

**UNITED STATES OF AMERICA**  
**CONSUMER FINANCIAL PROTECTION BUREAU**

ADMINISTRATIVE PROCEEDING

File No. 2015-CFPB-\$\$\$-

In the Matter of:

REGIONS BANK

**CONSENT ORDER**

The Consumer Financial Protection Bureau (Bureau) has reviewed the overdraft practices of Regions Bank (Respondent, as defined below) and has identified the following law violations: (1) Respondent failed to obtain an affirmative “opt-in” from certain of its customers before charging them Overdraft Fees (as defined below) in connection with ATM and one-time debit card transactions, in violation of Regulation E, 12 C.F.R. § 1005.17, the implementing regulation of the Electronic Fund Transfer Act, 15 U.S.C. §§ 1693, *et seq.* (EFTA); (2) Respondent deceptively represented in advertisements and in information provided to consumers that it would not charge Overdraft Fees in connection with ATM and one-time debit card transactions absent an opt-in, in violation of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531, 5536; and (3) Respondent deceptively represented in information provided to consumers that it would not charge Overdraft Fees in connection with loan repayments under Respondent’s deposit advance product, in violation of the CFPA, 12 U.S.C. §§ 5531, 5536. Under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

**I**  
**Jurisdiction**

1. The Bureau has jurisdiction over this matter under: (a) Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565; and (b) Section 1693o(a)(5) of the EFTA, 15 U.S.C. § 1693o(a)(5).

**II**  
**Stipulation**

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated April 27, 2015 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, without admitting or denying any of the findings of fact or conclusions of law or wrongdoing, except that Respondent admits the Bureau’s jurisdiction over Respondent and the subject matter of this action.

**III**  
**Definitions**

3. The following definitions apply to this Consent Order:
  - a. “Account” means a consumer’s deposit account that is accessed by a debit card.
  - b. “Affected Consumers” means all consumers to whom Respondent assessed an Unlawful Fee, as that term is defined below.
  - c. “Board” means Respondent’s duly-elected and acting Board of Directors, including any committee of the Board.
  - d. “Effective Date” means the date on which the Consent Order is issued.
  - e. “Linked Coverage” means the service Respondent offers that links an Account to another account, such as a savings account or line of credit. Once the link is established,

Respondent transfers funds from the linked account into the Account to pay an ATM or one-time debit card transaction that would otherwise have overdrawn the Account.

- f. “Linked Overdraft Fee” means the Overdraft Fee Respondent assessed a consumer with Linked Coverage for paying an ATM or one-time debit card transaction that exceeded the balances of both the Account and linked account.
- g. “Non-Sufficient Funds Fee” or “NSF Fee” means the fee Respondent assessed when a consumer lacked funds in the Account and linked account to cover a transaction and Respondent did not pay the transaction.
- h. “Opt-In” means the consumer’s affirmative consent to be charged a fee for Overdraft Service for ATM and/or one-time debit card transactions, as described in Regulation E, § 1005.17(b)(1)(iii).
- i. “Opt-In Rule” means the language in 12 C.F.R. § 1005.17(b) that prohibits “a financial institution holding a consumer’s account [from] assess[ing] a fee or charge on a consumer’s account for paying an ATM or one-time debit card transaction pursuant to the institution’s overdraft service [without] [o]btain[ing] the consumer’s affirmative consent, or opt-in, to the institution’s payment of ATM or one-time debit card transactions . . . .”
- j. “Overdraft Fee” means the fee Respondent assessed pursuant to its Overdraft Service, which includes Linked Overdraft Fees.
- k. “Overdraft Service,” with respect to an Account, shall have the same definition provided by 12 C.F.R. § 1005.17: “a service under which a financial institution assesses a fee or charge on a consumer’s account held by the institution for paying a transaction (including a check or other item) when the consumer has insufficient or unavailable funds in the account.”
- l. “Regional Director” means the Regional Director for the Southeast Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegee.
- m. “Relevant Period” means the period from July 1, 2010 to the Effective Date.

