination;
- Inaccurate HMDA data; and
- Noncompliance with Regulation B's adverse action notification requirements.

When the CFPB identifies situations in which fair lending compliance is inadequate, it directs institutions to establish fair lending compliance programs commensurate with the size and complexity of the institution and its lines of business. If fair lending violations have occurred, the CFPB will require remediation and restitution to consumers, and may pursue other appropriate relief.

Although the Bureau's supervisory activity is confidential, the Bureau publishes regular reports on its website called *Supervisory Highlights*. These reports provide information to all market participants on supervisory trends the Bureau observes. The Summer 2015 edition of *Supervisory Highlights*[51] discusses the CFPB bulletin issued on May 11, 2015, which provides guidance to help lenders avoid prohibited discrimination against consumers receiving public assistance income. The bulletin is described in more detail in the Fair Lending outreach, speeches, presentations, and publications section below.[52]

7.1.2 Fair lending enforcement[53]

The CFPB has the authority to bring enforcement actions pursuant to HMDA and ECOA. Specifically, the CFPB has the authority to conduct investigations, file administrative complaints, and hold hearings and adjudicate claims through the CFPB's administrative enforcement process. The CFPB also has independent litigating authority and can file cases in federal court alleging violations of fair lending laws under the CFPB's jurisdiction. Like other Federal bank regulators, the CFPB will also refer matters to the DOJ when it has reason to believe that a creditor has engaged in a pattern or practice of lending discrimination. Over the past year, the CFPB announced four fair lending enforcement actions, two involving mortgages and two involving auto lending. The Bureau has also made significant progress in administration of prior fair lending enforcement actions.

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[51] Supervisory Highlights, Summer 2015 (June 23, 2015) *available at* http://files.consumerfinance.gov/f/201506_cfpb_supervisory-highlights.pdf.

[52] CFPB Bulletin 2015-02 (May 11, 2015) *available at* http://files.consumerfinance.gov/f/201505_cfpb_bulletin-section-8-housing-choice-voucher-homeownership-program.pdf.

[53] Section 1016(c)(5) of the Dodd-Frank Act requires the Bureau to include in the semi-annual report public enforcement actions the Bureau was a party to during the preceding year, which is October 1, 2014 through September 30, 2015, for this report.

Mortgage

Hudson City Savings Bank

On September 24, 2015, the CFPB and the DOJ filed a joint complaint against Hudson City Savings Bank (Hudson City) alleging discriminatory redlining practices in mortgage lending that denied residents in majority-Black-and-Hispanic neighborhoods fair access to mortgage loans.[54] The complaint alleges that from at least 2009 to 2013 Hudson City illegally redlined by providing unequal access to credit to neighborhoods in New York, New Jersey, Connecticut, and Pennsylvania. Specifically, Hudson City structured its business to avoid and thereby discourage residents in majority-Black-and-Hispanic neighborhoods from accessing mortgages. If the proposed consent order is approved by the court, Hudson City will pay $25 million in direct loan subsidies to qualified borrowers in the affected communities, $2.25 million in community programs and outreach, and a $5.5 million penalty. This represents the largest redlining settlement in history as measured by such direct subsidies.

Hudson City is a federally-chartered savings association with 135 branches and assets of $35.4 billion. Hudson City focuses its lending on the origination and purchase of mortgage loans secured by single-family properties.[55] In the complaint, the CFPB and DOJ alleged that from at least 2009 to 2013, Hudson City violated the law when it engaged in illegal redlining by offering unequal access to credit based on the race and ethnicity of prospective borrowers' neighborhoods.

According to the complaint, Hudson City illegally avoided and thereby discouraged consumers in majority-Black-and-Hispanic neighborhoods from applying for credit by:

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[54] See United States and Consumer Financial Protection Bureau v. Hudson City Savings Bank, F.S.B. (D.N.J. No. 2:15-cv-07056-CCC-JBC)(proposed consent order filed on September 24, 2015) in Section 6.2 above, Enforcement actions, for more information.

[55] On September 30, 2015, the Board of Governors of Federal Reserve System approved M&T Bank Corporation's (M&T) application to acquire Hudson City Bancorp, Inc. and its subsidiary Hudson City Savings Bank, F.S.B. and the merger of Hudson City Savings Bank, F.S.B. with and into M&T's subsidiary, Manufacturers Banking and Trust Company (M&T Bank), with M&T Bank as the surviving institution.

- Placing branches and loan officers principally outside of majority-Black-and-Hispanic communities;
- Selecting mortgage brokers that were mostly located outside of, and did not effectively serve, majority-Black-and-Hispanic communities;
- Focusing its limited marketing in neighborhoods with relatively few Black and Hispanic residents; and
- Excluding majority-Black-and-Hispanic neighborhoods from its credit assessment areas.

In addition to the complaint, the Bureau and DOJ filed a proposed consent order resolving the complaint.

Specifically, if entered by the court, the consent order requires Hudson City to pay $25 million to a loan subsidy program that will offer residents in majority-Black-and-Hispanic neighborhoods in New Jersey, New York, Connecticut, and Pennsylvania mortgage loans on a more affordable basis than otherwise available from Hudson City; spend $1 million on targeted advertising and outreach to generate applications for mortgage loans from qualified residents in the affected majority-Black-and-Hispanic neighborhoods; spend $750,000 on local partnerships with community-based or governmental organizations that provide assistance to residents in majority-Black-and-Hispanic neighborhoods; and spend $500,000 on consumer education, including credit counseling and financial literacy. In addition to the monetary requirements, the decree orders Hudson City to open two full-service branches in majority-Black-and-Hispanic communities, expand its assessment areas to include majority-Black-and-Hispanic communities, assess the credit needs of majority-Black-and-Hispanic communities, and develop a fair lending compliance and training program.

Provident Funding Associates

On May 28, 2015, the CFPB and the DOJ filed a joint complaint against Provident Funding Associates (Provident) alleging discrimination in mortgage lending, along with a proposed order

to settle the complaint.[56] The complaint alleges that from 2006 to 2011, Provident charged over 14,000 African-American and Hispanic borrowers more in brokers' fees than similarly-situated non-Hispanic white borrowers on the basis of race and national origin. The complaint alleges that Provident's conduct constituted discrimination in violation of ECOA. Provident is required under the order to pay $9 million in damages to harmed African-American and Hispanic borrowers.

Provident is headquartered in California and originates mortgage loans through its nationwide network of brokers. Between 2006 and 2011, Provident made over 450,000 mortgage loans through its brokers. During this time period, Provident's practice was to set a risk-based interest rate and then allow brokers to charge a higher rate to consumers. Provident would then pay the brokers some of the increased interest revenue from the higher rates – these payments are also known as yield spread premiums. Provident's mortgage brokers also had discretion to charge borrowers higher fees. The fees paid to Provident's brokers were thus made up of these two components: payments by Provident from increased interest revenue and through the direct fees paid by the borrower.

The CFPB and DOJ allege that Provident violated ECOA by charging African-American and Hispanic borrowers more in total broker fees than white borrowers based on their race and national origin and not based on their credit risk. The DOJ also alleges that Provident violated the Fair Housing Act, which also prohibits discrimination in residential mortgage lending. The agencies allege that Provident's discretionary broker compensation policies caused the differences in total broker fees, and that Provident unlawfully discriminated against African-American and Hispanic borrowers in mortgage pricing. Approximately 14,000 African-American and Hispanic borrowers paid higher total broker fees because of this discrimination.

The consent order, which was entered by the court on June 18, 2015, requires Provident to pay $9 million to harmed borrowers, to pay to hire a settlement administrator to distribute funds to the harmed borrowers identified by CFPB and DOJ, and to not discriminate against borrowers

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[56] See United States and Consumer Financial Protection Bureau v. Provident Funding Associates, L.P. (N.D. Cal. No. 3:15-cv-02373) (consent order entered on June 18, 2015) in Section 6.2 above, Enforcement actions, for more information.

in assessing total broker fees. Provident will maintain the non-discretionary broker compensation policies and procedures it implemented in 2014. Provident's current policy does not allow discretion in borrower- or lender-paid broker compensation because individual brokers are unable to charge or collect different amounts of fees from different borrowers on a loan-by-loan basis. The consent order also requires that Provident continue to have in place a fair lending training program and broker monitoring program.

Provident will hire a settlement administrator to distribute the $9 million to harmed borrowers. The CFPB will release a consumer advisory with contact information for the settlement administrator once a settlement administrator is named.

Auto Finance

Fifth Third Bank

On September 28, 2015, CFPB and DOJ resolved an action with Fifth Third Bank (Fifth Third) that put in place new measures to address discretionary auto loan pricing and compensation practices. Fifth Third's past practices resulted in thousands of African-American and Hispanic borrowers paying higher interest rates than similarly-situated non-Hispanic white borrowers for their auto loans. As part of the action, Fifth Third will change its pricing and compensation system in a manner similar to the Honda consent order described below by substantially reducing discretionary mark ups to minimize the risks of discrimination. The consent orders require that Fifth Third pay $18 million in restitution to affected borrowers.[57]

Fifth Third is the ninth largest depository auto loan lender and the 17th largest indirect auto lender in the United States. As an indirect auto lender, Fifth Third sets a risk-based interest rate, or "buy rate," that it conveys to auto dealers. Fifth Third then allows auto dealers to charge a higher interest rate when they finalize the deal with the consumer. This is typically called "discretionary markup." Markups can generate compensation for dealers while giving them the

[57] See In the Matter of: Fifth Third Bank (File No. 2015-CFPB-0024)(consent order entered September 28, 2015) in Section 6.2 above, Enforcement actions, for more information.

discretion to charge similarly-situated consumers different rates. Fifth Third's policy permitted dealers to mark up consumers' interest rates as much as 2.5%.

From January 2013 through May 2013, the Bureau conducted an examination that reviewed Fifth Third's indirect auto lending business for compliance with ECOA and its implementing regulation, Regulation B. On March 6, 2015, the Bureau referred the matter to the DOJ. The agencies' joint investigation concluded that Fifth Third's indirect lending policies resulted in minority borrowers paying higher discretionary markups. Specifically, Fifth Third violated ECOA by charging African-American and Hispanic borrowers higher discretionary markups for their auto loans than non-Hispanic white borrowers without regard to the creditworthiness of the borrowers. Fifth Third's discriminatory pricing and compensation structure resulted in thousands of minority borrowers from January 2010 through September 2015 paying, on average, over $200 more for their auto loans.

CFPB's administrative consent order and the DOJ's consent order, which was entered by the U.S. District Court for the Southern District of Ohio on October 1, 2015, require Fifth Third to pay $18 million to affected African-American and Hispanic borrowers whose auto loans were financed by Fifth Third between January 2010 and September 2015. Under the consent order, Fifth Third is also required to reduce dealer discretion to mark up the interest rate to a maximum of 1.25% for auto loans with terms of five years or less, and 1% for auto loans with longer terms, or move to non-discretionary dealer compensation. The Bureau did not assess penalties against Fifth Third because of the Bank's responsible conduct, namely the proactive steps the bank is taking that directly address the fair lending risk of discretionary pricing and compensation systems by substantially reducing or eliminating that discretion altogether. In addition, Fifth Third Bank will hire a settlement administrator who will contact consumers, distribute the funds, and ensure that affected borrowers receive compensation.

American Honda Finance Corporation

On July 14, 2015, CFPB and DOJ resolved an action with American Honda Finance Corporation (Honda) that put in place new measures to address discretionary auto loan pricing and

compensation practices.[58] Honda's past practices resulted in thousands of African-American, Hispanic, and Asian and Pacific Islander borrowers paying higher interest rates than similarly-situated non-Hispanic white borrowers for their auto loans. As part of the action, Honda changed its pricing and compensation system to substantially reduce dealer discretion and minimize the risks of discrimination, and paid $24 million in restitution to affected borrowers.

Honda is wholly-owned by American Honda Motor Co., Inc. It is one of the largest indirect auto lenders in the United States. As an indirect auto lender, Honda sets a risk-based interest rate, or "buy rate," that it conveys to auto dealers. Honda then allows auto dealers to charge a higher interest rate when they finalize the deal with the consumer. This is typically called "discretionary markup." Markups can generate compensation for dealers while giving them the discretion to charge similarly-situated consumers different rates. Honda permitted dealers to mark up consumers' risk-based interest rates as much as 2.25% for contracts with terms of five years or less, and 2% for contracts with longer terms.

The agencies investigated Honda's indirect auto lending activities and concluded that Honda's indirect lending policies resulted in minority borrowers paying higher discretionary markups. Specifically, Honda violated ECOA by charging African-American, Hispanic, and Asian and Pacific Islander borrowers higher discretionary markups for their auto loans than similarly-situated Hispanic white borrowers. Honda's discriminatory pricing and compensation structure resulted in thousands of minority borrowers from January 2011 through July 14, 2015 paying, on average, from $150 to over $250 more for their auto loans.

CFPB's administrative consent order and the DOJ's consent order, which was entered by the U.S. District Court for the Central District of California on July 16, 2015, requires Honda to pay $24 million to affected African-American, Hispanic, and Asian and Pacific Islander borrowers whose auto loans were financed by Honda between January 2011 and July 14, 2015. Under the consent order, Honda is also required to reduce dealer discretion to mark up the interest rate to a maximum of 1.25% for auto loans with terms of five years or less, and 1% for auto loans with

[58] See In the Matter of: American Honda Finance Corporation (File No. 2015-CFPB-0014) in Section 6.2 above, Enforcement actions, for more information.

longer terms, or move to non-discretionary dealer compensation. The Bureau did not assess penalties against Honda because of Honda's responsible conduct, namely the proactive steps the company is taking that directly address the fair lending risk of discretionary pricing and compensation systems by substantially reducing or eliminating that discretion altogether. In addition, Honda, through American Honda Motor Co., will contact consumers, distribute the funds, and ensure that affected borrowers receive compensation.

