

**FACTSHEET**

# Consumer Financial Protection Bureau: Enforcing federal consumer protection laws

The Consumer Financial Protection Bureau (CFPB) was created in the wake of the financial meltdown to stand up for consumers and make sure they are treated fairly in the financial marketplace. Supervising financial companies and enforcing federal consumer protection laws is core to the Bureau carrying out its mission. Since opening its doors in 2011, the CFPB has held law breakers accountable and helped consumers harmed by illegal practices.

## CFPB enforcement and supervision by the numbers

- **\$11.7 billion:** Approximate amount of relief to consumers from CFPB supervisory and enforcement work, including:
  - \$3.6 billion in monetary compensation to consumers as a result of enforcement activity
  - \$7.7 billion in principal reductions, cancelled debts, and other consumer relief as a result of enforcement activity
  - \$347 million in consumer relief as a result of supervisory activity
- **27 million:** Consumers who will receive relief as a result of CFPB supervisory and enforcement work
- **\$440 million:** Money ordered to be paid in civil penalties as a result of CFPB enforcement work

## Supervising financial companies

The CFPB supervises companies to determine their compliance with federal consumer financial laws, to assess risks to consumers, and to help ensure a fair and transparent marketplace for

consumers. In addition to its authority over banks and credit unions with assets over \$10 billion, and their affiliates, the CFPB is the first federal agency with supervisory authority over certain nonbank financial companies. These nonbanks include mortgage lenders and servicers, payday lenders, and private student lenders of all sizes, as well as larger participants in the debt collection, consumer reporting, auto finance, student loan servicing, and international money transmission markets.

The CFPB routinely resolves issues identified through the confidential supervision process through supervisory actions. These actions, which include self-reported violations at banks and nonbanks, have resulted in more than \$347 million in remediation to approximately 2 million consumers.

## Enforcement highlights

As of July 2016, CFPB enforcement activity has resulted in over \$11.4 billion in relief for more than 25 million consumers harmed by illegal practices.

### Credit cards

*The CFPB has secured billions of dollars of relief to millions of consumers harmed by deceptive marketing and enrollment, unfair billing, illegal debt collection practices, and discriminatory credit card practices.*

- [Bank of America – \\$727 million consumer refund for deceptive marketing](#): The CFPB ordered Bank of America to provide \$727 million in relief to consumers harmed by practices related to credit card add-on products. Roughly 1.4 million consumers were affected by Bank of America’s deceptive marketing of their add-on products. Bank of America also illegally charged approximately 1.9 million consumer accounts for credit monitoring and credit reporting services that they were not receiving. In addition to the relief, Bank of America was ordered to pay a \$20 million civil penalty.
- [Citibank – \\$700 million in consumer relief for illegal credit card practices](#): The CFPB ordered Citibank, N.A. and its subsidiaries to provide an estimated \$700 million in relief to eligible consumers harmed by illegal practices related to credit card add-on products and services. Roughly 7 million consumer accounts were affected by Citibank’s deceptive marketing, billing, and administration of debt protection and credit monitoring add-on products. A Citibank subsidiary deceptively charged expedited payment fees to nearly 1.8

million consumer accounts during collection calls. Citibank and its subsidiaries will pay \$35 million in civil money penalties.

- [JPMorgan Chase Bank & Chase Bank – \\$309 million consumer refund for unfair billing:](#) The CFPB ordered Chase Bank USA, N.A. and JPMorgan Chase Bank, N.A. to refund an estimated \$309 million to more than 2.1 million customers for illegal credit card practices. This enforcement action is the result of work started by the Office of the Comptroller of the Currency (OCC), which the CFPB joined. The agencies found that Chase engaged in unfair billing practices for certain credit card “add-on products” by charging consumers for credit monitoring services that they did not receive.
- [GE Capital – \\$225 million consumer refund for deceptive marketing and discrimination:](#) The CFPB ordered GE Capital Retail Bank (GE Capital), now known as Synchrony Bank, to provide an estimated \$225 million in relief to consumers harmed by illegal and discriminatory credit card practices. GE Capital must refund \$56 million to approximately 638,000 consumers who were subjected to deceptive marketing practices. As part of the joint enforcement action by the CFPB and Department of Justice, GE Capital also provided approximately \$201 million in redress to approximately 133,400 borrowers excluded from debt relief offers because of their national origin; this number includes approximately \$4 million of additional redress based on GE Capital’s identification of additional eligible consumers This order represents the federal government’s largest credit card discrimination settlement in history.
- [Discover – \\$200 million consumer refund for deceptive marketing:](#) The CFPB and FDIC ordered Discover Bank to refund approximately \$200 million to more than 3.5 million consumers and pay a \$14 million civil money penalty. This action results from an investigation started by the FDIC, which the CFPB joined. The joint investigation concerned deceptive telemarketing and sales tactics used by Discover to mislead consumers into paying for various credit card “add-on products” – payment protection, credit score tracking, identity theft protection, and wallet protection.
- [Capital One – \\$140 million consumer refund for deceptive marketing:](#) The CFPB ordered Capital One Bank (U.S.A.), N.A. to refund approximately \$140 million to two million customers and pay an additional \$25 million penalty. This action results from a CFPB examination that identified deceptive marketing tactics used by Capital One’s vendors to pressure or mislead consumers into paying for “add-on products” such as payment protection and credit monitoring when they activated their credit cards.
- [American Express – \\$85 million consumer refund for illegal practices:](#) The CFPB ordered three American Express subsidiaries to refund an estimated \$85 million to approximately