- n. “Respondent” means Regions Bank, and its successors and assigns.
- o. “Regions Ready Advance” or “RRA” refers to a small-dollar line of credit Respondent made available to Respondent’s deposit account customers.
- p. “Related Consumer Action” means a private action or arbitration initiated by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.
- q. “Unlawful Fee” refers to:
  - i. for Accounts opened on or after July 1, 2010, any Overdraft Fee Respondent assessed on or after July 1, 2010, in connection with an ATM or one-time debit card transaction where either (a) Respondent had not previously obtained the consumer’s Opt-In to Overdraft Service for such transaction; or (b) the consumer had revoked such Opt-In;
  - ii. for Accounts opened prior to July 1, 2010, any Overdraft Fee Respondent assessed on or after August 15, 2010, in connection with an ATM or one-time debit card transaction where either (a) Respondent had not previously obtained the consumer’s Opt-In to Overdraft Service for such transaction; or (b) the consumer had revoked such Opt-In;
  - iii. any Overdraft Fee or NSF Fee Respondent assessed on or after November 1, 2011, in connection with any RRA repayment; and/or
  - iv. any additional overdraft or NSF fees that were caused by Unlawful Fees.

#### **IV**

#### **Bureau Findings and Conclusions**

The Bureau finds the following:

- 4. Respondent is a regional bank headquartered in Birmingham, Alabama. Respondent operates a network of approximately 1,700 retail branch offices and 2,000 ATMs across

sixteen states, including Alabama, Arkansas, Florida, Georgia, Illinois, Indiana, Iowa, Kentucky, Louisiana, Mississippi, Missouri, North Carolina, South Carolina, Tennessee, Texas, and Virginia. As of September 30, 2014, Respondent had \$119.2 billion in total assets.

5. Respondent is an insured depository institution with assets greater than \$10 billion within the meaning of 12 U.S.C. § 5515(a).
6. At all times material to this complaint, Respondent offered or provided a “consumer financial product or service” as defined by 12 U.S.C. § 5481(5).
7. Respondent is a “covered person” as that term is defined by 12 U.S.C. § 5481(6).

### **Findings and Conclusions as to Violations of the Opt-In Rule**

8. For many years, depository institutions—including Respondent—provided Overdraft Service for ATM and one-time debit card transactions as a standard feature of their consumer deposit accounts. Providing Overdraft Service for those transactions allowed consumers to complete debit card purchases and ATM withdrawals that would otherwise have been denied because of insufficient funds. However, that service came with a price: Banks, including Respondent, charged consumers a fee when the service was used.
9. In 2009, the Board of Governors of the Federal Reserve System sought to change this pervasive industry practice by adopting the Opt-In Rule, which amended Regulation E to require depository institutions to obtain consumers’ affirmative consent, or “Opt-In,” to Overdraft Service for ATM and one-time debit card transactions before the institution could assess a fee for such service.
10. The Opt-In Rule had a mandatory compliance date of July 1, 2010 for new accounts and August 15, 2010 for existing accounts.
11. Shortly after the Federal Reserve Board published the Opt-In Rule in November 2009, Respondent formed a working group (Working Group) that was tasked with implementing the Opt-In Rule.

12. The Working Group erroneously determined the Opt-In Rule did not apply to customers whose Accounts had Linked Coverage.
13. There were two consequences to this determination. First, Respondent did not obtain Opt-Ins from its existing or new Linked-Coverage customers. Second, Respondent did not re-program its systems to prevent Linked-Coverage customers from being assessed Linked Overdraft Fees, *i.e.*, fees for paying an overdraft due to an ATM or one-time debit card transaction that exhausted the balances of both the customer's checking and linked secondary account.
14. By August 2011, 13 months after the Opt-In Rule's mandatory compliance date, a mid-level manager concluded that the Linked Overdraft Fees likely violated the Opt-In Rule.
15. At that time, the issue was not escalated to senior bank executives. Nor was Respondent's Legal department informed of the potential violation.
16. Beginning in November 2011, mid-level management attempted to arrange for systems changes to stop the Linked Overdraft Fees.
17. In February 2012, it was determined that the systems changes that had been developed were inadequate. As a result, changes were not implemented at that time, and Respondent continued to charge Linked Overdraft Fees.
18. It was not until April 2012 that the compliance department and others brought the potential for an Opt-In Rule violation to the attention of the Legal Department. The issue was raised at an April 2012 governance working group called the Compliance/Fair & Responsible Lending Touchpoint. The Legal Department then addressed the issue with senior executives.
19. In May 2012, as the nature and scope of the error became apparent, Respondent reported to the Bureau that it had a regulatory issue relating to the Opt-In Rule and that it intended to reimburse any Unlawful Fees.