Settlement Administration

Synchrony Bank, formerly known as GE Capital Retail Bank

On June 19, 2014, the CFPB, as part of a joint enforcement action with the DOJ, ordered Synchrony Bank, formerly known as GE Capital, to provide $169 million in relief to about 108,000 borrowers excluded from debt relief offers because of their national origin.[59]

Synchrony Bank had two different promotions that allowed credit card customers with delinquent accounts to address their outstanding balances, one by paying a specific amount to bring their account current in return for a statement credit and another by paying a specific amount in return for waiving the remaining account balance. However, it did not extend these offers to any customers who indicated that they preferred to communicate in Spanish and/or had a mailing address in Puerto Rico, even if the customer met the promotion's qualifications. This practice resulted in Hispanic populations being unfairly denied the opportunity to benefit from these promotions, in direct violation of ECOA. This public enforcement action represented the federal government's largest credit card discrimination settlement in history.

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[59] In re Synchrony Bank, f/k/a GE Capital Retail Bank, No. 2014-CFPB-0007 (June 19, 2014) (consent order), available at http://files.consumerfinance.gov/f/201406_cfpb_consent-order_synchrony-bank.pdf. The Bureau did not assess penalties with respect to the illegal discrimination, based on a number of factors, including that the company self-reported the violation, self-initiated remediation for the harm done to affected consumers, and fully cooperated with the Bureau's investigation, in accordance with CFPB Bulletin 2013-06, Responsible Business Conduct: Self-Policing, Self-Reporting, Remediation, and Cooperation. Consumer Financial Protection Bureau, CFPB Bulletin 2013-06, Responsible Business Conduct: Self-Policing, Self-Reporting, Remediation, and Cooperation (June 25, 2013), *available at* http://files.consumerfinance.gov/f/201306_cfpb_bulletin_responsible-conduct.pdf.

In the course of administering the settlement, Synchrony Bank identified additional consumers who have a mailing address in Puerto Rico or who indicated a preference to communicate in Spanish and were excluded from these offers. Synchrony Bank has provided approximately $197 million in redress, including payments, credits, interest, and debt forgiveness, to eligible consumers and is in the process of providing an additional $4 million in redress to eligible consumers, for a total of approximately $201 million in redress to approximately 133,463 eligible consumers.

PNC Bank, as successor to National City Bank

On December 23, 2013, the CFPB and the DOJ filed a joint complaint against National City Bank for discrimination in mortgage lending, along with a proposed order to settle the complaint. Specifically, the complaint alleged that National City Bank charged higher prices on mortgage loans to African-American and Hispanic borrowers than similarly-situated non-Hispanic white borrowers between 2002 and 2008. The consent order, which was entered on January 9, 2014 by the U.S. District Court for the Western District of Pennsylvania, required National City's successor, PNC Bank, to pay $35 million in restitution to harmed African-American and Hispanic borrowers. The consent order also required PNC to pay to hire a settlement administrator to distribute funds to victims identified by the CFPB and DOJ.

In order to carry out the Bureau's and DOJ's 2013 settlement with PNC, as successor in interest to National City Bank, the Bureau and DOJ have worked closely with the settlement administrator and PNC in order to distribute $35 million to harmed African-American and Hispanic borrowers. On September 16, 2014, the Bureau published a blog post (available in English[60] and Spanish[61]) announcing the selection of the settlement administrator and providing information on contacting the administrator and submitting settlement forms. Under the supervision of the government agencies, the settlement administrator contacted over 90,000 borrowers who are eligible for compensation and made over 120,000 phone calls in an effort to

[60] http://www.consumerfinance.gov/blog/national-city-bank-settlement-administrator-will-contact-eligible-borrowers-soon/.
[61] http://www.consumerfinance.gov/blog/el-administrador-de-negociacion-del-national-city-bank-pronto-se-pondra-en-contacto-con-los-prestatarios-elegibles/.

ensure maximum participation. As of the participation deadline of February 17, 2015, borrowers on around 74% of the affected loans responded to participate in the settlement. The settlement administrator mailed checks to participating borrowers on May 15, 2015. As of September 27, 2015, checks totaling over 97% of the settlement fund had been cashed by consumers.

Ally Financial Inc. and Ally Bank

On December 19, 2013, working in close coordination with the DOJ, the CFPB ordered Ally Financial Inc. and Ally Bank (Ally) to pay $80 million in damages to harmed African-American, Hispanic, and Asian and Pacific Islander borrowers. This is the federal government's largest auto loan discrimination settlement in history. The agencies determined that more than 235,000 minority borrowers paid higher interest rates for their auto loans than non-Hispanic white borrowers between April 2011 and December 2013 because of Ally's discriminatory discretionary markup and compensation system.

Ally hired a settlement administrator to distribute the $80 million in damages to harmed borrowers. On June 15, 2015, the Bureau published a blog post[62] announcing the selection of the settlement administrator and providing information on contacting the administrator and submitting settlement forms. On June 26, 2015, the settlement administrator sent letters to Ally borrowers identified as potentially eligible for remediation from the settlement fund. Consumers have until October 2015 to respond, after which the agencies will determine the final distribution amount for each eligible borrower. The agencies anticipate allocating the entire settlement fund to harmed borrowers.

Ally also has begun to address the discriminatory effects of its pricing policies after the settlement period. Ally will continue to assess potential discriminatory pricing annually during the term of the order, and pay refunds to minority borrowers for any discriminatory pricing identified.

[62] http://www.consumerfinance.gov/blog/ally-settlement-administrator-will-contact-eligible-borrowers-soon/.

Referrals to DOJ

During this reporting period[63] and pursuant to Section 706(g) of ECOA, the CFPB has also referred 13 matters to the DOJ with regard to:

- Discrimination on the bases of receipt of public assistance income, race, color, national origin, sex, and marital status in mortgage lending;
- Discrimination on the bases of receipt of public assistance income, age, race, national origin, sex, and marital status in auto finance; and
- Discrimination on the basis of marital status in unsecured consumer lending.

7.2 Interagency fair lending coordination and outreach

7.2.1 Interagency coordination

The Bureau's fair lending activity involves close partnerships and coordination among the Bureau's Federal and state regulatory and enforcement partners. Fair Lending continues to lead the Bureau's fair lending interagency coordination and collaboration efforts by working with partners on the Financial Fraud Enforcement Task Force's Non-Discrimination Working Group, the Interagency Task Force on Fair Lending, the Interagency Working Group on Fair Lending Enforcement, and the FFIEC Subcommittee on HMDA and the Community Reinvestment Act.

[63] October 1, 2014 – September 30, 2015.

7.2.2 Fair lending outreach, speeches, presentations and publications

The CFPB is committed to communicating directly with industry and fair lending, civil rights, consumer, and community groups on its policies, compliance expectations, and priorities. Outreach is accomplished through issuance of Interagency Statements, *Supervisory Highlights*, Compliance Bulletins, and blog posts, as well as through the delivery of correspondence, speeches, and presentations addressing fair lending and access to credit matters.

On May 11, 2015, the Bureau issued a bulletin providing guidance to help lenders avoid prohibited discrimination against applicants whose income includes vouchers from the Section 8 Housing Choice Voucher (HCV) Homeownership Program.[64] The bulletin reminds lenders that discriminating against a consumer because some or all of their income is from a public assistance program may violate federal fair lending protections.

The Section 8 HCV Homeownership Program was created to assist low-income, first-time homebuyers in purchasing homes. The program is funded by HUD and administered by participating local public housing authorities. Participating public housing authorities can provide an eligible consumer with a monthly housing assistance payment to help offset homeownership expenses. The CFPB has become aware of financial institutions excluding or refusing to consider income derived from this program during the loan application and underwriting process. The CFPB has also become aware of some institutions only permitting the vouchers to be used for certain mortgage loan products or delivery channels.

The bulletin reminds lenders that ECOA prohibits creditors from discriminating against an applicant because some or all of the applicant's income is from a public assistance program, such as the Section 8 HCV Homeownership Program. Excluding or refusing to consider these vouchers as a source of income categorically, or accepting the vouchers only for certain types of mortgage loans may violate ECOA and its implementing regulation, Regulation B. The bulletin also offers guidance for lenders in managing their fair lending risk, including the importance of

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[64] CFPB Bulletin 2015-02 (May 11, 2015) *available at* http://files.consumerfinance.gov/f/201505_cfpb_bulletin-section-8-housing-choice-voucher-homeownership-program.pdf.

clear underwriting policies, providing training for underwriters and loan originators, and ensuring careful monitoring for compliance with underwriting policies.

As noted in the Fair Lending Supervision section 7.1.1 above, the Bureau also released on June 23, 2015, the Summer 2015 edition of *Supervisory Highlights*, which included as a fair lending topic a discussion of the CFPB bulletin noted in this section on avoiding discrimination against consumers receiving public assistance income through the Section 8 HCV Homeownership Program.

CFPB leadership and staff continue to deliver correspondence, testimony, speeches, panel remarks, webinars, and in-person presentations to diverse audiences, including Members of Congress and staff, industry, national and state fair lending and fair housing groups, and community and consumer advocates.

The Bureau looks forward to continued dialogue with these and other stakeholders on important matters related to fair lending and access to credit.

7.3 Home Mortgage Disclosure Act

On August 29, 2014, the Bureau published in the *Federal Register* proposed changes to Regulation C, which implements HMDA, to improve information reported about the residential mortgage market.[65] The rule would shed more light on access to mortgage credit by updating the reporting requirements contained in Regulation C, HMDA's implementing regulation. The Bureau also aims to simplify the reporting process for financial institutions. The proposal would improve the quality and type of HMDA data consistent with amendments made by the Dodd-Frank Act. The public comment period for the proposed rule closed on October 29, 2014. The Bureau received approximately 400 comments. The Bureau is thoroughly reviewing and considering all the comments received and continues working towards potential final rulemaking.

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[65] http://www.gpo.gov/fdsys/pkg/FR-2014-08-29/pdf/2014-18353.pdf.

8. Building a great institution: update

The CFPB seeks to promote transparency, accountability, and fairness. Built on these values, the CFPB is better able to make consumer financial markets work for consumers, honest businesses, and the economy.

8.1 Open government

The Bureau's mission is to be an agency that helps consumer finance work by making rules more effective, by consistently and fairly enforcing the rules, and by empowering consumers to take more control of their economic lives. A critical part of making financial markets work is ensuring transparency in those markets. The CFPB believes that it should hold itself to that same standard and strives to be a leader by being transparent with respect to its own activities. To accomplish this, the Bureau utilizes its website, consumerfinance.gov, as the primary vehicle to share information on the operations and decisions the CFPB undertakes every day.

Recent information posted on our website that illustrates the Bureau's commitment to openness includes:[66]

- **Freedom of Information Act (FOIA)**
  Transparency is at the core of the CFPB's agenda and an essential part of how the CFPB operates. The public deserves to know what the CFPB is doing and how we are doing it. Earlier this year, the CFPB posted the Annual FOIA Report for 2015 and the Chief FOIA Officer Report for 2015. During this reporting period, the CFPB published its Quarterly Report for the third quarter of fiscal year 2015.

- **Leadership Calendars**
  The CFPB remains committed to providing information to the public regarding the daily work of the Bureau's senior leadership by sharing their daily calendars. The Bureau consistently posts the monthly calendars of Director Richard Cordray to its website. The calendars of past leaders Elizabeth Warren, Raj Date, and Steven Antonakes are archived on the Bureau's website for the public to view as well.

- **Procurement Opportunities**
  The Bureau remains committed to publishing its future procurement needs by listing a description of the requirement, forecasted solicitation fiscal year and quarter, and forecasted acquisition method.

- **Procurement Transparency**
  The Bureau's Office of Procurement introduced a Contract Transparency Clause in February 2011 in each of its solicitations and contracts. The clause gives notice to all prospective trading partners that the Bureau will publish contracts on our website to enhance the visibility to any interested party in how the public money entrusted to us is being spent.

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[66] The open government section of the Bureau's website is consumerfinance.gov/open/, and all documents and pages referenced in this section may be found there.

- **General Reports**

  The CFPB also continues to post a variety of reports to illustrate progress in several areas of the Bureau's operations and activities. Recent reports posted to the CFPB's website include the No FEAR Act Annual Report for Fiscal Year 2014, the Equal Employment Opportunity Program Status Report for Fiscal Year 2014, the 2014 Fair Lending Report, the 2014 Office of Minority and Women Inclusion Annual Report to Congress, a data point on credit invincibles, a report on reverse mortgage advertisements and consumer risks, the Bureau's Spring 2015 Semi-Annual Report and Summer 2015 Supervisory Highlights, the Plain Writing Act Compliance Report of 2015, and a report on leveraging technology to empower mortgage consumers at closing.

- **Guidance Updates**

  The CFPB periodically provides updates on regulations and guidance. During this reporting period, the Bureau posted updates to its Supervision and Examination Manual, including updates to procedures for the new KBYO rule, mortgage origination examination procedures, and automobile finance examination procedures.[67] Additionally, the Bureau posted compliance-related information for issued rules including lists for rural counties and rural or underserved counties for 2015.[68]

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[67] The full list of guidance updates may be found in Appendix C.

[68] http://www.consumerfinance.gov/guidance/#compliance.

9. Budget

The Bureau is committed to fulfilling its statutory responsibilities and delivering value to American consumers by being accountable and using our resources carefully. The CFPB's Operations Division is responsible for coordinating activities related to the development of the CFPB's annual budget. The Office of the Chief Financial Officer within the Division has primary responsibility for developing the budget, and works in close partnership with the Office of Human Capital, the Office of Procurement, the Technology and Innovation team, and other program offices to develop budget and staffing estimates in consideration of statutory requirements, performance goals, and priorities of the Bureau. The CFPB Director ultimately approves the CFPB budget.