250,000 customers for illegal card practices. This action is the result of a multi-part federal investigation which found that at every stage of the consumer experience, from marketing to enrollment to payment to debt collection, American Express violated consumer protection laws.

- [American Express – \\$59.5 million consumer refund for deceptive marketing and unfair billing](#): The CFPB ordered American Express to refund an estimated \$59.5 million to more than 335,000 consumers for illegal credit card practices. These practices included unfair billing tactics and deceptive marketing with respect to credit card “add-on products” such as payment protection and credit monitoring. American Express will pay an additional \$9.6 million in civil penalties to the CFPB.
- [JPMorgan Chase – Debt relief for over 528,000 consumers and \\$50 million consumer refund for illegal debt collection practices](#): The CFPB, along with authorities in 47 states and D.C., took action against JPMorgan Chase to permanently stop all attempts to collect, enforce in court, or sell more than 528,000 consumers’ accounts. Chase was also ordered to pay at least \$50 million in consumer refunds, \$136 million in penalties and payments. The CFPB and states found that Chase sold bad credit card debt and illegally robo-signed court documents. Chase sold third-party debt buyers “zombie debts”, which include accounts that were inaccurate, settled, discharged in bankruptcy, not owed, or otherwise not collectible.
- [U.S. Bank – \\$48 million refund for illegal billing practices](#): The CFPB ordered U.S. Bank to provide an estimated \$48 million in relief to consumers harmed by illegal billing practices. U.S. Bank consumers were unfairly charged for certain identity protection and credit monitoring services that they did not receive. These services were sold as “add-on products” for credit cards and other bank products such as mortgage loans and checking accounts. U.S. Bank will pay a \$5 million civil money penalty to the CFPB.
- [GE CareCredit – \\$34 million consumer refund for deceptive enrollment tactics](#): The CFPB ordered GE Capital Retail Bank and its subsidiary, CareCredit, to refund up to \$34.1 million to potentially more than one million consumers who were victims of deceptive credit card enrollment tactics. At doctors’ and dentists’ offices around the country, consumers were signed up for CareCredit credit cards they thought were interest free, but were actually accruing interest that kicked in if the full balance was not paid at the end of a promotional period.
- [PayPal – \\$15 million consumer refund for illegal online credit enrollment practices](#): The CFPB filed a complaint in federal court against PayPal, Inc. for illegally signing up consumers for its online credit product, PayPal Credit, formerly known as Bill Me Later.

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, and then mishandled billing disputes. The court entered a consent order that required PayPal to pay \$15 million in consumer redress and a \$10 million penalty, and also required it to improve its disclosures and procedures.

- [Affinion Group Holdings and Intersections – \\$6.8 million in consumer redress for unfair billing of credit card add-on products and services](#): The CFPB filed complaints and consent orders against two credit card add-on product vendors – Affinion Group Holdings, Inc. (along with its affiliated companies) and Intersections Inc. – for unfairly charging consumers for credit card add-on benefits they did not receive. Under the consent order Affinion was required to pay approximately \$6.8 million in monetary relief for eligible consumers who had not yet received refunds and \$1.9 million in civil money penalties. Intersections was ordered to pay approximately \$55,000 in monetary relief to eligible consumers who had not yet received refunds and \$1.2 million in civil money penalties.
- [Fifth Third Bank – \\$3 million consumer refund for deceptive marketing of add-on products](#): The CFPB ordered Fifth Third Bank to provide \$3 million in relief to 24,500 consumers and pay a \$500,000 penalty for deceptive marketing and sales of its “Debt Protection” credit card add-on product. Among other things, Fifth Third’s illegal practices included: misrepresenting costs and fees for coverage; misrepresenting or omitting information about eligibility for coverage; and making misrepresentations during the enrollment process.
- [Continental Finance Company – \\$2.7 million consumer refund for illegal credit card fees](#): The CFPB ordered Continental Finance Company LLC, a subprime credit card company based in Delaware, to refund an estimated \$2.7 million to approximately 98,000 consumers who were charged illegal credit card fees. The agency found that the company’s “fee-harvester” subprime credit cards misrepresented certain fees and hit consumers with illegal charges. The order also requires the company to pay a civil penalty of \$250,000.