20. In June 2012, Respondent reached an internal consensus that the Opt-In Rule in fact applied to Linked-Coverage customers and that the Linked Overdraft Fees it had assessed these customers starting in July 2010 violated the Opt-In Rule. That same month—ten months after the mid-level manager had first concluded Respondent was likely violating the Opt-In Rule—Respondent developed and adopted system changes that stopped the unlawful fees.
21. In December 2012, Respondent voluntarily reimbursed 198,387 consumers a total of \$34,946,530 in an initial remediation. After the Bureau determined that Respondent's initial reimbursement efforts had not fully captured the total amount of consumer harm, Respondent refunded an additional \$12,891,088 to consumers who had been charged Unlawful Fees. This second reimbursement occurred in December 2013.
22. In January 2015, Respondent identified an additional limited group of consumers who were incurring fees that violated the Opt-In Rule.
23. Respondent had been charging these consumers overdraft fees in connection with ATM and one-time debit card transactions without first having obtained the consumers' Opt-In.
24. Respondent failed to detect these unlawful fees in 2012 and 2013 when it identified and remediated unlawful Linked Overdraft Fees. As a result of that failure, the unlawful fees persisted until 2015.
25. The Opt-In Rule prohibits depository institutions from assessing a "fee or charge on a consumer's account for paying an ATM or one-time debit card transaction pursuant to the institution's overdraft service" without "obtain[ing] the consumer's affirmative consent, or opt-in, to the institution's payment of ATM or onetime debit card transactions[.]" 12 C.F.R. § 1005.17(b)(1).
26. Between July 1, 2010, which was the Opt-In Rule's mandatory compliance date for new accounts, and June 2012, when Respondent implemented the system changes, Linked-

Coverage consumers paid at least \$47 million in Linked Overdraft Fees, for which an Opt-In was required under the Opt-In Rule. Accordingly, Respondent violated the Opt-In Rule.

**Findings and Conclusions as to Deceptive Misrepresentations Regarding Overdraft Fees Assessed On Linked-Coverage Accounts**

27. A number of Respondent's account materials wrongly stated that Respondent would not charge Overdraft Fees for ATM and one-time debit card transactions unless consumers affirmatively Opted In.
28. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B).
29. As described in Paragraph 27, in connection with the advertising, marketing, promoting, or offering of its deposit products, in numerous instances, Respondent has represented, expressly or impliedly, that it would not assess Overdraft Fees in connection with ATM or one-time debit card transactions unless the consumer opted in.
30. In fact, as described in Paragraph 26, Respondent assessed at least \$47 million of such fees to consumers with Linked Coverage.
31. Thus, Respondent's representations, as described in Paragraph 27, constitute deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

**Findings and Conclusions as to Deceptive Misrepresentations Regarding Overdraft Fees and NSF Fees Assessed On RRA Repayments**

32. In May 2011, Respondent began offering the Regions Ready Advance (RRA) product to its deposit account customers. The RRA product is a small-dollar line of credit intended for short-term use.
33. When a customer obtained an RRA advance, the customer had three repayment options: (a) manual payments at a branch or by mail; (b) installment payments; or (c) payments triggered by the customer's next automatic deposit. Under option (c), a repayment would be



triggered if any balance on the advance remained outstanding thirty-five days after the RRA advance was taken.

34. In or around August 2011, Respondent determined that it no longer wanted to charge Overdraft Fees or NSF Fees on RRA repayments that were made pursuant to methods (b) and (c) above.
35. Between August 2011 and November 2011, Respondent attempted to make programming changes to effectuate that decision. However, the programming changes were flawed: they stopped Respondent's systems from assessing NSF fees on RRA repayments, but allowed Overdraft Fees to continue.
36. In November 2011, Respondent updated its materials to reflect what it believed to be its new practice. Respondent issued "Frequently Asked Questions" (FAQs), which included a question regarding whether Respondent would charge an Overdraft Fee if the payment taken from the deposit account caused the checking account balance to become negative. The FAQ answered:

No. An overdraft fee will not be assessed on the Ready Advance payment; however, additional overdraft fees may apply if other debit items post at that time or thereafter while the checking account remains in a negative balance.
37. Due to the failure to implement programming necessary to implement the decision to refrain from charging overdraft fees, Respondent charged Overdraft Fees on RRA repayments.
38. In April 2013, Respondent made a number of changes to its RRA product that required programming changes to Respondent's systems. During the course of these programming changes, another error occurred, which caused the systems to begin assessing NSF fees in connection with RRA repayments on some RRA accounts. Thus, beginning in April 2013, Respondent charged its RRA customers both NSF fees and Overdraft Fees.