9.1 How the CFPB is funded

The CFPB is funded principally by transfers made by the Board of Governors from the combined earnings of the Federal Reserve System, up to the limits set forth in the Dodd-Frank Act. The Director of the CFPB requests transfers from the Federal Reserve System in amounts that he has determined are reasonably necessary to carry out the Bureau's mission. Annual funding from the Federal Reserve System was capped at a fixed percentage of the total 2009 operating expenses of the Federal Reserve System, equal to:

- 10% of these Federal Reserve System expenses (or approximately $498 million) in fiscal year (FY) 2011;
- 11% of these expenses (or approximately $547.8 million) in FY 2012; and

- 12% of these expenses (or approximately $597.6 million) in FY 2013 and each year thereafter, subject to annual adjustments.[69]

The inflation-adjusted transfer cap for FY 2015 was $618.7 million. The adjusted transfer cap for FY 2016 is $631.7 million. The CFPB requested transfers from the Federal Reserve totaling $485.1 million to fund CFPB operations and activities through the fourth quarter of FY 2015.[70]

Funds received from the Federal Reserve are generally held in an account for the Bureau at the Federal Reserve Bank of New York.

Bureau funds that are not funding current needs of the CFPB, however, are invested in Treasury securities. Earnings from those investments are also deposited into the Bureau's account.[71]

If the authorized transfers from the Federal Reserve were not sufficient in FY 2010-2014, the CFPB had the authority in those fiscal years to ask Congress for up to $200 million in additional funds, subject to the appropriations process.[72] The CFPB did not request an appropriation in FY 2011, FY 2012, FY 2013 or FY 2014. That authority has now expired.

9.1.1 Fiscal year 2015 spending through fourth quarter

As of September 30, 2015, the end of the fourth quarter of FY 2015, the CFPB incurred approximately $524.4 million in obligations[73] to carry out the authorities of the Bureau under Federal financial consumer law. Approximately $265.9 million was spent on employee compensation and benefits for the 1,529 CFPB employees who were on-board by the end of the fourth quarter.

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[69] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1017(a)(2).

[70] The Bureau posts all funding request letters on its website at consumerfinance.gov/budget.

[71] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1017(b).

[72] *See id.* Sec. 1017(e).

[73] An obligation is a transaction or agreement that creates a legal liability and obligates the government to pay for goods and services ordered or received.

In addition to payroll expenses, the largest obligations made through the end of the fiscal year were related to contractual services. Some of the Bureau's significant obligations that occurred through the end of FY 2015 included:

- $21.7 million for maintaining ongoing operations of CFPB's consumer contact center and the case management database;
- $14.7 million to the Federal Reserve Board for shared IG support services;
- $14.4 million to the Department of Treasury for information technology infrastructure, and other administrative services;
- $12.1 million for a one-year building occupancy agreement with the Office of the Comptroller of the Currency;
- $10.0 million for a one-year building occupancy agreement with the General Services Administration for CFPB's temporary headquarters office space;
- $7.7 million to the Department of Treasury's Bureau of Fiscal Services for bureau-wide systems support, such as core financial accounting, procurement, transaction processing and reporting, travel and payroll;
- $6.6 million for consumer services awareness and outreach initiatives;
- $6.1 million for technical litigation support services and products provided through an interagency agreement with the Department of Justice; and
- $6.0 million for enterprise-wide cloud infrastructure system administration.

Tables 18 and 19 categorize CFPB obligations incurred through the end of FY 2015 by expense category and division/program area:

TABLE 18: FY 2015 SPENDING BY EXPENSE CATEGORY

Expense Category	FY 2015
Personnel Compensation	$192,274,000
Benefit Compensation	$73,654,000
Travel	$17,809,000
Transportation of Things	$115,000
Rents, Communications, Utilities & Misc.	$16,875,000
Printing and Reproduction	$2,478,000
Other Contractual Services	$191,740,000
Supplies & Materials	$5,513,000
Equipment	$21,415,000
Land and Structures	$2,534,000
Total (as of 09/30/15)	$524,407,000

TABLE 19: FY 2015 SPENDING BY PROGRAM AREA

Division/Program Area	FY 2015
Office of the Director	$7,965,000
Operations	$108,201,000
Consumer Education & Engagement	$26,327,000
Research, Markets & Regulations	$34,380,000
Supervision, Enforcement, Fair Lending	$140,792,000
Legal Division	$13,396,000
External Affairs	$6,979,000
Other Programs[74]	$2,781,000
Centralized Services[75]	$183,586,000
Total (as of 09/30/15)	$524,407,000

[74] Other Programs comprises the costs of the CFPB Office of Ombudsman, Administrative Law Judges, and other CFPB programs.

[75] Centralized services include the cost of certain administrative and operational services provided centrally to other Divisions (e.g., building space, utilities, and IT-related equipment and services).

9.1.2 Civil Penalty Fund

Pursuant to the Dodd-Frank Act, the CFPB is also authorized to collect and retain for specified purposes civil penalties collected from any person in any judicial or administrative action under federal consumer financial laws.[76] The CFPB generally is authorized to use these funds for payments to victims of activities for which civil penalties have been imposed, and may also use the funds for consumer education and financial literacy programs under certain circumstances. The CFPB maintains a separate account for these funds at the Federal Reserve Bank of New York.

Civil penalty funds collected in 2015

In the first quarter of FY 2015, the CFPB collected civil penalties from six defendants totaling $23.4 million. In the second quarter, $24.2 million was received from 10 defendants. In the third quarter (Q3), $36.1 million was received from 13 defendants. In the fourth quarter (Q4), $99.0 million was received from 12 defendants. Civil penalties collected in FY 2015 total $183.1 million.

TABLE 20: FY 2015 CIVIL PENALTY FUND COLLECTIONS

Defendant name	CMP collected	Collection date
U.S. Bank	$5,000,000	October 3, 2014
Lighthouse Title	$200,000	October 3, 2014
Flagstar Bank, F.S.B.	$10,000,000	October 9, 2014
M&T Bank	$200,000	October 17, 2014
DriveTime	$8,000,000	November 25, 2014

[76] *See* Dodd-Frank, Pub. L. No. 111-203, Sec. 1017(d).

Defendant name	CMP collected	Collection date
Premier Consulting Group, LLC et al.	$69,075	December 12, 2014 March 5, 2015 June 3, 2015
Freedom Stores, Inc.	$100,000	January 16, 2015
College Education Services	$25,000	January 30, 2015
Continental Finance Company, LLC	$250,000	February 11, 2015
Wells Fargo (Genuine Title Matter)	$21,000,000	February 13, 2015
J.P. Morgan Chase (Genuine Title Matter)	$500,000	February 18, 2015
NewDay Financial, LLC	$2,000,000	February 19, 2015
American Preferred Lending, Inc.	$85,000	February 20, 2015 March 20, 2015 April 21, 2015
Todd & Elaine Cohen (Genuine Title Matter)	$30,000	February 20, 2015
Flagship Financial Group, LLC	$225,000	March 2, 2015
National Corrective Group, Inc.	$50,000	April 7, 2015
RMK Financial	$250,000	April 20, 2015
Southwest Tax Loans, Inc.	$438,000	April 30, 2015
Green Tree Servicing, LLC	$15,000,000	April 30, 2015
Regions Bank	$7,500,000	April 30, 2015

Defendant name	CMP collected	Collection date
Hoffman Law Group, et al.[77]	$3	May 12, 2015 May 18, 2015 September 25, 2015
Pay Pal, Inc. and Bill me Later, Inc.	$10,000,000	May 29, 2015
Guarantee Mortgage Corporation	$228,000	June 10, 2015
R P M Mortgage, Inc. et al[78]	$2,000,000	June 15, 2015
Union Workers Credit Services	$70,000	June 26, 2015
Syndicated Office Systems, LLC	$500,000	June 23, 2015
Intersections, Inc.	$1,200,000	July 13, 2015 July 24, 2015 August 27, 2015
Chase Bank, USA N.A.	$30,000,000	July 15, 2015
Citibank	$35,000,000	July 24, 2015
Discover	$2,500,000	July 27, 2015
Loancare, LLC	$100,000	July 29, 2015
Paymap Inc.	$5,000,000	August 4, 2015
Residential Credit Solutions	$100,000	August 7, 2015
RBS Citizens Financial Group, Inc.	$7,500,000	August 14, 2015

[77] The civil penalty for Hoffman Law Group, et al was deposited into the Civil Penalty Fund by three defendants (Hoffman, Willcox, and Harper) in separate payments of $1 each.

[78] The civil penalty for RPM Mortgage, et al was deposited into the Civil Penalty Fund by RPM Mortgage and by defendant E. Hirt in separate payments of $1,000,000 each.

Defendant name	CMP collected	Collection date
Encore Capital, Midland Funding LLC, Midland Credit Management and Asset Acceptance Capital Corp.	$10,000,000	September 16, 2015
Portfolio Recovery Associates	$8,000,000	September 17, 2015
Student Financial Aid Services, Inc. (SFAS)	$1	September 18, 2015
Total	$183,120,079	

Civil penalty funds allocated in FY 2015

Period 4: April 1, 2014 to September 30, 2014

On November 28, 2014, the Bureau made its fourth allocation from the Civil Penalty Fund. As of September 30, 2014, the Civil Penalty Fund contained an unallocated balance of $112.8 million. This amount was available for allocation pursuant to 12 C.F.R. § 1075.105(c).

During Period 4, final orders in Bureau enforcement actions imposed civil penalties in 13 cases. For three cases with final orders from Period 4, the civil penalties were received after September 30, 2014 and were not included as available funds for allocation in Period 4. Under the Civil Penalty Fund rule, the victims of the violations for which the civil penalties were imposed in these 13 cases are eligible to receive payment from the Civil Penalty Fund to compensate their uncompensated harm.[79]

[79] Pursuant to the Civil Penalty Fund Rule, victims' compensable harm is determined by looking to the terms of the relevant court or administrative order. If the amount of a victim's compensable harm cannot be determined based on the terms of the relevant order, the victim's compensable harm generally will be his or her out-of-pocket losses that resulted from the violation. To determine the amount of a victim's uncompensated harm that may be compensated from the Civil Penalty Fund, the Bureau will take the victim's total compensable harm, and subtract out any compensation that the victim has received—or is reasonably expected to receive—for that harm. *See* 12 CFR 1075.104.

Of those 13 cases, ten cases have classes of eligible victims with no uncompensated harm that is compensable from the Civil Penalty Fund, and three cases have classes of eligible victims with uncompensated harm. As part of the Period 4 allocation, one case from Period 3 and four cases from Period 2 were reviewed, in addition to the Period 4 cases. In these five prior-period cases, the Fund Administrator has determined that the classes of victims in these cases do not have uncompensated harm that is compensable from the Civil Penalty Fund.

The three cases with compensable uncompensated harm, Amerisave, Culver Capital LLC, and Global Client Solutions, received an allocation from the Civil Penalty Fund. The Bureau allocated $1.38 million to the Amerisave victim class, enough to compensate fully that victim class's uncompensated harm. The Bureau also allocated $3.4 million to the Culver Capital victim class, and $108 million to the Global Client Solutions victim class, enough to compensate 89% of those victim classes' uncompensated harm. No funds were allocated to consumer education and financial literacy programs.

There was no remaining unallocated Civil Penalty Fund balance available for future allocation. Civil penalties collected on or after September 30, 2014 were deposited in the Fund. The amount in the Fund as of March 31, 2015 will be available for allocation following the conclusion of Period 5 in accordance with 12 C.F.R. § 1075.105(c).

TABLE 21: PERIOD 4 ALLOCATION SUMMARY

Type	Allocation
Victim Compensation	$112,776,305
Culver Capital, LLC	
Victim Class Allocation: $3,400,434	
Amerisave	
Victim Class Allocation: $1,380,470	
Global Client Solutions	
Victim Class Allocation: $107,995,400	
Consumer Education and Financial Literacy Programs:	$0

Type	Allocation
Total Allocation	**$112,776,305**

Period 5: October 1, 2015 to March 31, 2015

On May 29, 2015, the Bureau made its fifth allocation from the Civil Penalty Fund. As of March 31, 2015, the Civil Penalty Fund contained an unallocated balance of $47,646,050. For administrative purposes, the Fund administrator set aside $500,000, reducing the funds available for allocation for Period 5 to $47,146,050. That amount was available for allocation pursuant to 12 C.F.R. § 1075.105(c).

During Period 5, final orders in Bureau enforcement actions imposed civil penalties in 14 cases. Under the Civil Penalty Fund rule, the victims of the violations for which the civil penalties were imposed in these cases are eligible to receive payment from the Civil Penalty Fund to compensate their uncompensated harm.

Of those 14 cases, 11 cases have classes of eligible victims with no uncompensated harm that is compensable from the Civil Penalty Fund, and three cases have classes of eligible victims with uncompensated harm that is compensable from the Civil Penalty Fund.

The three Period 5 cases with compensable uncompensated harm, College Education Services, Union Workers Credit Services, and National Corrective Group, received an allocation from the Civil Penalty Fund. The Bureau allocated $3.46 million to the College Education Services victim class, $18.91 million to the Union Workers Credit Services victim class, and $23.26 million to the National Corrective Group victim class. Sufficient funds were allocated to each of these classes to compensate fully the uncompensated harm of all victims in those classes to whom it is practicable to make payments.

The total allocation to classes of victims from Period 5 cases was $45.63 million, which left $1,515,903 available for allocation to prior-period cases. The total eligible uncompensated harm for the Period 4 allocation exceeded available funds, resulting in allocations to classes in two cases, Culver Capital and Global Client Solutions, of less than 100% of their victims' uncompensated harm. In Period 5, the Bureau allocated $421,000 to Culver Capital, which was sufficient funds to fully compensate the remaining uncompensated harm of the Culver Capital victim class. As of the time of this allocation, there was insufficient information to determine

whether additional funds should be allocated to the victims in the second case, Global Client Solutions. No funds were allocated for Consumer Education and Financial Literacy purposes.