## Mortgages

### **MORTGAGE SERVICING**

*The CFPB has secured billions of dollars in relief for consumers harmed by systemic misconduct by mortgage servicers.*

- [SunTrust – \\$500 million in relief and \\$40 million consumer refund for servicing misconduct](#): The CFPB, along with the Department of Justice and authorities in 49 states

and the District of Columbia, entered into a consent order with SunTrust Mortgage addressing systemic mortgage servicing misconduct including robo-signing and illegal foreclosure practices. The consent order requires SunTrust to provide \$500 million in loss-mitigation relief to underwater borrowers and pay \$40 million to approximately 48,000 consumers who lost their homes to foreclosure.

- [Flagstar Bank – \\$27.5 million consumer refund for violation of new mortgage servicing rules](#): The CFPB ordered Flagstar Bank to pay back \$27.5 million to 6,500 consumers for violating the CFPB’s new mortgage servicing rules by illegally blocking borrowers’ attempts to save their homes. At every step in the foreclosure relief process, Flagstar failed borrowers. The bank took excessive time to process borrowers’ applications for foreclosure relief, failed to tell borrowers when their applications were incomplete, denied loan modifications to qualified borrowers, and illegally delayed finalizing permanent loan modifications.
- [Green Tree Servicing – \\$48 million in consumer compensation for mortgage servicing violations](#): The CFPB and the FTC obtained a federal district court order against Green Tree Servicing, LLC, requiring Green Tree to pay \$48 million in relief to mortgage borrowers for failing to honor modifications for loans transferred from other servicers, delaying decisions on short sales, and deceptively charging consumers convenience fees for mortgage payments. Green Tree was also ordered to pay a \$15 million civil money penalty.
- [Residential Credit Solutions, Inc. – \\$1.5 million consumer refund for blocking consumers’ attempts to save their homes](#): The CFPB ordered Residential Credit Solutions, Inc. to pay \$1.5 million in restitution to consumers and a \$100,000 civil money penalty 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.
- [Ocwen – \\$2 billion in relief and \\$125 million consumer refund for servicing misconduct](#): The CFPB, along with authorities in 49 states and the District of Columbia, filed a consent order against the nation’s largest nonbank mortgage loan servicer, Ocwen Financial Corporation, and its subsidiary, Ocwen Loan Servicing, for misconduct at every stage of the mortgage servicing process. A federal court consent order requires Ocwen to provide \$2 billion in principal reduction to underwater borrowers and to refund \$125 million to nearly 185,000 borrowers who had already been foreclosed upon.

- [Nationwide Biweekly Administration – Mortgage payment companies sued for deceiving homeowners](#): The CFPB filed a lawsuit in federal district court against Nationwide Biweekly Administration, Inc., Loan Payment Administration LLC, and the companies' owner, Daniel Lipsky, alleging that Nationwide misrepresents the interest savings consumers will achieve through a biweekly mortgage payment program and misleads consumers about the cost of the program. The CFPB is seeking compensation for harmed consumers, a civil penalty, and an injunction against the companies and their owner. The lawsuit is pending.

## **MORTGAGE DISCRIMINATION**

*The CFPB has taken action to help consumers harmed by discriminatory mortgage lending practices.*

- [PNC Bank \(as successor to National City Bank\) – \\$35 million consumer redress for mortgage lending discrimination](#): The CFPB and the Department of Justice filed a joint complaint against National City Bank for alleging that National City Bank charged higher prices on mortgage loans to African-American and Hispanic borrowers than similarly situated white borrowers between the years 2002 and 2008. The consent order, which was entered on January 9, 2014, by U.S. District Court for Western District of Pennsylvania, required National City's successor, PNC Bank to pay to pay \$35 million in restitution to address the high costs paid by more than 76,000 harmed African-American and Hispanic borrowers.
- [Hudson City Savings Bank – \\$27 million in direct loan subsidies and outreach programs for minority communities harmed by mortgage redlining](#): The CFPB and the Department of Justice filed a joint complaint against Hudson City Savings Bank alleging that Hudson City engaged in discriminatory redlining practices that denied residents in majority-Black-and-Hispanic neighborhoods in New York, New Jersey, Connecticut, and Pennsylvania fair access to credit. The bank located branches and loan officers, selected mortgage brokers, and marketed products to avoid and thereby discourage prospective borrowers in these predominantly Black and Hispanic communities. The consent order, entered by the court on November 4, 2015, requires the bank to 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.
- [BancorpSouth Bank – \\$7.58 million in consumer redress, direct loan subsidies, and outreach programs for African Americans and minority communities harmed by mortgage lending discrimination](#): The CFPB and the Department of Justice filed a joint