39. In or around June 2013, Respondent discovered it had been charging Overdraft Fees and NSF Fees on RRA repayments. It corrected the programming error that caused these fees on August 28, 2013. Respondent reported the issue to the Bureau in November 2013.
40. Between November 2011, when Respondent first issued the FAQs, and August 2013, when it corrected the programming error, Respondent charged at least \$1.9 million in Overdraft Fees and NSF Fees. In December 2013, the Bank refunded approximately \$1,925,000 in fees to approximately 36,214 consumers.
41. Section 1036(a)(1)(B) of the CFPA prohibits “unfair, deceptive, or abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B).
42. As described in Paragraph 36, in connection with the advertising, marketing, promoting, or offering the RRA product, Respondent has represented, expressly or impliedly, that consumers would not be charged Overdraft Fees in connection with RRA repayments.
43. In fact, Respondent did assess Overdraft Fees in connection with RRA repayments.
44. Thus, Respondent’s representations, as described in Paragraph 36, constitute deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

## **ORDER**

### **V**

#### **Conduct Provisions**

**IT IS ORDERED**, under Sections 1053 and 1055 of the CFPA, that:

45. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate the Opt-In Rule, 12 C.F.R. § 1005.17(b), and Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536, and must take the following affirmative actions:
  - a. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, must implement a plan,

subject to the non-objection of the Regional Director, to assure that policies, procedures and processing systems comply with the requirements of Regulation E.

- b. Respondent, and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, or offering of any consumer financial product or services, may not represent, or assist others in representing, expressly or impliedly that Respondent will not or does not charge Overdraft Fees and/or NSF Fees in connection with any transaction where Respondent does, in fact, charge Overdraft Fees and/or NSF Fees.
- c. Within 90 days of the Effective Date, Respondent shall identify all instances where (i) Respondent furnished information to a consumer reporting agency that could have negatively affected a consumer's credit; and (ii) Respondent would not have furnished the information but for the Unlawful Fees that are the subject of this Order. In all such instances, Respondent shall ensure that the information furnished is expunged from the Affected Consumer's credit history.
- d. Within 90 days of the Effective Date, Respondent shall identify all instances where (i) Respondent closed a consumer account due to a negative balance; and (ii) the negative balance would not have occurred but for the Unlawful Fees that are the subject of this Order. In all such instances, Respondent shall correct any negative reporting to ChexSystem in connection with the closed account.

## **VI**

### **Role of the Board**

**IT IS FURTHER ORDERED** that:

46. The Board must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.

47. Although this Consent Order requires Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for ensuring that Respondent complies with Federal consumer financial laws and this Consent Order.
48. In each instance that this Consent Order requires the Board to ensure adherence to, or perform certain obligations of Respondent, the Board must:
  - a. Authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
  - b. Require timely reporting by management to the Board on the status of compliance obligations; and
  - c. Require timely and appropriate corrective action to remedy any material non-compliance with Board directives related to this Section.

## **MONETARY PROVISIONS**

### **VII**

#### **Order to Pay Redress**

**IT IS FURTHER ORDERED** that:

49. Within 15 days of the Effective Date, Respondent shall submit to the Regional Director a proposal for retaining a consultant to verify that Respondent has made full and complete redress to Affected Consumers (Consultant Proposal). For purposes of this section, Affected Consumers are entitled to redress for any Unlawful Fees they were charged.
50. The Consultant Proposal shall identify the consultant Respondent proposes to retain and shall describe:
  - a. The proposed consultant's qualifications, including its experience in analyzing consumer deposit management systems;