The remaining unallocated Civil Penalty Fund balance will be available for future allocations. The amount in the Fund as of September 30, 2015 will be available for allocation following the conclusion of Period 6 in accordance with 12 C.F.R. §1075.105(c).

TABLE 22: PERIOD 5 ALLOCATION SUMMARY

Type	Allocation
Victim Compensation	$46,051,628
College Education Services	
Victim Class Allocation: $3,459,336	
United Workers Credit Services	
Victim Class Allocation: $18,908,744	
National Corrective Group	
Victim Class Allocation: $23,262,067	
Culver Capital, LLC	
Victim Class Allocation: $421,481	
Consumer Education and Financial Literacy Programs:	$0
Total Allocation	**$46,051,628**

9.1.3 Bureau-administered redress

Dodd-Frank Act section 1055 authorizes a court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is

treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury.

In FY 2015,[80] the Bureau collected $108.3 million in Bureau Administered Redress funds. In the first quarter of FY 2015, the Bureau collected $30 million in Bureau-Administered Redress funds. A collection of $27.5 million was received from Flagstar Bank, $730,000 was received from Franklin Loan Corporation, and $2.01 million was received from Global Client Solutions.[81] In the second quarter of FY 2015, the Bureau collected $687,033 in Bureau-Administered Redress funds. A collection of $386,280 was received from Freedom Stores, Inc. and $300,753 was received from J.P. Morgan Chase. In the third quarter of FY 2015, the Bureau collected $54.54 million in Bureau-Administered Redress funds. A collection of $254,267 was received from Southwest Tax Loans, $3.065 million was received from Fort Knox National Co. and Military Assistance, $48 million was received from Green Tree Servicing, $655,737 was received from Hoffman Law Group, $562,500 was received from five defendants as part of the Genuine Title Matter,[82] and $2 million was received from RPM Mortgage.[83] In the fourth quarter of FY 2015, the Bureau collected $24.7 in Bureau-Administered Redress funds. A collection of $1.5 million from Residential Credit Solutions, $16 million from RPM Mortgage , and $5.2 million from Student Financial Aid Services. In all cases, funds will be distributed in accordance with the terms of their respective final orders.

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[80] As of September 11, 2015.

[81] Global Client Solutions agreed to transfer $6.01 million in Bureau-administered redress funds to the Bureau in two installments. The first installment of $4.0 million was transferred to the Bureau in FY14, and the second installment of $2.01 million was transferred to the Bureau in FY15.

[82] During the third quarter, in the Genuine Title matter, five defendants, A. Mandelberg/R&R Marketing Group LLC, J. Zukerberg, B. Glickstein, W. Peterson/BTS Management and Consulting, and A. Pobletts/MARC, LLC, transferred $30,000, $30,000, $400,000, $65,000, and $37,500 to the Bureau in respectively.

[83] RPM Mortgage, et al deposited $18 million in redress funds in two installments, one received in Q2 FY15 and the other in Q4 FY15.

10. Diversity and inclusion

10.1 Recruiting and hiring

The CFPB continues its commitment to recruit and hire highly qualified individuals from diverse backgrounds to fill positions at the Bureau's headquarters in Washington, D.C., and in its examiner workforce distributed across the country. The Bureau's examiners are organized by regions and anchored by key strategic satellite offices in three of the nation's financial hubs – Chicago, IL; New York, NY; and San Francisco, CA; and the fourth regional team of examiners is anchored in Washington, D.C. As of September 19, 2015, there are 1,486 staff on-board and working to carry out the CFPB's mission.

To meet current and future staffing requirements, the Bureau will continue to evolve its talent acquisition strategies to build a pipeline of talent through the following methods.

10.1.1 Recruiting strategically to build a diverse workforce

The Bureau is committed to recruiting highly-qualified, diverse applicants for CFPB positions; it leverages multiple sources for recruitment to ensure access to wide candidate pools. The Bureau deploys a comprehensive outreach approach and achieves its recruiting goals through:

- Utilizing digital platforms to maximize engagement reach, including the Professional Diversity Network – a digital platform that enables the publication of CFPB job opportunities to a broad array of diverse target populations;
- External outreach, which includes participation at professional conferences and university events, with a special focus on building relationships and marketing with diverse affinity organizations, such as the National Black Mortgage Bankers Association, the National Society of Hispanic MBAs, the Association of Latin Professionals in Finance

and Accounting, Ascend Pan Asian Leaders, and the National Association of Black Accountants;

- Enlisting senior leadership and Bureau champions to promote the Bureau's employer identity at outreach events to attract candidates to the CFPB as a "best place to serve";
- Engaging existing staff as ambassadors of the Bureau and providing them with the tools, messages, and resources to reach out to their own professional networks;
- Continuing to utilize professional development programs to build a robust pipeline of talent to meet current and emerging workforce needs, including through the Federal Pathways Program; and
- Leveraging and promoting flagship development programs, such as the Technology and Innovation Fellows Program, the Director's Financial Analyst Program, and the Louis Brandeis Honors Attorney Program, to find the best and brightest mid-and entry-level talent, and promoting the Bureau as an employer of choice.

10.1.2 Becoming an employer of choice

The CFPB continues to build its reputation as an employer that offers challenging work in direct support of American consumers. The Bureau's inspiring mission, willingness to innovate and collaborate, and insistence on excellence serve as strong platforms on which to recruit exceptional talent. The CFPB recruits inspired, goal-oriented professionals who derive intrinsic value from professional accomplishment and public service. The CFPB's employer identity as an agency that protects consumers reinforces the Bureau's identity as an employer of choice.

10.1.3 Enhancing the candidate experience

CFPB is committed to engaging candidates throughout the hiring process in accordance with Federal hiring goals and standards.

The Office of Human Capital (OHC) uses tailored assessment methods (e.g., structured interviews and work sample reviews) to support selections for target positions, and offers training to hiring managers on how to conduct structured interviews effectively. These assessment strategies enhance the pool of highly-qualified candidates, enable hiring managers to make objective, data-driven employee selection decisions, and build a workforce that demonstrates the key competencies necessary for success at the Bureau.

OHC also administers its New Employee and Hiring Manager Surveys to identify processes that are working well, as well as areas for improvement to provide a seamless onboarding experience for all new hires.

10.2 Staff education, training, and engagement

Since its creation, the CFPB has focused on strong engagement with existing and potential Bureau staff by utilizing education, training, and engagement programs. As the CFPB matures, both the reach and depth of these programs have evolved.

During the reporting period, the Bureau has taken the following actions:

- Increased quantity and scope of targeted learning programs and development resources for employees and leaders;
- Provided guidance and consultations to both employees and leaders on the individual development planning process and developmental opportunities, including a cross-reference to 90+ off-the-shelf learning programs, as well as a career development workshop;
- Initiated the roll-out of the CFPB Leadership Competency Model across the Bureau, with immediate use in some personnel functions, such as learning and development, and other functions to follow between FY16 and FY17;
- Increased number of engagements and completions of the leadership coaching program available to middle managers and senior CFPB leaders;
- Promoted a new suite of career planning tools, including skills and interest inventories, a details marketplace, a guide to career paths at the Bureau, and other training and development opportunities, to assist employees in their career development;
- Delivered internal custom training courses for new CFPB supervisors to cover basic managerial duties as a Federal supervisor or manager;

- Delivered a custom CFPB Leadership and Management Development series, the *Leadership Excellence Seminars*, designed to train all levels of supervisors and managers at CFPB on managerial practices and leadership behaviors;
- Significantly increased on-demand, on-line learning and development resources for CFPB employees, adding thousands of titles of on-line books, learning articles, and video vignettes, which map to CFPB core competencies, basic supervisory tasks, and managerial leadership skills;
- Operated a library of online reference materials through the CFPB library;
- Operated under an interim, two-level performance management system negotiated as part of our collective bargaining agreement with the National Treasury Employees Union intended to promote achievement of the Bureau's mission by enhancing employee performance and engagement through continuous feedback, ongoing collaboration between employees and supervisors, and a focus on the development of employee skills and competencies;
- Provided supplemental guidance to leaders on evaluating managerial support for diversity and inclusion initiatives in FY15 and FY16;
- Completed retrospective third party review of FY12 and FY13 programs and internal FY14 program evaluation, which influenced improvement in administrative processes and communication strategies associated with performance management;
- Launched *Annual Performance Management Systems Training*, a mandatory, interactive training session to inform the Bureau of process changes, enhanced flexibility, and best practices in FY15 year-end evaluation and FY16 performance planning;
- Launched *Strategies for Non-Monetary Recognition*, an optional consultative training session to support fair, meaningful, and personal recognition practices; and
- Promoted engagement tools, resources, and activities associated with Public Service Recognition Week, including five complimentary optional webinars hosted by the Office of Personnel Management's Center for Leadership Development.

10.3 Diversity and inclusion

In January 2012, the Bureau formally established the Office of Minority and Women Inclusion (OMWI) to ensure that diversity and inclusion continues to inform its work as articulated in the Dodd-Frank Act. OMWI is located within the Office of Equal Opportunity and Fairness.

OMWI has a three-part mandate:

1. To be responsible for all matters of the agency relating to diversity in management, employment, and business activities.
2. To develop and refine standards for:
   - Equal employment opportunity, workforce diversity, and inclusion at all levels of the Bureau;
   - Increased participation of minority-owned and women-owned businesses in the programs and procurement of the agency, including standards for coordinating technical assistance to such businesses; and
   - Assessing the diversity policies and practices of entities regulated by the agency.
3. To advise the Director of the CFPB on the impact of the policies and regulations of the agency on minority-owned and women owned businesses.

10.3.1 Diversity in the CFPB's workforce

As of September 19, 2015, the Bureau had 1,486 total employees. Women represent 47% of the Bureau's workforce. The CFPB is committed to promoting strong workforce demographics by gender and to increasing the number of women in leadership positions. Along with gender equality, the Bureau aims to increase workforce diversity with greater representation of minorities. As Table 23 shows, minorities constituted 35% percent of the workforce as of September 19, 2015.

TABLE 23: CFPB WORKFORCE DIVERSITY AS OF SEPTEMBER 19, 2015

Demographic group	CFPB SEPTEMBER 2015 #	CFPB SEPTEMBER 2015 %
Male	788	53%
Female	698	47%
Non-Minority	960	65%
Total Minority	526	35%
Total Workforce	1,486	100%

Table 24 shows the CFPB workforce by race and ethnicity. Of the 1,486 employees at the end of the reporting period, 68% self-identify as White, 18% as Black/African-American, 9% as Asian American, and 4% as another racial group or belonging to two or more racial groups. In terms of ethnicity, 6% of employees self-identify as Hispanic, and 94% as Non-Hispanic.

TABLE 24: CFPB WORKFORCE BY ETHNICITY AND RACE AS OF SEPTEMBER 19, 2015

Ethnic and racial group	CFPB SEPTEMBER 2015 #	CFPB SEPTEMBER 2015 %
Non-Hispanic	1,398	94.08%
White	960	64.60%
African American	266	17.90%
Asian	126	8.48%
American Indian or Alaska Native	6	0.40%
Native Hawaiian or Pacific Islander	2	0.13%
2 or More Races	38	2.56%
Hispanic	88	5.92%
White	56	3.77%
African American	8	0.54%

Ethnic and racial group	CFPB SEPTEMBER 2015 #	CFPB SEPTEMBER 2015 %
Asian	2	0.13%
American Indian or Alaska Native	1	0.07%
2 or More Races	4	0.27%
Not Identified	17	1.14%

10.3.2 Workplace Initiatives

OMWI spearheads the Bureau's efforts to bring diverse perspectives to the CFPB's work by ensuring that the talents of employees are maximized and that inclusion strategies are incorporated into the policies, practices, and training at the Bureau.

One of OMWI's primary areas of focus is on efforts to create an inclusive organizational culture by promoting policies and procedures to ensure that the Bureau's workplace is hospitable and welcoming to all employees. During the covered period, OMWI developed and conducted training for managers to provide them with the tools necessary to build inclusive work environments for all employees. The training aims to convey advanced diversity concepts to enhance the Bureau's individual and organizational capabilities to raise awareness, knowledge, and skills for managing a diverse workforce, creating inclusive teams, and for incorporating consideration for diversity and inclusion in the development of work products for the benefit of consumers. In addition to the manager's training, OMWI continues to provide diversity and inclusion training to all Bureau employees to expand awareness, knowledge, and cultural competencies to aid in understanding of the value of a diverse workforce to the CFPB mission.

The CFPB is committed to fostering an environment in which every individual has an equitable opportunity to excel and contribute to the mission and goals of the Bureau. OMWI utilizes its Bureau-wide newsletter to better connect with employees about the work of the office and to solicit strategies and recommendations from employees on ways to enhance the workplace culture. To gain ongoing insight into the employee experience, OMWI works closely with OHC and the Office of Civil Rights (OCR) in analyzing annual employee survey results, exit survey trends, and workforce analytics to determine trends and areas of opportunity.

Workforce diversity

OMWI is responsible for promoting diverse and inclusive hiring practices at the Bureau. OMWI participates in recruitment and outreach events in order to attract a diverse pool of qualified candidates emphasizing diversity from a wide range of American society. OMWI has developed strategic partnerships with colleges, universities, professional organizations and affinity groups to continue to connect the Bureau to a diverse applicant pool.