complaint against BancorpSouth Bank alleging several discriminatory mortgage lending practices along with a proposed consent order that is subject to court approval. If the consent order is approved by the court, BancorpSouth will pay \$4 million in direct loan subsidies in minority neighborhoods in Memphis harmed by the illegal redlining, at least \$800,000 for community programs, advertising, outreach, and credit repair, \$2.78 million to African-American consumers who were unlawfully denied or overcharged for loans, and a \$3 million penalty.

- [Provident Funding Associates – \\$9 million consumer redress for pricing discrimination in mortgage lending](#): The CFPB and the Department of Justice filed a joint complaint against Provident Funding Associates alleging that Provident charge higher broker fees on mortgage loans to African-American and Hispanic borrowers. The consent order, entered by the court in June 2015, requires Provident to pay \$9 million in damages to harmed African-American and Hispanic borrowers.

#### **MORTGAGE UPCHARGING, KICKBACKS, AND OTHER ILLEGAL PRACTICES**

*The CFPB has taken action against companies for selling consumers into costlier loans, paying illegal kickbacks in exchange for business and illegally splitting fees, as well as for making inadequate disclosures or using deceptive advertisements.*

- [Paymap Inc. and LoanCare, LLC – \\$33.4 million consumer refund for deceptive ads](#): The CFPB ordered Paymap Inc. to return \$33.4 million in fees to consumers and pay a \$5 million civil penalty to the CFPB, and ordered LoanCare, LLC to pay a \$100,000 civil penalty to the CFPB for deceiving consumers with advertisements for a mortgage payment program that promised tens of thousands of dollars in interest savings from more frequent mortgage payments.
- [RPM Mortgage – \\$18 million in consumer refunds for selling borrowers costlier mortgages](#): The CFPB filed a complaint in federal district court against RPM Mortgage, Inc. and its CEO, Erwin Robert Hirt, for illegally paying bonuses and higher commissions to loan originators to incentivize them to deliver consumers into costlier mortgage financing terms. RPM is required to pay \$18 million in refunds to consumers and a \$1 million civil penalty, and Hirt is required to pay an additional \$1 million civil penalty.
- [Amerisave Mortgage Corp. – \\$14.8 million consumer refund for bait-and-switch mortgage scheme](#): The CFPB ordered Amerisave Mortgage Corporation, and its affiliate, Novo Appraisal Management Company, to provide \$14.8 million in refunds to harmed consumers and pay a \$4.5 million penalty for engaging in a bait-and-switch mortgage lending scheme that harmed tens of thousands of consumers. The owner of both companies, Patrick Markert, as an individual, will pay an additional \$1.5 million penalty.



The Bureau found that Amerisave lured consumers by advertising misleading interest rates, locked them in with costly up-front fees, failed to honor its advertised rates, and illegally overcharged them for affiliated “third-party” services.

- [Wells Fargo and JPMorgan Chase – \\$11.1 million consumer refund for illegal mortgage kickbacks](#): The CFPB and the Maryland Attorney General filed consent orders in federal court against Wells Fargo and JPMorgan Chase for an illegal marketing-services-kickback scheme they participated in with a now-defunct title company. The title company gave the banks’ loan officers cash, marketing materials, and consumer information in exchange for business referrals. The consent orders require Wells Fargo to pay \$10.8 million in redress and \$24 million in civil penalties, and JPMorgan Chase to pay approximately \$300,000 in redress and \$600,000 in civil penalties.
- [Castle & Cooke – \\$9 million consumer refund for illegal upcharging](#): The CFPB obtained a consent order from a federal district court in Salt Lake City against Utah-based Castle & Cooke Mortgage LLC for illegally providing consumers mortgages with higher interest rates. Castle & Cooke, which does business in 22 states, paid its loan officers illegal bonuses based on the interest rates charged to consumers. The consent order requires Castle & Cooke to refund more than \$9 million to 9,400 harmed consumers. The company and two of its officers were also ordered to pay a \$4 million civil penalty.
- [Genworth Mortgage Insurance Corporation, Mortgage Guaranty Insurance Corporation, Radian Guaranty Inc., United Guaranty Corporation, Republic Mortgage Insurance Corporation – Kickbacks from mortgage insurers halted](#): The CFPB obtained a consent orders from a federal district court against four mortgage insurers (Genworth, MGIC, Radian, and United Guaranty) for allegedly paying improper kickbacks to mortgage lenders in exchange for business. The orders require the four mortgage insurers to pay \$15 million in civil penalties The CFPB also obtained [a consent order](#) requiring Republic Mortgage Insurance Corporation to pay a \$100,000 civil penalty for paying kickbacks to mortgage lenders in exchange for business.
- [NewDay Financial, LLC – Company fined for deceptive mortgage advertising and kickbacks](#): The CFPB ordered NewDay Financial, LLC to pay a \$2 million civil money penalty for deceiving consumers about the financial relationship between the company and a veterans’ organization which endorsed NewDay’s products and for participating in a scheme to pay kickbacks for customer referrals.