- b. All work the proposed consultant has performed for Respondent in the five years preceding the Effective Date (if any), including the amount Respondent paid the proposed consultant for each engagement;
  - c. Any ownership interest Respondent has in the proposed consultant; and
  - d. Any shared financial interest between Respondent and the proposed consultant.
51. The Regional Director will have the discretion to make a determination of non-objection to the Consultant Proposal or direct Respondent to submit an alternative Consultant Proposal. If the Regional Director requires an alternative Consultant Proposal, Respondent must provide such proposal within 15 days of the Regional Director's request.
52. Within 15 days of receiving written notification that the Regional Director has made a determination of non-objection to the Consultant Proposal, Respondent shall retain the proposed consultant (the Consultant), subject to an engagement letter setting forth the scope of the Consultant's work (Engagement Letter).
53. Respondent shall require the Consultant to conduct a comprehensive review of (a) the identity of Affected Consumers; and (b) the amount of Unlawful Fees the Affected Consumers were charged (Redress Analysis).
54. At a minimum, the Redress Analysis must include the following steps:
- a. Identify all data sources relevant to determining consumers' Opt-In status at a given point in time (Opt-In Data Sources), including but not limited to: (i) any system Respondent's deposit system consults to determine a consumer's Opt-In status when the consumer engages in an ATM or one-time debit card transaction; (ii) any system that logs or keeps track of notifications (either electronic or paper) Respondent has provided to consumers concerning their Opt-In status; and (iii) any system that maintains a daily journal of consumers' Opt-In status;

- b. Identify all transaction codes Respondent has used or currently uses that correspond to one-time debit card and ATM transactions;
  - c. Employ a model (Model) that uses the Opt-In Data Sources, the transaction codes, and any other sources of relevant information the Consultant has identified to accurately (i) identify all Affected Consumers; and (ii) determine the amount of redress to which they are entitled;
  - d. Validate the Model using sampling or other acceptable validation methods to ensure sufficiency of the Opt-In Data Sources, transaction codes, and any other sources of relevant information in identifying all Affected Consumers and the amount of redress to which they are entitled;
  - e. Refine the Model until the validation indicates the Model is accurate; and
  - f. Complete the Redress Analysis within 120 days of having been retained by Respondent.
55. To gather information required for the Redress Analysis described above (*e.g.*, identification and evaluation of Opt-In Data Sources and transaction codes), the Consultant shall, among other things, conduct in-depth interviews of those employees of Respondent who have operational knowledge of Respondent's deposit system, including technicians. The Consultant shall keep detailed notes of all such interviews.
56. Within 90 days of retaining the Consultant, Respondent shall submit to the Regional Director a detailed narrative that explicitly describes the methodology and findings of the Redress Analysis (Redress Report). Among other things, the Redress Report shall describe in detail:
- a. The Data Sources, transaction codes, and any other sources of relevant information the Consultant identified;
  - b. How the Consultant used the Data Sources, transaction codes, and any other sources of relevant information in the Model;

- c. An outline of the logic used in the Model, including parameters, assumptions, and justifications for the inclusion or exclusion of any Data Source, transaction codes, or any other source of relevant information the Consultant identified;
  - d. The steps the Consultant took to validate the Model, including a description of steps taken to ensure the Model's robustness; and
  - e. The Redress Analysis' findings as to the total number of Affected Consumers and the total amount of Unlawful Fees.
57. Respondent shall append to the Redress Report all notes of interviews required under Paragraph 55 and all statistical codes and algorithms used in the Model.
58. The Regional Director shall have the discretion to make a determination of non-objection to the Redress Analysis or direct Respondent to modify or supplement it. In the event that the Regional Director directs Respondent to modify or supplement the Redress Analysis, Respondent shall do so and submit a revised Redress Report to the Regional Director within 30 days or within any longer timeframe the Regional Director specifies.
59. Within 30 days of receiving written notice of the Regional Director's non-objection to the Redress Analysis, Respondent shall reimburse Affected Consumers for any Unlawful Fees Respondent has not already reimbursed (Additional Redress). Respondent shall provide Additional Redress regardless of whether the Affected Consumer is currently an accountholder with Respondent. For Affected Consumers who are current accountholders with Respondent, the Additional Redress shall be credited to the Affected Consumer's account. For Affected Consumers who are no longer accountholders with Respondent, Respondent shall mail to the Affected Consumer a check in the required amount.
60. Within 120 days of completing payment of Additional Redress, Respondent shall conduct an internal audit to assess Respondent's compliance with its obligation to pay all Additional Redress.

61. If the Bureau determines, in its sole discretion, that any Additional Redress to Affected Consumers is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the Additional Redress is completed, the Bureau may apply any remaining funds for such other equitable relief, including consumer information remedies, as determined to be reasonably related to the violations described in Section IV of this Consent Order. Any funds not used for such equitable relief will be deposited in the U.S. Treasury as disgorgement. Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this paragraph.
62. Respondent may not condition the payment of any redress to any Affected Consumer under this Order on that Affected Consumer's waiving any right.