OMWI has also embarked on several initiatives to better understand and improve the employee experience. During this reporting period, OMWI has focused on:

- Developing and administering diversity and inclusion training programs for employees at all levels to increase awareness and understanding of diversity and inclusion issues in the workplace, including a mandatory two-day workshop for supervisors and managers;

- Launching a mentoring program to provide employees with access to subject-matter experts and leaders across the Bureau;

- Collaborating with the CFPB's Hispanic outreach working group to develop multi-faceted and targeted recruitment strategies;

- Partnering with OHC to conduct analysis of the Annual Employee Survey (AES) to measure differences in perception among demographic groups;

- Providing subject-matter expertise to the performance management working group to inform consideration of diversity and inclusion in the development of the new performance management policy;

- Administering a workshop on diversity and inclusion issues in the performance evaluation process to help supervisors avoid biases that can impact the performance evaluation process;

- Increasing OMWI's impact on Bureau-wide hiring through a series of recruitment, hiring, and relationship-building events;

- Working in a consulting capacity with Divisions to develop and implement diversity and inclusion goals; and

- Releasing the *Business Case for Diversity* document to ensure that all employees are able to make the connection between diversity and the Bureau's mission.

OMWI continues to collaborate with OHC and OCR to ensure that Bureau policies support the hiring, retention, and development of a diverse and inclusive workforce.

Diversity and inclusion at regulated entities

Under the Dodd-Frank Act, OMWI is required to create standards for assessing the diversity and inclusion policies and practices of the entities regulated by the CFPB. OMWI has worked with fellow OMWI Directors at the FDIC, FRB, NCUA, OCC, and SEC to develop interagency standards. The standards were published in 2015 and released to the public.

Minority-owned and women-owned business initiatives

OMWI and the Bureau's Procurement Office are committed to greater economic empowerment for women and minorities and aim to promote procurement opportunities for minority-owned and women-owned businesses.

OMWI and Procurement have engaged in outreach efforts to raise awareness of procurement opportunities available at CFPB. These efforts include:

- Creating and developing relationships with key business stakeholders, industry groups, and trade groups;

- Speaking at and attending supplier diversity events and co-locating with other federal partners at events when available;

- Holding an in-house, OMWI Supplier Diversity Procurement Workshop in an effort to assist and educate small businesses on CFPB's needs and the general Federal procurement process; and

- Distributing literature and educational materials aimed at minority- and women-owned businesses.

The CFPB is a regular participant in an interagency working group consisting of other OMWI staff from the FDIC, FHFA, FRB, Treasury, NCUA, OCC, and SEC. Procurement is currently measuring obligations for certain small business contracts awarded to minority-owned small disadvantaged businesses, women-owned small businesses, service-disabled-veteran-owned small businesses, and HUBZone small businesses. From the beginning of the third quarter to the end of the fourth quarter in FY 2015,[84] the Bureau awarded 17% of contract dollars to small businesses. As shown in Table 25, of the total contract dollars awarded in FY 2015, 5% went to small disadvantaged businesses. In December 2014, the General Services Administration awarded a $99 million construction contract, on CFPB's behalf, to renovate the Bureau's headquarters building in Washington, D.C., affecting the CFPB's overall small business percentage in FY 2015.

TABLE 25: CONTRACT DOLLARS AWARDED TO SMALL BUSINESS BY TYPE

Type of Small Business	Obligated dollars*
Small business	$39,944,872
Small disadvantaged business	$12,010,984
Woman-owned small business	$8,027,591
Service disabled veteran owned small business	$5,547,66
HubZone small business	$2,029,328

*Dollars may apply to multiple socio-economic categories.

Coordinating with OMWI, Procurement uses its external website to provide a forecast of procurement opportunities. Procurement and OMWI jointly present important tips for potential businesses at the CFPB monthly workshops and provide email addresses to foster

[84] Data source is from the Federal Procurement Data System (FPDS) for FY 2015 from April 1, 2015 through September 30, 2015. The data was pulled, and is current, as of October 9, 2015. FPDS data is subject to an OMB annual validation each January for the previous fiscal year.

communication between the office and potential small business vendors. In an effort to increase transparency and enhance understanding, the CFPB has developed a number of practical resources for small, minority-owned, and women-owned businesses. OMWI has created brochures and pamphlets aimed specifically at educating diverse suppliers. These materials include information on historical obligations by products and service categories, a forecast of future procurements, and information on small business set-asides. OMWI works with Procurement to make these resources available digitally and to update them regularly on the CFPB website.[85]

The two offices have also extended outreach efforts, both locally and nationally, including presence at the 25th Annual Government Procurement Conference and the Federal Reserve Board Vendor Outreach Fair, in addition to the OMWI Supplier Diversity Procurement Workshops held at the Bureau's headquarters. Finally, in furthering OMWI's mandate to ensure fair inclusion among its suppliers, OMWI and Procurement have developed a contractual provision requiring contractors, and subcontractors when applicable, to make "good-faith efforts" to ensure, to the maximum extent possible, the "fair inclusion of women and minorities in the[ir] workforce," as required under Section 342(c)(2)-(3) of the Dodd-Frank Act. In addition, Director Cordray has approved a CFPB Supplier Diversity Statement,[86] reaffirming the Bureau's commitment to providing an environment of inclusion amongst qualified, diverse suppliers. The Statement can be seen in full on CFPB's external website.

External Affairs/Consumer Education and Engagement

In collaboration with External Affairs and Consumer Education and Engagement, OMWI conducts outreach to consumer groups, advocacy organizations, and other stakeholders to develop strong and productive partnerships. These offices collaborate to reach consumers and potential candidates at recruiting, community outreach, and other events. These offices also engage in meetings with various consumer groups, advocacy organizations, and other stakeholders to discuss concerns and issues such as how policies may impact consumers, and to

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[85] http://www.consumerfinance.gov/doing-business-with-us/.

[86] http://files.consumerfinance.gov/f/201409_cfpb_supplier-diversity-statement.pdf.

discuss how the organizations may increase their participation in contracting opportunities for minority-owned and women-owned businesses, and to learn about the experience of minority consumers firsthand. OMWI will continue to develop productive relationships with the representatives of the communities served.

APPENDIX A:

More about the CFPB

GENERAL INFORMATION:

Email address: info@consumerfinance.gov

Phone number: (202) 435-7000

WEBSITE:

www.consumerfinance.gov

MAILING ADDRESS:

Consumer Financial Protection Bureau

ATTN: Employee name, Division, and/or Office Number

1700 G Street, NW

Washington, D.C. 20552

CONSUMER COMPLAINTS AND QUESTIONS:

Webpage: consumerfinance.gov/complaint

Toll free number: (855) 411-CFPB (2372)

TTY/TDD: (855) 729-CFPB (2372)

Fax number: (855) 237-2392

Hours of operation: 8 a.m. - 8 p.m. EST, services in 180+ languages

Consumer Financial Protection Bureau

PO Box 4503

Iowa City, Iowa 52244

WHISTLEBLOWERS:

Email: whistleblower@consumerfinance.gov

Toll free number: (855) 695-7974

PRESS & MEDIA REQUESTS:

Email: press@consumerfinance.gov

OFFICE OF LEGISLATIVE AFFAIRS:

Legislative Affairs: (202) 435-7960

CFPB OMBUDSMAN'S OFFICE:

Email: CFPBOmbudsman@cfpb.gov

Webpage: consumerfinance.gov/ombudsman

Toll free number: (855) 830-7880

TTY number: (202) 435-9835 Fax number: (202) 435-7888

APPENDIX B:

Statutory reporting requirements

This Appendix provides a guide to the Bureau's response to the reporting requirements of Section 1016(c) of the Dodd-Frank Act. The sections of the report identified below respond to Section 1016(c)'s requirements.

Statutory Subsection	Reporting Requirement	Section	Page
1	A discussion of the significant problems faced by consumers in shopping for or obtaining consumer financial products or services	Consumer challenges in obtaining financial products and services – shopping challenges	49-50
2	A justification of the Bureau's budget request for the previous year	Budget; Appendix I – Financial and budget reports	130-42 183-86
3	A list of significant rules and orders adopted by the Bureau, as well as other significant initiatives conducted by the Bureau, during the preceding year, and the plan of the Bureau for rules, orders, or other initiatives to be undertaken during the upcoming period	Appendix C – Significant rules, orders, and initiatives	159-69
4	An analysis of complaints about consumer financial products or services that the Bureau has received and collected in its central database on complaints during the preceding year	Consumer challenges in obtaining financial products and services – Consumer concerns	16-49

Statutory Subsection	Reporting Requirement	Section	Page
5	A list, with a brief statement of the issues, of the public supervisory and enforcement actions to which the Bureau was a party during the preceding year[87]	Enforcement actions Fair lending enforcement actions	89-111 114-24
6	The actions taken regarding rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions	Appendix D – Actions taken regarding rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions	170-73
7	An assessment of significant actions by State attorneys general or State regulators relating to Federal consumer financial law	Appendix E – Significant state attorney general and regulator actions	174
8	An analysis of the Bureau's efforts to fulfill its fair lending mission	Fair lending	112-26
9	An analysis of the Bureau's efforts to increase workforce and contracting diversity consistent with the procedures established by OMWI	Diversity and excellence	143-54

[87] Supervisory actions are not public. Periodically, the Bureau shares supervisory actions with the public in *Supervisory Highlights*, which may be found in Appendix F.

APPENDIX C:

Significant rules, orders, and initiatives[88]

Section 1016(c)(3) requires "a list of significant rules and orders adopted by the Bureau, as well as other significant initiatives conducted by the Bureau, during the preceding year and the plan of the Bureau for rules, orders or other initiatives to be undertaken during the upcoming period."

Below is a list of rules and other initiatives that the Bureau proposed, adopted, or finalized during the preceding year.[89] Rather than limiting the list to significant items, the Bureau has, in order to be transparent and provide complete information about its activities, included a more expansive set of rules and initiatives:[90]

- Final rule: Truth in Lending (Regulation Z) Annual Threshold Adjustments (CARD Act, HOEPA and ATR QM);[91]

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[88] Many links in this section are to documents published in the *Federal Register*. However, links to final rules, proposed rules, and guidance documents may also be found on the CFPB's website, consumerfinance.gov/regulations/ and consumerfinance.gov/guidance.

[89] The preceding year is defined as October 1, 2014 – September 30, 2015.

[90] To better inform the public, this Appendix contains a discussion of a broad range of rulemakings, orders, and initiatives, which may not be defined as "significant" for other purposes. Items are listed in chronological order of *Federal Register* publication, beginning with the most recently-published document.

[91] http://www.gpo.gov/fdsys/pkg/FR-2015-09-21/pdf/2015-22987.pdf.

- Final rule: 2013 Integrated Mortgage Disclosures Rule Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) and Amendments; Delay of Effective Date;[92]
- Final rule: Defining Larger Participants of the Automobile Financing Market and Defining Certain Automobile Leasing Activity as a Financial Product or Service;[93]
- Proposed rule: 2013 Integrated Mortgage Disclosures Rule Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) and Amendments; Delay of Effective Date;[94]
- Final Interagency Policy Statement: Establishing Joint Standards for the Diversity Policies and Practices of Entities Regulated by the Agencies;[95]
- Final rule: Minimum Requirements for Appraisal Management Companies;[96]
- Notice: Request for Information Regarding Student Loan Servicing;[97]
- Final rule: Homeownership Counseling Organizations Lists and High-Cost Mortgage Counseling Interpretive Rule;[98]
- Final Rule: Submission of Credit Card Agreements Under the Truth in Lending Act (Regulation Z);[99]

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[92] http://www.gpo.gov/fdsys/pkg/FR-2015-07-24/pdf/2015-18239.pdf.

[93] http://www.gpo.gov/fdsys/pkg/FR-2015-06-30/pdf/2015-14630.pdf.

[94] http://www.gpo.gov/fdsys/pkg/FR-2015-06-26/pdf/2015-15836.pdf.

[95] http://www.gpo.gov/fdsys/pkg/FR-2015-06-10/pdf/2015-14126.pdf.

[96] http://www.gpo.gov/fdsys/pkg/FR-2015-06-09/pdf/2015-12719.pdf.

[97] http://www.gpo.gov/fdsys/pkg/FR-2015-05-21/pdf/2015-12276.pdf.

[98] http://www.gpo.gov/fdsys/pkg/FR-2015-04-21/pdf/2015-09244.pdf.

- Notice: Notice of Availability of Revised Consumer Information Publication;[100]
- Notice: Request for Information Regarding the Consumer Complaint Database;[101]
- Notice: Disclosure of Consumer Complaint Narrative Data;[102]
- Notice: Request for Information Regarding Credit Card Market;[103]
- Proposed Rule: Submission of Credit Card Agreements under the Truth in Lending Act (Regulation Z);[104]
- Final Rule: Amendments to the 2013 Integrated Mortgage Disclosures Rule under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) and the 2013 Loan Originator Rule under the Truth in Lending Act (Regulation Z);[105]
- Notice: Request for Information Regarding an Initiative on Safe Student Banking;[106]
- Proposed Rule: Amendments Relating to Small Creditors and Rural or Underserved Areas Under the Truth in Lending Act (Regulation Z);[107]

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[99] http://www.gpo.gov/fdsys/pkg/FR-2015-04-17/pdf/2015-09000.pdf.

[100] https://federalregister.gov/a/2015-06568.

[101] https://www.federalregister.gov/articles/2015/03/24/2015-06707/request-for-information-regarding-the-consumer-complaint-database.

[102] http://www.gpo.gov/fdsys/pkg/FR-2015-03-24/pdf/2015-06722.pdf.

[103] http://www.gpo.gov/fdsys/pkg/FR-2015-03-19/pdf/2015-06351.pdf.

[104] http://www.gpo.gov/fdsys/pkg/FR-2015-02-26/pdf/2015-03879.pdf.

[105] http://www.gpo.gov/fdsys/pkg/FR-2015-02-19/pdf/2015-01321.pdf.