## MORTGAGE LOAN MODIFICATION SCAMS

*The CFPB has taken action against companies that take advantage of struggling consumers seeking mortgage loan modifications.*

- [Hoffman Law Group – \\$27 million judgment against foreclosure relief scam companies:](#) The CFPB and the State of Florida filed consent orders in federal district court against the Hoffman Law Group and corporate affiliates for using deceptive marketing practices and scamming distressed homeowners. The CFPB’s complaint alleged that defendants tricked consumers into paying millions of dollars in illegal upfront fees to join frivolous lawsuits that the companies falsely claimed would pressure banks to modify their loans or provide foreclosure relief. A federal district court found the corporate defendants liable for \$11,730,579 – the full amount of illegal fees paid by consumers – and ordered them to pay a \$10 million civil penalty, in addition to penalties to Florida.
- [National Legal Help Center – \\$2 million consumer restitution for mortgage scam:](#) The CFPB obtained a default judgement from a District Court in California to address a scam targeting consumers nationwide with false promises of mortgage relief, charging consumers fees for legal services they did not in fact provide. The judgment requires the defendants to pay over \$2 million in restitution for consumers and more than \$1 million in civil money penalties, along with permanent injunctive relief.
- [Gordon Law Firm – Mortgage loan modification scam halted:](#) The CFPB took action against two California residents and their companies who operated a mortgage loan modification enterprise that targeted consumers in 25 states. The enterprise promised consumers help in modifying mortgage loans or receiving foreclosure relief. Instead, the company charged them illegal upfront fees, but seldom delivered the promised relief. After the CFPB obtained a court order halting the enterprise’s operations, the CFPB settled with one individual defendant and that defendant’s companies. The district court entered an order permanently barring the other defendants, Chance Gordon and his law firm, from engaging in such unlawful practices in the future and ordered them to provide refunds to consumers. The case is currently before the Ninth Circuit Court of Appeals.
- [Mortgage Assistance Relief Services \(MARS\) Rule Sweep – Foreclosure relief scammers sued:](#) The CFPB, along with the FTC and 15 states, filed lawsuits against foreclosure relief scammers accused of charging upfront fees and using deceptive marketing tactics to rip off distressed homeowners across the country. The Bureau filed lawsuits against companies that collected more than \$25 million in illegal advance fees for unfulfilled services. The Bureau has reached settlements with several of the defendants sued as part of this sweep.

## Auto Lending

*The CFPB has taken action to help consumers harmed by discriminatory and deceptive auto lending practices.*

- [Ally Financial – \\$80 million consumer redress for discrimination](#): The CFPB and the Department of Justice ordered Ally Financial, Inc. and Ally Bank to pay \$80 million in damages to minority borrowers because of discrimination caused by Ally’s practice of allowing car dealers to “mark up” the credit-based interest rates on auto loans, and compensating dealers based on that mark up. This practice resulted in 235,000 African-American, Hispanic and Asian-American borrowers being charged higher rates than similarly-situated non-minority borrowers. The \$80 million consumer refund and \$18 million civil penalty represent the largest-ever federal government auto loan discrimination settlement.
- [American Honda Finance Corporation – \\$24 million consumer redress for discrimination](#): The CFPB and the Department of Justice resolved an action with American Honda Finance that will put new measures in place to address discretionary auto loan pricing and compensation practices. American Honda Finance’s past practices resulted in thousands of African-American, Hispanic, and Asian and Pacific-Islander borrowers paying higher interest rates than white borrowers for their auto loans, without regard to their creditworthiness. American Honda Finance will change its pricing and compensation system to substantially reduce dealer discretion and minimize the risks of discrimination, and will pay \$24 million in restitution to affected borrowers.
- [Toyota Motor Credit Corporation – Up to \\$21.9 million consumer redress for discrimination](#): The CFPB and the Department of Justice resolved an action with Toyota Motor Credit, under which Toyota Motor Credit will change its pricing and compensation system to substantially reduce dealer discretion and accompanying financial incentives to mark up interest rates. Toyota Motor Credit was ordered to pay up to \$21.9 million in restitution to thousands of African-American and Asian and Pacific-Islander borrowers who paid higher interest rates than white borrowers for their auto loans, without regard to their creditworthiness, as a result of its past practices.
- [Fifth Third Bank – \\$18 million consumer redress for discrimination](#): The CFPB and the Department of Justice ordered Fifth Third Bank to change its pricing and compensation system to minimize the risks of discrimination, and to pay \$18 million to harmed African-American and Hispanic borrowers. The company’s discriminatory pricing and compensation structures resulted in thousands of minority borrowers paying, on average, hundreds of dollars more for their auto loans, regardless of their creditworthiness.