## **VIII**

### **Order to Pay Civil Money Penalties**

**IT IS FURTHER ORDERED** that:

63. Under Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$7.5 million to the Bureau.
64. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
65. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
66. Respondent must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondent may not:



- a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
- b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

## **IX**

### **Additional Monetary Provisions**

**IT IS FURTHER ORDERED** that:

67. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.
68. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.
69. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
70. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Regional Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

### **COMPLIANCE PROVISIONS**

## **X**

### **Reporting Requirements**

**IT IS FURTHER ORDERED** that:

71. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice at least 30 days before the development or as soon as practicable after the learning about the development, whichever is sooner.
72. Within 90 days of the Effective Date, and again one year after the Effective Date, Respondent must submit to the Regional Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board, which, at a minimum:
  - a. Describes in detail the manner and form in which Respondent has complied with this Order; and
  - b. Attaches a copy of each Order Acknowledgment obtained under Section XI, unless previously submitted to the Bureau.
73. After the one-year period, Respondent must submit to the Regional Director additional Compliance Reports within 14 days of receiving a written request from the Bureau.

## **XI**

### **Order Distribution and Acknowledgment**

**IT IS FURTHER ORDERED** that,

74. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, Service Providers, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.

75. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section X, any future board members and executive officers, as well as to any managers, employees, Service Providers, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
76. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

## **XII**

### **Recordkeeping**

#### **IT IS FURTHER ORDERED** that

77. Respondent must create or maintain, for at least 5 years from the Effective Date, the following business records:
  - a. All documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau;
  - b. All documents and records pertaining to the Redress Analysis and Respondent's payment of Additional Redress, described in Section VII above;
  - c. Copies of all final versions of account disclosures and marketing materials in use as of the Effective Date relating to Respondent's (i) Overdraft Service; (ii) Linked Coverage; and (iii) the RRA product;
  - d. For each individual Affected Consumer: the consumer's name, address, phone number, email address; the amount owed to the Affected Consumer as Additional Redress; and the amount Respondent refunded to the consumer as redress; and
  - e. All consumer complaints and refund requests (whether the complaints or requests are

received directly or indirectly, such as through a third party) regarding Overdraft Fees or NSF Fees, and any responses to those complaints or requests.

78. Respondent must retain the documents identified in Paragraph 77 for at least 5 years.
79. Respondent must make the documents identified in Paragraph 77 available to the Bureau upon the Bureau's request.

### **XIII**

#### **Notices**

**IT IS FURTHER ORDERED** that:

80. Unless otherwise directed in writing by the Bureau, Respondent must submit all submissions, requests, communications, or other documents relating to this Consent Order to Regional Director James Carley via email at [Compliance@cfpb.gov](mailto:Compliance@cfpb.gov), with the subject line "*In re* Regions Bank, File No. 2015-CFPB-\$\$\$- ." Alternatively, Respondent may send such reports or notifications by overnight courier (not the U.S. Postal Service) to Regional Director James Carley at the address listed below:

James Carley  
Regional Director, Bureau Southeast Region  
Consumer Financial Protection Bureau  
1700 G Street, N.W.  
Washington, D.C. 20552

### **XIV**

#### **Compliance Monitoring**

**IT IS FURTHER ORDERED** that, to monitor Respondent's compliance with this Consent Order:

81. Within 14 days of receipt of a written request from the Bureau, Respondent must submit additional compliance reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

82. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview. The person interviewed may have counsel present.
83. Nothing in this Consent Order will limit the Bureau's lawful use of compulsory process, under 12 C.F.R. § 1080.6.

## **XV**

### **Modifications to Non-Material Requirements**

**IT IS FURTHER ORDERED** that:

84. Respondent may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Regional Director.
85. The Regional Director may, in his/her discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if he/she determines good cause justifies the modification. Any such modification by the Regional Director must be in writing.

## **ADMINISTRATIVE PROVISIONS**

### **XVI**

#### **Administrative Provisions**

86. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent, except as described in Paragraph 87.
87. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices

described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.

88. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under Section 1053 of the CFP Act, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
89. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.
90. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
91. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under section 1055(c) of the CFP Act, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

92. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
93. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing the Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

**IT IS SO ORDERED**, this 28th day of April, 2015.



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Richard Cordray  
Director  
Consumer Financial Protection Bureau