[106] http://www.gpo.gov/fdsys/pkg/FR-2015-02-13/pdf/2015-02982.pdf.

[107] http://www.gpo.gov/fdsys/pkg/FR-2015-02-11/pdf/2015-02125.pdf.

- Final Rule: Appraisals for Higher-Priced Mortgage Loans Exemption Threshold Adjustment;[108]
- Final Rule: Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold;[109]
- Final Rule: Home Mortgage Disclosure (Regulation C) Adjustment to Asset-Size Exemption Threshold;[110]
- Proposed Rule: Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z);[111]
- Proposed Rule: Amendments to the 2013 Mortgage Rules under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z);[112]
- Final Rule: Amendments to the 2013 Mortgage Rules Under the Truth in Lending Act (Regulation Z);[113]
- Proposed Rule: Amendments to the 2013 Integrated Mortgage Disclosures Rule Under the Real Estate Settlement Procedures Act (Regulation X) and Truth in Lending Act (Regulation Z) and the 2013 Loan Originator Rule Under the Truth in Lending Act (Regulation Z);[114]

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[108] http://www.gpo.gov/fdsys/pkg/FR-2014-12-30/pdf/2014-30419.pdf.

[109] http://www.gpo.gov/fdsys/pkg/FR-2014-12-29/pdf/2014-30405.pdf.

[110] http://www.gpo.gov/fdsys/pkg/FR-2014-12-29/pdf/2014-30404.pdf.

[111] http://www.gpo.gov/fdsys/pkg/FR-2014-12-23/pdf/2014-27286.pdf.

[112] http://www.gpo.gov/fdsys/pkg/FR-2014-12-15/pdf/2014-28167.pdf.

[113] http://www.gpo.gov/fdsys/pkg/FR-2014-11-03/pdf/2014-25503.pdf.

[114] http://www.gpo.gov/fdsys/pkg/FR-2014-10-29/pdf/2014-24739.pdf.

- Final Rule: Amendment to the Annual Privacy Notice Requirement Under the Gramm-Leach-Bliley Act (Regulation P);[115]
- Notice: Proposed Policy on No-Action Letters;[116]
- Notice: Proposed Language Access Plan for the Consumer Financial Protection Bureau;[117] and
- Proposed Rule: Defining Larger Participants of the Automobile Financing Market and Defining Certain Automobile Leasing Activity as a Financial Product or Service.[118]

In the upcoming period, the Bureau also intends to propose or adopt the following rules and orders, and conduct the following initiatives:

- Rules finalizing the restatement of regulations implementing consumer financial protection laws transferred from other regulatory agencies to the Bureau by the Dodd-Frank Act;
- Continue work to address issues in connection with implementation of the Dodd-Frank Act's mortgage requirements and implementation of the Bureau's 2013 Mortgage Rules;
- Continue work toward a final rulemaking to implement the Dodd-Frank Act amendments to HMDA;
- Continued expansion of the Bureau's capacity to handle consumer complaints with respect to all products and services within its authority;
- Enforcement of Nondiscrimination on the Basis of Disability in Programs Receiving Financial Assistance from the Bureau;

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[115] http://www.gpo.gov/fdsys/pkg/FR-2014-10-28/pdf/2014-25299.pdf.

[116] http://www.gpo.gov/fdsys/pkg/FR-2014-10-16/pdf/2014-24645.pdf.

[117] http://www.gpo.gov/fdsys/pkg/FR-2014-10-08/pdf/2014-24122.pdf.

[118] http://www.gpo.gov/fdsys/pkg/FR-2014-10-08/pdf/2014-23115.pdf.

- Propose additional rules to further define the scope of the Bureau's nonbank supervision program; and
- Working jointly with the FRB, rules finalizing a Board proposal regarding the Expedited Funds Availability Act as implemented by Regulation CC.

The Bureau has issued the following bulletins and guidance documents over the past year:[119]

- The CFPB Dodd-Frank mortgage rules readiness guide, Version 4.0;[120]
- Supervision and Examination Manual Update on Mortgage Origination exam procedures;[121]
- Supervision and Examination Manual Update on TILA Procedures;[122]
- Supervision and Examination Manual Update on RESPA Procedures;[123]
- Supervision and Examination Manual Update on Automobile Financing examination procedures;[124]
- Supervision and Examination Manual Update on Mortgage Origination examination procedures;[125]

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[119] The past year is defined here as October 1, 2014 – September 30, 2015. The Bureau posts all bulletins and guidance documents on its website, http://www.consumerfinance.gov.

[120] http://files.consumerfinance.gov/f/201509_cfpb_readiness-guide_mortgage-implementation.pdf.

[121] http://files.consumerfinance.gov/f/201509_cfpb_mortgage-origination-examination-procedures.pdf.

[122] TILA RESPA Integrated Disclosures (applicable for examinations after the October 2015 effective date) http://files.consumerfinance.gov/f/201509_cfpb_truth-in-lending-act-exam-procedures.pdf.

[123] TILA RESPA Integrated Disclosures (applicable for examinations after the October 2015 effective date) http://files.consumerfinance.gov/f/201509_cfpb_regulation-x-real-estate-settlement-procedures-act-exam-procedures.pdf.

[124] http://files.consumerfinance.gov/f/201506_cfpb_automobile-finance-examination-procedures.pdf.

- Supervision and Examination Manual Update on RESPA Procedures;[126]
- Supervision and Examination Manual Update on TILA Procedures;[127]
- Bulletin on Interstate Land Sales Full Disclosure Act amendment;[128]
- Bulletin on Private Mortgage Insurance Cancellation and Termination; [129]
- Bulletin on Section 8 Housing Choice Voucher Homeownership Program;[130]
- Credit Card Account Management Examination Procedures;[131]
- Bulletin on Treatment of Confidential Supervisory Information;[132] and
- Bulletin on Social Security Disability Income Verification.[133]

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[125] http://files.consumerfinance.gov/f/201505_cfpb_mortgage-origination-exam-procedures.pdf.

[126] TILA RESPA Integrated Disclosures (applicable for examinations after the August 2015 effective date) and Mortgage Servicing Requirements. http://files.consumerfinance.gov/f/201503_cfpb_regulation-x-real-estate-settlement-procedures-act.pdf.

[127] TILA RESPA Integrated Disclosures (applicable for examinations after the 2015 effective date) and Higher-Priced Mortgage Loan Appraisals (January 2014), Escrow Accounts (January 2014), and Mortgage Servicing Requirements (January 2014). http://files.consumerfinance.gov/f/201503_cfpb_truth-in-lending-act.pdf.

[128] This document was issued by the CFPB on August 17, 2015. http://www.gpo.gov/fdsys/pkg/FR-2015-08-17/pdf/2015-19998.pdf.

[129] CFPB Bulletin 2015-03 was published on the Bureau's website on August 4, 2015. http://files.consumerfinance.gov/f/201508_cfpb_compliance-bulletin-private-mortgage-insurance-cancellation-and-termination.pdf.

[130] CFPB Bulletin 2015-02 was published on the Bureau's website on May 11, 2015. http://files.consumerfinance.gov/f/201505_cfpb_bulletin-section-8-housing-choice-voucher-homeownership-program.pdf.

[131] http://files.consumerfinance.gov/f/201502_cfpb_credit_card_account_management_examination_guide.pdf.

[132] CFPB Bulletin 2015-01 was published on the Bureau's website on January 27, 2015. http://files.consumerfinance.gov/f/201501_cfpb_compliance-bulletin_treatment-of-confidential-supervisory-information.pdf.

The Bureau has issued the following orders to remedy violations of Federal consumer financial law over the past year:[134]

- *In the Matter of: Westlake Services, LLC and Wilshire Consumer Credit, LLC;*[135]
- *In the Matter of: Fifth Third Bank;*[136]
- *In the Matter of: Fifth Third Bank*;[137]
- *In the Matter of: Portfolio Recovery Associates, LLC;*[138]
- *In the Matter of: Encore Capital Group, Inc., Midland Funding, LLC, Midland Credit Management, Inc. and Asset Acceptance Capital Corp.;*[139]
- *In the Matter of: Springstone Financial, LLC;*[140]
- *In the Matter of: RBS Citizens Financial Group, et al.;*[141]

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[133] CFPB Bulletin 2014-03 was published on the Bureau's website on November 18, 2014. http://files.consumerfinance.gov/f/201411_cfpb_bulletin_disability-income.pdf.

[134] October 1, 2014 – September 30, 2015.

[135] File No. 2015-CFPB-0026. Consent order issued on September 30, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-westlake-services-llc.pdf.

[136] File No. 2015-CFPB-0025. Consent order entered on September 28, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-fifth-third-bank.pdf.

[137] File No. 2015-CFPB-0024. Consent order entered on September 28, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-fifth-third-bank.pdf.

[138] File No. 2015-CFPB-0023. Consent order entered on September 9, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-portfolio-recovery-associates-llc.pdf.

[139] File No. 2015-CFPB-0022. Consent order entered on September 9, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-encore-capital-group.pdf.

[140] File No. 2015-CFPB-0021. Consent order entered on August 19, 2015. http://files.consumerfinance.gov/f/201508_cfpb_consent-order-springstone-financial-llc.pdf.

- *In the Matter of: Residential Credit Solutions, Inc.;*[142]
- *In the Matter of: LoanCare, LLC;*[143]
- *In the Matter of: Paymap, Inc.;*[144]
- *In the Matter of: Discover Bank, The Student Loan Corporation, and Discover Products, Inc.;*[145]
- *In the Matter of: Citibank, N.A., et al.;*[146]
- *In the Matter of: American Honda Finance Corporation;*[147]
- *In the Matter of: Chase Bank, USA N.A. and Chase Bankcard Services, Inc.;*[148]

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[141] File No. 2015-CFPB-0020. Consent order entered on August 12, 2015. http://files.consumerfinance.gov/f/201408_cfpb_consent-order-rbs-citizens.pdf.

[142] File No. 2015-CFPB-0019. Consent order entered on July 30, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_residential-credit-solutions.pdf.

[143] File No. 2015-CFPB-0018. Consent order entered on July 28, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_loan-care.pdf.

[144] File No. 2015-CFPB-0017. Consent order entered July 28, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_paymap.pdf.

[145] File No. 2015-CFPB-0016. Consent order entered July 22, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order-in-the-matter-of-discover-bank-student-loan-corporation.pdf.

[146] File No. 2015-CFPB-0015. Consent order entered July 21, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order-citibank-na-department-stores-national-bank-and-citicorp-credit-services-inc-usa.pdf.

[147] File No. 2015-CFPB-0014. Consent order entered July 14, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_honda.pdf.

[148] File No. 2015-CFPB-0013. Consent order entered July 8, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order-chase-bank-usa-na-and-chase-bankcard-services-inc.pdf.

- *In the Matter of: Syndicated Office Systems, LLC, d/b/a Central Financial Control;*[149]
- *In the Matter of: Guarantee Mortgage Corporation;*[150]
- *In the Matter of: International Land Consultants, Inc.;*[151]
- *In the Matter of: Regions Bank;*[152]
- *In the Matter of: Fort Knox National Company and Military Assistance Company, LLC;*[153]
- *In the Matter of: RMK Financial Corporation;*[154]
- *In the Matter of: Flagship Financial Group, LLC;*[155]
- *In the Matter of: American Preferred Lending, Inc.;*[156]
- *In the Matter of: NewDay Financial, LLC;*[157]

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[149] File No. 2015-CFPB-0012. Consent order entered June 18, 2015. http://files.consumerfinance.gov/f/201506_cfpb_order-syndicated.pdf.

[150] File No. 2015-CFPB-0011. Consent order entered June 5, 2015. http://files.consumerfinance.gov/f/201506_cfpb_consent-order-guarantee-mortgage-corporation.pdf.

[151] File No. 2015-CFPB-0010. Consent order entered May 1, 2015. http://files.consumerfinance.gov/f/201505_cfpb_consent-order-international-land-consultants.pdf.

[152] File No. 2015-CFPB-0009. Consent order entered April 28, 2015. http://files.consumerfinance.gov/f/201504_cfpb_consent-order_regions-bank.pdf.

[153] File No. 2015-CFPB-0008. Consent order entered April 20, 2015. http://files.consumerfinance.gov/f/201504_cfpb_regulation-fort-knox-mac-settlement.pdf.

[154] File No. 2015-CFPB-0007. Consent order entered April 9, 2015. http://files.consumerfinance.gov/f/201504_cfpb_consent-order_rmk-financial-corporation.pdf.

[155] File No. 2015-CFPB-0006. Consent order entered February 12, 2015. http://files.consumerfinance.gov/f/201502_cfpb_consent-order_flagship-financial-group.pdf.

[156] File No. 2015-CFPB-0005. Consent order entered February 12, 2015. http://files.consumerfinance.gov/f/201502_cfpb_consent-order_american-preferred-lending.pdf.

- *In the Matter of: Continental Finance Company, LLC;*[158]
- *In the Matter of: JPMorgan Chase Bank, N.A.;*[159]
- *In the Matter of: Wells Fargo Bank, N.A.;*[160]
- *In the Matter of: DriveTime Automotive Group, Inc. and DT Acceptance Corp.;*[161] and
- *In the Matter of: Manufacturers and Traders Trust Company.*[162]

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[157] File No. 2015-CFPB-0004. Consent order entered February 10, 2015. http://files.consumerfinance.gov/f/201502_cfpb_consent-order_newday-financial.pdf.

[158] File No. 2015-CFPB-0003. Consent order entered February 4, 2015. http://files.consumerfinance.gov/f/201502_cfpb_consent-order_continental-finance.pdf.

[159] File No. 2015-CFPB-0001. Consent order entered January 22, 2015. http://files.consumerfinance.gov/f/201501_cfpb_consent-order_jp-morgan-chase-bank-na.pdf.