- [U.S. Bank and Dealers' Financial Services – \\$6.5 million consumer refund for deceptive marketing](#): The CFPB ordered U.S. Bank and one of its nonbank partner companies, Dealers' Financial Services, to end deceptive marketing and lending practices targeting active-duty military. The two companies were required to return about \$6.5 million to servicemembers for failing to properly disclose all the fees charged to participants in the companies' Military Installment Loans and Educational Services (MILES) auto loans program, and for misrepresenting the true cost and coverage of add-on products financed along with the auto loans.
- [Security National Automotive Acceptance Company – \\$2.28 million in consumer relief for illegal debt collection tactics](#): The CFPB filed an administrative order against Security National Automotive Acceptance Company (SNAAC), an auto lender specializing in loans to servicemembers, for engaging in illegal debt collection practices. The order requires the company to refund or credit about \$2.28 million to servicemembers and other consumers who were allegedly harmed, and pay a penalty of \$1 million. A separate court order bans SNAAC from using aggressive tactics, such as exaggeration, deception, and threats to contact commanding officers, to coerce servicemembers into making payments.
- [DriveTime – "Buy-here, pay-here" auto dealer fined for harming consumers with debt collection tactics and credit report errors](#): The CFPB ordered Arizona-based car dealer, DriveTime, to pay an \$8 million civil penalty for making harassing debt collection calls, and provided inaccurate credit information on their customers to credit reporting agencies. In addition to the civil penalty, the CFPB ordered DriveTime to immediately halt their unfair debt collection practices and fix its credit reporting system.
- [First Investors Financial Services Group Inc. – Auto finance company fined for distorting credit records](#): The CFPB ordered First Investors Financial Services Group Inc., a Texas based auto finance company that primarily lends to subprime borrowers, to pay a \$2.75 million civil penalty for distorting consumer credit records. The company knowingly provided inaccurate information to credit reporting agencies for years.

## Checking Accounts

*The CFPB has taken action against financial institutions illegally charging overdraft fees to consumers and deceptively marketing "free" checking accounts.*

- [Citizens Bank – \\$11 million consumer refund for failing to credit full deposit amounts](#): The CFPB, in coordination with the FDIC and OCC, ordered Citizens Bank to provide \$11 million in refunds to consumers and pay a \$7.5 million penalty for the violations for failing to credit consumers the full amounts of their deposited funds. The bank kept money from some deposit discrepancies when receipts did not match actual funds deposited.

- [M&T Bank – \\$2.9 million consumer refund for deceptively advertising free checking accounts](#): The CFPB ordered M&T Bank to refund \$2.9 million to approximately 59,000 consumers who were lured into opening “free” checking accounts without disclosure of key eligibility requirements. When consumers failed to meet these requirements, M&T automatically switched consumers to checking accounts with fees. In addition to the refunds to consumers, M&T was ordered to pay a \$200,000 civil money penalty to the CFPB.
- [Regions Bank – Bank fined for unlawful overdraft practices](#): The CFPB ordered Regions Bank to fully refund consumers who were charged overdraft even though they had not opted in to consent to such fees per existing regulations. The bank also charged overdraft and non-sufficient funds fees on its deposit advance product despite claims that it would not. Regions had already refunded hundreds of thousands of consumers approximately \$49 million in fees. Regions was also ordered to pay a \$7.5 million fine.

## Payday and Installment Lending

*The CFPB has taken action against payday lenders and installment lenders for unlawful lending and collections practices.*

- [Rome Finance – \\$92 million in debt relief for predatory lending](#): The CFPB and 13 state attorneys general obtained approximately \$92 million in debt relief from Colfax Capital Corporation and Culver Capital, LLC, also collectively known as “Rome Finance,” for about 17,000 U.S. servicemembers and other consumers harmed by the company’s predatory lending scheme. The companies promised consumers no money down and instant financing, then masked expensive finance charges being levied on the servicemembers and other consumers.
- [Cash America – \\$14 million consumer refund for robo-signing](#): The CFPB ordered a payday lender, Cash America International, Inc., to refund 14,000 consumers \$14 million and pay a \$5 million civil penalty for robo-signing court documents related to debt collection lawsuits, illegally overcharging servicemembers and their families in violation of the Military Lending Act, and destroying records in advance of the Bureau’s examination.
- [EZCORP, Inc. – \\$7.5 million consumer refund for illegal debt collection tactics](#): The CFPB ordered EZCORP, Inc., a small-dollar lender, to refund \$7.5 million to approximately 93,000 consumers, pay \$3 million in penalties, and stop collection of remaining payday and installment loan debts owed by roughly 130,000 consumers for illegal debt collection practices. These practices related to visits to consumers at their homes and workplaces, empty threats of legal action, misrepresenting consumers’ rights, and exposing consumers to bank fees through multiple electronic withdrawal attempts on consumer accounts

- [ACE Cash Express – \\$5 million consumer refund for pressuring borrowers into debt traps:](#) The CFPB ordered ACE Cash Express, one of the largest payday lenders in the United States, to provide \$5 million in refunds and pay a \$5 million civil penalty for pushing payday borrowers into a cycle of debt. The CFPB found that ACE used illegal debt collection tactics – including harassment and false threats of lawsuits or criminal prosecution – to pressure overdue borrowers into taking out additional loans they could not afford.
- [Military Assistance Company - \\$3.1 million in relief to servicemembers charged undisclosed fees:](#) The CFPB ordered military allotment processor Fort Knox National Company and its subsidiary, Military Assistance Company, to pay about \$3.1 million in relief to harmed servicemembers for charging servicemembers millions of dollars in undisclosed fees.
- [S/W Tax Loans, Inc. – \\$438,000 consumer redress and tax-refund scheme halted:](#) The CFPB, together with the Navajo Nation, obtained an order from a federal court against companies and individuals who operated an illegal tax-refund scheme that used tax-preparation franchises to steer low-income consumers, including many citizens of the Navajo nation, toward high-cost tax-refund-anticipation loans. The defendants were required to pay roughly \$438,000 in total consumer redress and \$438,000 in civil penalties.
- [The Hydra Group – Online payday lender sued for illegally depositing loans and withdrawing fees:](#) The CFPB obtained a federal court order to halt the operations of an online payday lender, the Hydra Group, which the Bureau alleged is running an illegal cash grab scheme. The CFPB alleged that Hydra Group used information bought from online lead generators to access consumers’ checking accounts to illegally deposit payday loans and withdraw fees without consent. In addition to seeking to halt the Hydra Group’s unlawful actions, the CFPB seeks to refund harmed consumers and levy a fine on the company. The lawsuit is currently pending.
- [T3Leads – Lead aggregator sued for failing to properly vet buyers and sellers:](#) The CFPB filed complaints in federal court against two co-founders of a company that resold loan applications containing sensitive personal data to lenders and data brokers without assessing the sources of those leads or the purchasers they sold to. The CFPB alleged that Dmitry Fomichev and Davit Gasparyan (also known as David Gasparyan) co-founded and operated T3Leads, a lead aggregator that bought and sold payday and installment loan applications without properly vetting buyers and sellers. [The CFPB filed a separate lawsuit](#)



[against T3Leads and two other individuals in December 2015.](#) The lawsuits are currently pending.

- [All American Check Cashing, Inc. – Payday loan company sued for hiding fees and pressuring borrowers into multiple loans:](#) The CFPB filed a complaint in federal court against All American Check Cashing, Inc., which offers check cashing and payday loans, and its owner, for allegedly tricking and trapping consumers. The CFPB alleged that All American tried to keep consumers from learning how much they would be charged to cash a check and used deceptive tactics to stop consumers from backing out of transactions. The CFPB also alleged that All American made deceptive statements about the benefits of its high-cost payday loans and also failed to provide refunds after consumers made overpayments on their loans. The CFPB’s lawsuit seeks to end All American’s unlawful practices, obtain redress for consumers, and impose penalties.