[160] File No. 2015-CFPB-0002. Consent order entered January 22, 2015. http://files.consumerfinance.gov/f/201501_cfpb_consent-order_wells-fargo-bank-na.pdf.

[161] File No. 2014-CFPB-0017. Consent order entered November 19, 2014. http://files.consumerfinance.gov/f/201411_cfpb_consent-order_drivetime.pdf.

[162] File No. 2014-CFPB-0016. Consent order entered October 9, 2014. http://files.consumerfinance.gov/f/201410_cfpb_consent-order_m-t.pdf.

APPENDIX D:

Actions taken regarding rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions

Section 1016(c)(6) requires a report on "the actions taken regarding rules, orders and supervisory actions with respect to covered persons which are not credit unions or depository institutions." Between October 1, 2014 and September 30, 2015, the Bureau has taken the following actions with respect to such covered persons:

- The Bureau's *Supervisory Highlights* publications provide general information about the Bureau's supervisory activities at banks and nonbanks without identifying specific companies. The Bureau published three issues of Supervisory Highlights between October 1, 2014 and September 30, 2015;[163]

[163] Fall 2014: http://www.consumerfinance.gov/reports/supervisory-highlights-fall-2014/; and Winter 2015: http://files.consumerfinance.gov/f/201503_cfpb_supervisory-highlights-winter-2015.pdf; Spring 2015: http://files.consumerfinance.gov/f/201506_cfpb_supervisory-highlights.pdf.

- *In the Matter of: DriveTime Automotive Group, Inc. and DT Acceptance Corp. (*File No. 2014-CFPB-0017) (consent order entered November 19, 2014);[164]
- *In the Matter of: Continental Finance Company, LLC* (File No. 2015-CFPB-0003) (consent order entered February 4, 2015);[165]
- *In the Matter of: NewDay Financial, LLC* (File No. 2015-CFPB-0004) (consent order entered February 10, 2015);[166]
- *In the Matter of: American Preferred Lending, Inc.* (File No. 2015-CFPB-0005) (consent order entered February 12, 2015);[167]
- *In the Matter of: Flagship Financial Group, LLC* (File No. 2015-CFPB-0006) (consent order entered February 12, 2015)[168];
- *In the Matter of: RMK Financial Corporation* (File No. 2015-CFPB-0007) (consent order entered April 9, 2015. 2015);[169]
- *In the Matter of: Fort Knox National Company and Military Assistance Company, LLC* (File No. 2015-CFPB-0008) (consent order entered April 20, 2015);[170]
- *In the Matter of: International Land Consultants, Inc.* (File No. 2015-CFPB-0010) (Consent order entered May 1, 2015);[171]

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[164] http://files.consumerfinance.gov/f/201411_cfpb_consent-order_drivetime.pdf.

[165] http://files.consumerfinance.gov/f/201502_cfpb_consent-order_continental-finance.pdf.

[166] http://files.consumerfinance.gov/f/201502_cfpb_consent-order_newday-financial.pdf.

[167] http://files.consumerfinance.gov/f/201502_cfpb_consent-order_american-preferred-lending.pdf.

[168] http://files.consumerfinance.gov/f/201502_cfpb_consent-order_flagship-financial-group.pdf.

[169] http://files.consumerfinance.gov/f/201504_cfpb_consent-order_rmk-financial-corporation.pdf.

[170] http://files.consumerfinance.gov/f/201504_cfpb_regulation-fort-knox-mac-settlement.pdf.

- *In the Matter of: Guarantee Mortgage Corporation* (File No. 2015-CFPB-0011) (Consent order entered June 5, 2015);[172]
- *In the Matter of Syndicated Office Systems, LLC, d/b/a Central Financial Control* (File No. 2015-CFPB-0012) (Consent order entered June 18, 2015); [173]
- *In the Matter of: American Honda Finance Corporation* (File No. 2015-CFPB-0014) (Consent order entered July 14, 2015)*;*[174]
- *In the Matter of: Paymap, Inc.* (File No. 2015-CFPB-0017) (Consent order entered July 28, 2015)*;*[175]
- *In the Matter of: LoanCare, LLC.* (File No. 2015-CFPB-0018) (Consent order entered on July 28, 2015)*;*[176]
- *In the Matter of: Residential Credit Solutions, Inc.* (File No. 2015-CFPB-0019) (Consent order entered on July 30, 2015)*;*[177]
- *In the Matter of Springstone Financial, LLC.* (File No. 2015-CFPB-0021) (Consent order entered on August 19, 2015);[178]

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[171] http://files.consumerfinance.gov/f/201505_cfpb_consent-order-international-land-consultants.pdf.

[172] http://files.consumerfinance.gov/f/201506_cfpb_consent-order-guarantee-mortgage-corporation.pdf.

[173] http://files.consumerfinance.gov/f/201506_cfpb_order-syndicated.pdf.

[174] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_honda.pdf.

[175] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_paymap.pdf.

[176] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_loan-care.pdf.

[177] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_residential-credit-solutions.pdf.

[178] http://files.consumerfinance.gov/f/201508_cfpb_consent-order-springstone-financial-llc.pdf.

- *In the Matter of: Encore Capital Group, Inc., Midland Funding, LLC, Midland Credit Management, Inc. and Asset Acceptance Capital Corp.* (File No. 2015-CFPB-0022) (Consent order entered on September 9, 2015)*;*[179] *and*
- *In the Matter of: Portfolio Recovery Associates, LLC* (File No. 2015-CFPB-0023) (Consent order entered on September 9, 2015).[180]

[179] http://files.consumerfinance.gov/f/201509_cfpb_consent-order-encore-capital-group.pdf.

[180] http://files.consumerfinance.gov/f/201509_cfpb_consent-order-portfolio-recovery-associates-llc.pdf.

APPENDIX E:

Significant state attorney general and regulator actions

Dodd-Frank Section 1016(c)(7) requires "an assessment of significant actions by State attorneys general or State regulators relating to Federal consumer financial law." The reporting period for this information is October 1, 2014 – September 30, 2015.

For purposes of the Section 1016(c)(7) reporting requirement at this early period in the Bureau's development, the Bureau has determined that any actions asserting claims pursuant to Section 1042 of the Dodd-Frank Act are "significant." The Bureau is aware of the following State Attorney General actions that were initiated during the reporting period and that asserted Dodd-Frank Act claims:

- *Consumer Financial Protection Bureau and Navajo Nation v. S/W Tax Loans, Inc. formerly d/b/a Fast Refund Loans, Inc.; J Thomas Development of NM, Inc. formerly d/b/a H&R Block; Dennis R. Gonzales; and Jeffrey Scott Thomas*, No. 15-cv-0099 (D.N.M. Apr. 14. 2015).
- *Commonwealth of Pennsylvania v. Think Finance, Inc., TC Loan Service, LLC, Payday One, LLC, Tailwind Marketing, LLC, TC Decision Sciences, LLC, Financial U, LLC and Kenneth Rees, National Credit Adjusters, LLC, Selling Source, LLC and Partner Weekly, LLC d/b/a Money Mutual.com*, No. 14-7139-JCJ (E.D.P.A. July 2, 2015).
- *Consumer Financial Protection Bureau, State of North Carolina, ex rel. Roy Cooper, Attorney General, and Commonwealth of Virginia, ex rel. Mark R. Herring, Attorney General v. Freedom Acceptance Corporation Military Credit Services, LLC, Leonard B. Melley, Jr., and John F. Melley*, No. 2014-CV-00643 (E.D. VA. Dec. 18, 2014).

APPENDIX F:

Reports

The CFPB published the following reports from October 1, 2014 through September 30, 2015, which may be found at consumerfinance.gov/reports/:

October 16, 2014: Annual Report of the CFPB Student Loan Ombudsman;

October 28, 2014: Supervisory Highlights: Fall 2014;

November 5, 2014: A snapshot of debt collection complaints submitted by older consumers;

November 6, 2014: Equal Employment Opportunity (EEO) Progress Status Report for Fiscal Year (FY) 2013;

November 13, 2014: Study of prepaid account agreements;

November 17, 2014: Financial Report of the Consumer Financial Protection Bureau Fiscal year 2014;

December 4, 2014: Semi-Annual Report of the Consumer Financial Protection Bureau;

December 10, 2014: 2014 CFPB annual employee survey;

December 11, 2014: Consumer credit reports: A study of medical and non-medical collections;

December 14, 2014: College credit card agreements: Annual report to Congress;

December 31, 2014: Growing Our Human Capital: Human Capital Annual Report to Congress;

December 31, 2014: Report of the Consumer Financial Protection Bureau Pursuant to Section 1017(e)(4) of the Dodd-Frank Act;

January 13, 2015: Consumers' mortgage shopping experience: A first look at results from the National Survey of Mortgage Borrowers;

January 27, 2015: Financial well-being: The goal of financial education;

February 9, 2015: Snapshot of reverse mortgage complaints December 2011 – December 2014;

February 19, 2015: Consumer voices on credit reports and scores;

March 10, 2015: Arbitration Study Report to Congress, pursuant to Dodd-Frank Wall Street Reform and Consumer Protection Act § 1028(a);

March 11, 2015: Supervisory Highlights: Winter 2015;

March 19, 2015: Consumer Financial Protection Bureau Independent Audit of Selected Operations and Budget;

March 26, 2015: Fair Debt Collection Practices Act CFPB Annual Report 2015;

March 30, 2015: Consumer Response Annual Report January 1 – December 31, 2014;

April 1, 2015: No FEAR Act Annual Report for Fiscal Year 2014;

April 2, 2015: Equal Employment Opportunity (EEO) Program Status Report for Fiscal Year 2014;

April 7, 2015: Advancing K-12 Financial Education: A Guide for Policymakers;

April 27, 2015: Complaints Received from Servicemembers and their Families 2011-2014;

April 28, 2015: 2014 Fair Lending Report;

April 29, 2015: 2014 Office of Minority and Women Inclusion Annual Report to Congress;

May 5, 2015: Data Point: Credit Invisibles;

June 3, 2015: A Closer Look at Reverse Mortgage Advertisements and Consumer Risks;

June 15, 2015: Semi-Annual Report Spring 2015;

June 18, 2015: 2015 Mid-Year Update on Student Loan Complaints;

June 23, 2015: Supervisory Highlights: Summer 2015;

July 7, 2015: Overseas & Underserved: Student Loan Servicing and the Cost to Our Men and Women in Uniform;

July 16, 2015: Monthly Complaint Report, Vol. 1;

August 3, 2015: Plain Writing Act Compliance Report 2015;

August 5, 2015: Leveraging Technology to Empower Consumers at Closing;

August 25, 2015: Monthly Complaint Report, Vol. 2;

August 28, 2015: Technical Reports: National Survey of Mortgage Borrowers and National Mortgage Database;

September 22, 2015: Monthly Complaint Report Vol. 3;

September 24, 2015: Increasing Saving at Tax Time and Promising Practices for the Field; and

September 29, 2015: Student Loan Servicing.

APPENDIX G:

Congressional testimony

Senior CFPB staff has testified before Congress a total of 56 times since the Bureau began in 2011, including on the following four occasions between October 1, 2014 and September 30, 2015, which may be found at http://www.consumerfinance.gov/newsroom/?type=testimony:

March 3, 2015: Richard Cordray before the House Committee on Financial Services. "The Semi-Annual Report of the Bureau of Consumer Financial Protection";

April 23, 2015: David Silberman before the House Committee on Financial Services. "Examining Regulatory Burdens – Regulator Perspective";

July 15, 2015: Richard Cordray before the Senate Committee on Banking, Housing, and Urban Affairs. "The Consumer Financial Protection Bureau's Semi-Annual Report to Congress"; and

September 29, 2015: Richard Cordray before the House Committee on Financial Services. "The Semi-Annual Report of the Bureau of Consumer Financial Protection".

APPENDIX H:

Speeches

Director Richard Cordray or Deputy Director Steven Antonakes spoke at the following public events between October 1, 2014 and September 30, 2015:[181]

October 2, 2014: Remarks by Richard Cordray at the President's Advisory Council in Washington, D.C.;

October 8, 2014: Remarks by Richard Cordray at the Forum on Access to Checking Accounts in Washington, D.C.;

October 10, 2014: Richard Cordray's Prepared Lecture on Economic Rights as Civil Rights at Michigan State University in East Lansing, MI;

October 24, 2014: Prepared Remarks by Richard Cordray at the University of Michigan Law School in Ann Arbor, MI;

November 5, 2014: Prepared Remarks by Richard Cordray at the Financial Literacy and Education Commission Meeting in Washington, D.C.;

November 6, 2014: Prepared Remarks by Richard Cordray at the Bank On 2.0 Conference in Washington, D.C.;

November 13, 2014: Prepared Remarks by Richard Cordray at the Prepaid Products Field Hearing in Wilmington, DE;

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[181] All speeches by CFPB senior staff are available at: http://www.consumerfinance.gov/newsroom/?type=speech-2.

November 20, 2014: Prepared Remarks by Richard Cordray at The Clearing House in New York, NY;

December 5, 2014: Prepared Remarks by Richard Cordray at the Columbus Metropolitan Library in Columbus, OH;

December 11, 2014: Prepared Remarks by Richard Cordray at the Medical Debt Collection Hearing in Oklahoma City, OK;

January 13, 2015: Prepared Remarks by Richard Cordray at the Brookings Institute in Washington, D.C.;

January 16, 2015: Prepared Remarks by Richard Cordray at Operation HOPE in Atlanta, GA;

January 28, 2015: Prepared Remarks by Richard Cordray at the Financial Services Roundtable Event on Financial Education in Washington, D.C.;

February 10, 2015: Prepared Remarks by Richard Cordray at the National Credit Union Administration Webinar;

February 18, 2015: Prepared Remarks by Steven Antonakes at The Exchequer Club in Washington, D.C.;

February 19, 2015: Prepared Remarks by Richard Cordray at the Consumer Advisory Board Meeting in Washington, D.C.;

February 23, 2015: Prepared Remarks by Richard Cordray at the National Association of Attorneys General in Washington, D.C.;

February 23, 2015: Prepared Remarks by Richard Cordray at the Retirement Savings Event in Washington, D.C.;

February 25, 2015: Prepared Remarks by Richard Cordray at the Financial Literacy and Education Commission Meeting in Washington, D.C.;

March 3, 2015: Prepared Remarks by Richard Cordray at the President's Advisory Council in Washington, D.C.;

March 10, 2015: Prepared Remarks by Richard Cordray at the Arbitration Study Field Hearing in Newark, NJ;

March 20, 2015: Prepared Remarks by Richard Cordray at the Ruby Hutchinson Memorial Lecture in Sydney, Australia;

March 25, 2015: Prepared Remarks by Steven Antonakes to the Consumer Bankers Association in Washington, D.C.;

March 26, 2015: Prepared Remarks by Richard Cordray at the Field Hearing on Payday Lending in Richmond, VA;

April 2, 2015: Prepared Remarks by Richard Cordray at the Ohio College Presidents' Conference in Washington, D.C.;

April 23, 2015: Prepared Remarks by Richard Cordray at the Jump$tart Coalition Awards in Washington, D.C.;

April 27, 2015: Prepared Remarks by Richard Cordray at the White House Conference on Aging Regional Forum in Washington, D.C.;

April 28, 2015: Prepared Remarks by Richard Cordray at the Your Money, Your Goals Launch in Washington, D.C.;

May 7, 2015: Prepared Remarks by Richard Cordray at the Academic Research Council in Washington, D.C.;

May 12, 2015: Prepared Remarks by Richard Cordray at the National Association of Realtors in Washington, D.C.;

May 14, 2015: Prepared Remarks by Richard Cordray at the Field Hearing on Student Loans in Milwaukee, WI;

May 21, 2015: Prepared Remarks by Richard Cordray at the Financial Literacy and Education Commission Meeting in Washington, D.C.;

June 3, 2015: Prepared Remarks by Richard Cordray at the Roads to Financial Independence Launch in Washington, D.C.;

June 18, 2015: Prepared Remarks by Richard Cordray at the Consumer Advisory Board Meeting in Omaha, NE;

July 13, 2015: Prepared Remarks by Richard Cordray at the White House Conference on Aging in Washington, D.C.;

July 16, 2015: Prepared Remarks by Richard Cordray at the Americans for Financial Reform Event in Washington, D.C.;

August 5, 2015: Prepared Remarks by Richard Cordray at the CFPB Forum on eClosings in Washington, D.C.;

August 17, 2015: Prepared Remarks by Richard Cordray at the Managing Someone Else's Money Event in Springfield, VA;

September 17, 2015: Prepared Remarks by Richard Cordray at the National Association of Realtors in Washington, D.C.;

September 28, 2015: Prepared Remarks by Richard Cordray at the Ohio State University John Glenn Leadership Forum; and

September 30, 2015: Prepared Remarks by Richard Cordray at the Community Bank Advisory Council Meeting in Washington, D.C.

APPENDIX I:

Financial and budget reports

The CFPB has published the following financial reports from January 1, 2012 through September 30, 2015 which are all available at consumerfinance.gov/budget:[182]

January 20, 2012: CFO update for the first quarter of FY 2012;

May 11, 2012: CFO update for the second quarter of FY 2012;

July 27, 2012: CFO update for the third quarter of FY 2012;

November 15, 2012: Financial Report of the CFPB – FY 2012;

December 15, 2012: CFO Update for the fourth quarter of FY 2012;

February 15, 2013: CFO Update for the first quarter of FY 2013;

May 15, 2013: CFO Update for the second quarter of FY 2013;

August 15, 2013: CFO Update for the third quarter of FY 2013;

December 15, 2013: Financial Report of the CFPB – FY 2013;

December 15, 2013: CFO Update for the fourth quarter of FY 2013;

February 14, 2014: CFO Update for the first quarter of FY 2014;

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[182] While the reporting period ended September 30, 2015, in an effort to be transparent and because they became available prior to publishing, the Bureau also includes on this list the Financial Report of the CFPB for FY 2015 and the CFO Update for the fourth quarter of FY 2015, both from November 2015.

May 15, 2014: CFO Update for the second quarter of FY 2014;

August 15, 2014: CFO Update for the third quarter of FY 2014;

November 15, 2014: Financial Report of the CFPB – FY 2014;

November 15, 2014: CFO Update for the fourth quarter of FY 2014;

February 18, 2015: CFO Update for the first quarter of FY 2015;

May 25, 2015: CFO Update for the second quarter of FY 2015;

September 11, 2015: CFO Update for the third quarter of FY 2015;

November 16, 2015: Financial Report of the CFPB – FY 2015; and

November 20, 2015: CFO Update for the fourth quarter of FY 2015.

The CFPB has published the following Budget Documents, which are all available at consumerfinance.gov/budget:

- Fiscal Year 2012 Budget in Brief;
- Fiscal Year 2012 Congressional Budget Justification;
- Fiscal Year 2013 Budget in Brief;
- FY 2013 Budget Justification;
- CFPB Strategic Plan, Budget, and Performance Report – April 2013;
- CFPB Strategic Plan, Budget, and Performance Report – March 2014; and
- CFPB Strategic Plan, Budget, and Performance Report – February 2015.

The CFPB has published the following funding requests to and funding acknowledgements from the Federal Reserve Board, from January 1, 2012 through September 30, 2015[183], which are all available at consumerfinance.gov/budget:

January 6, 2012: Funding Acknowledgement from the Federal Reserve Board;

March 30, 2012: Funding Request to the Federal Reserve Board;

April 5, 2012: Funding Acknowledgement from the Federal Reserve Board;

July 2, 2012: Funding Request to the Federal Reserve Board;

July 9, 2012: Funding Acknowledgement from the Federal Reserve Board;

October 2, 2012: Funding Request to the Federal Reserve Board;

October 18, 2012: Funding Acknowledgement from the Federal Reserve Board;

January 7, 2013: Funding Request to the Federal Reserve Board;

January 16, 2013: Funding Acknowledgement from the Federal Reserve Board;

April 2, 2013: Funding Request to the Federal Reserve Board;

April 8, 2013: Funding Acknowledgement from the Federal Reserve Board;

October 7, 2013: Funding Request to the Federal Reserve Board;

October 15, 2013: Funding Acknowledgement from the Federal Reserve Board;

January 7, 2014: Funding Request to the Federal Reserve Board;

January 22, 2014: Funding Acknowledgement from the Federal Reserve Board;

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[183] While the reporting period ended September 30, 2015, in an effort to be transparent and because they became available prior to publishing, the Bureau also includes on this list the funding request and acknowledgment from October 2015.

April 7, 2014: Funding Request to the Federal Reserve Board;

April 11, 2014: Funding Acknowledgement from the Federal Reserve Board;

July 9, 2014: Funding Request to the Federal Reserve Board;

July 28, 2014: Funding Acknowledgement from the Federal Reserve Board;

October 8, 2014: Funding Request to the Federal Reserve Board;

October 15, 2014: Funding Acknowledgment from the Federal Reserve Board;

January 14, 2015: Funding Request to the Federal Reserve Board;

January 16, 2015: Funding Acknowledgment from the Federal Reserve Board;

April 10, 2015: Funding Request to the Federal Reserve Board;

April 13, 2015: Funding Acknowledgment from the Federal Reserve Board;

July 16, 2015: Funding Request to the Federal Reserve Board;

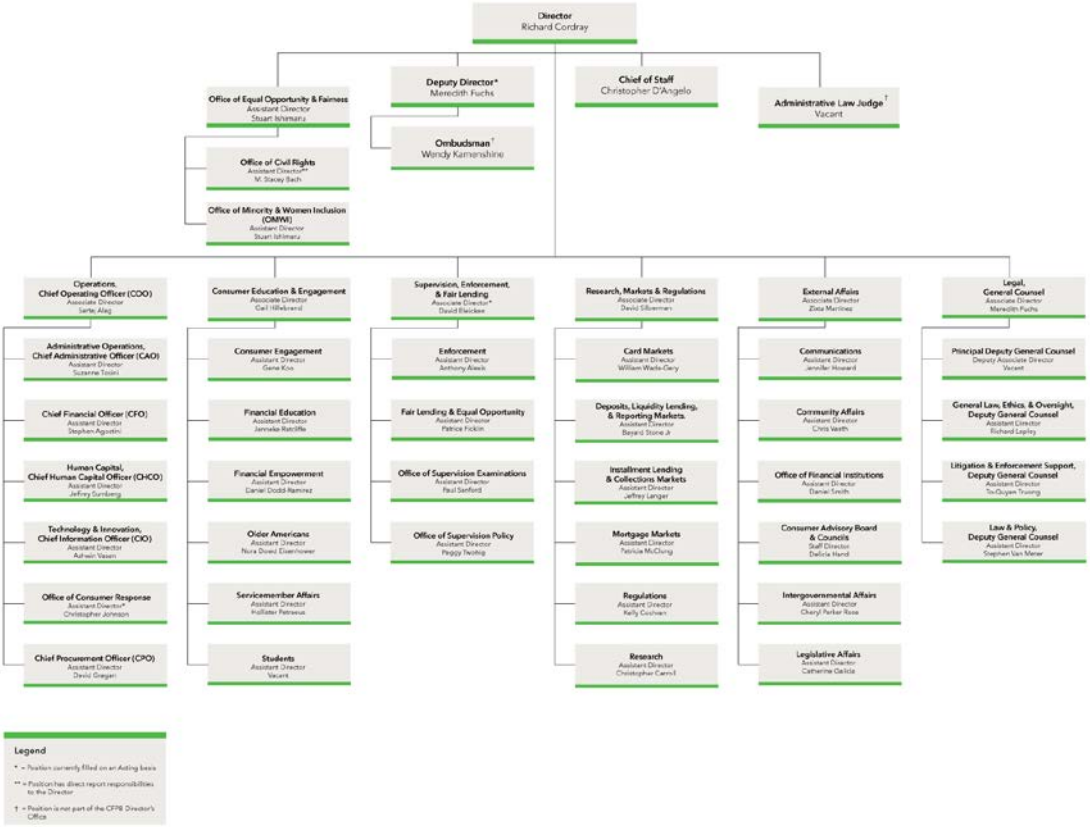
July 21, 2015: Funding Acknowledgement from the Federal Reserve Board;

October 7, 2015: Funding Request to the Federal Reserve Board; and

October 15, 2015: Funding Acknowledgment from the Federal Reserve Board.

APPENDIX J:

CFPB organizational chart



Last updated: August 19, 2015

APPENDIX K:

Defined terms

ACRONYM	DEFINED TERM
ARC	The CFPB's Academic Research Council
BUREAU	The Consumer Financial Protection Bureau
CAB	The CFPB's Consumer Advisory Board
CARD ACT	Credit Card Accountability Responsibility and Disclosure Act of 2009
CBAC	The CFPB's Community Bank Advisory Council
CEE	The CFPB's Division of Consumer Education and Engagement
CFPA	Consumer Financial Protection Act of 2010
CFPB	The Consumer Financial Protection Bureau
CFPB FinEx	The CFPB Financial Education Exchange
CONSUMER RESPONSE	The CFPB's Office of Consumer Response
CUAC	The CFPB's Credit Union Advisory Council
DODD-FRANK ACT	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	The U.S. Department of Justice
ECOA	Equal Credit Opportunity Act
ECP	Examiner Commissioning Program
ED	The U.S. Department of Education

ACRONYM	DEFINED TERM
EFTA	Electronic Fund Transfer Act
EMPOWERMENT	The CFPB's Office of Financial Empowerment
FAIR LENDING	The CFPB's Office of Fair Lending and Equal Opportunity
FCRA	Fair Credit Reporting Act
FDCPA	Fair Debt Collection Practices Act
FDIC	The U.S. Federal Deposit Insurance Corporation
FEDERAL RESERVE BOARD	The U.S. Board of Governors of the Federal Reserve System
FFIEC	The U.S. Federal Financial Institutions Examination Council
FHFA	The U.S. Federal Housing Finance Agency
FLEC	The Financial Literacy and Education Commission
FOIA	Freedom of Information Act
FRB	The U.S. Board of Governors of the Federal Reserve System
FTC	The U.S. Federal Trade Commission
FY	Fiscal Year
HCV	Section 8 Housing Choice Voucher Homeownership Program
HMDA	Home Mortgage Disclosure Act of 1975
HUD	The U.S. Department of Housing and Urban Development
ICP	Interim Commissioning Policy
M&T	Manufacturers and Traders Trust Company
MOU	Memorandum of Understanding

ACRONYM	DEFINED TERM
MSOA	Money Smart for Older Adults
NCG	National Corrective Group
NCRA	Nationwide Credit Reporting Agencies
NCUA	The National Credit Union Administration
OCC	The U.S. Office of the Comptroller of the Currency
OCR	The CFPB's Office of Civil Rights
OHC	The CFPB's Office of Human Capital
OJT	On-the-Job Training
OMWI	The CFPB's Office of Minority and Women Inclusion
RCS	Residential Credit Solutions
RESPA	Real Estate Settlement Procedures Act of 1974
RFI	Request for Information
SBREFA	The Small Business and Regulatory Enforcement Fairness Act
SL&D	Supervision Learning and Development
TILA	Truth in Lending Act
TOOL	CFPB's Compliance Tool
TREASURY	The U.S. Department of the Treasury
UWCS	Union Workers Credit Services
VITA	Volunteer Income Tax Assistance