## Debt Collection

*The CFPB has taken action to address illegal debt collection practices.*

- [Encore Capital Group and Portfolio Recovery Associates – \\$61 million consumer refund for using deceptive tactics to collect bad debts:](#) The CFPB took ordered the nation’s two largest debt buyers, Encore Capital Group and Portfolio Recovery Associates, to pay \$42 million in consumer refunds, pay a \$10 million penalty, and to stop collecting on over \$125 million worth of debts; and to pay \$19 million in consumer refunds, pay an \$8 million penalty, and stop collecting on over \$3 million worth of debts; respectively; for using deceptive tactics to collect bad debts. The Bureau found that Encore Capital Group and Portfolio Recovery Associates bought debts that were potentially inaccurate, lacking documentation, or unenforceable. Without verifying the debt, the companies collected payments by pressuring consumers with false statements and churning out lawsuits using robo-signed court documents.
- [Westlake Services, LLC and Wilshire Consumer Credit – \\$44.1 million in consumer relief for illegal debt collection tactics:](#) The CFPB ordered an indirect auto finance company and its auto title lending subsidiary to overhaul their debt collection practices and to provide consumers \$44.1 million in cash relief and balance reductions, and pay a civil penalty of \$4.25 million for using illegal debt collection tactics. The companies deceived consumers by calling under false pretenses and using phony caller ID information, falsely threatened to refer borrowers for investigation or criminal prosecution, and illegally disclosed information about debts to borrowers’ employers, friends, and family.
- [Syndicated Office Systems – \\$5.4 million in consumer relief for illegal debt collection and credit reporting practices:](#) The CFPB ordered medical debt collector Syndicated Office



Systems, LLC to provide over \$5.4 million in relief to harmed consumers, correct its business practices, and pay a \$500,000 penalty for mishandling consumer credit reporting disputes and preventing consumers from exercising important debt collection rights. These practices potentially affected the credit scores of thousands of individuals and caused consumers distress and confusion.

- [Freedom Stores – \\$2.5 million in consumer relief for illegal debt collection practices against servicemembers](#): The CFPB and the Attorneys General of North Carolina and Virginia ordered a retailer and debt collectors to pay over \$2.5 million in consumer redress and a \$100,000 civil penalty for unlawful debt collection practices including illegal lawsuits, debiting consumers' accounts without authorization, and contacting servicemembers' commanding officers.
- [Frederick J. Hanna & Associates – Debt collection lawsuit mill fined for illegal and deceptive tactics](#): The CFPB sued a Georgia-based firm, Frederick J. Hanna & Associates, and its three principal partners for operating a debt collection lawsuit mill that used illegal tactics to intimidate consumers into paying debts they may not have owed. The Bureau alleged that the Hanna firm churned out hundreds of thousands of lawsuits that frequently relied on deceptive court filings and faulty or unsubstantiated evidence. The firm settled with the CFPB and will pay a \$3.1 million fine.
- [Pressler & Pressler, LLP and New Century Financial Services – Law firm and debt buyer barred from churning out illegal collections lawsuits](#): The CFPB ordered the debt collection law firm Pressler & Pressler, LLP, two principal partners, and New Century Financial Services, Inc., a debt buyer, to stop churning out unfair and deceptive debt collection lawsuits based on flimsy or nonexistent evidence. The consent orders bar the companies and individuals from illegal practices that can deceive or intimidate consumers, such as filing lawsuits without determining if debts in question are valid. The orders also require the firm and the named partners to pay \$1 million, and New Century to pay \$1.5 million, to the Bureau's Civil Penalty Fund.

## Student Lending

*The CFPB has taken action to address predatory practices in student lending.*

- [ITT Educational Services – For-profit college sued for predatory student lending](#): The CFPB sued ITT Educational Services, Inc., alleging that ITT exploited its students and pushed them into high-cost private student loans that were likely to default. The complaint seeks restitution for victims, a civil penalty, and an injunction against ITT. The lawsuit is currently pending.

- [Corinthian Colleges – For-profit college sued for predatory lending scheme:](#) The CFPB sued Corinthian Colleges, Inc. for illegally luring tens of thousands of students into taking out expensive loans to cover tuition costs by advertising bogus job prospects and career services. The federal court entered a final judgment against Corinthian and ordered that the company is liable for more than \$530 million and prohibited from engaging in future misconduct.
- [ECMC Group – \\$480 million in consumer relief for current and former Corinthian College students:](#) The CFPB, together with the Department of Education, negotiated more than \$480 million in forgiveness for borrowers who took out private student loans from Corinthian Colleges, one of the nation’s largest for-profit schools. ECMC Group, the new owner of a number of Corinthian schools, also agreed not to operate a private student loan program for seven years and agreed to a series of new consumer protections.
- [Discover Bank – \\$16 million consumer refund for illegal private student loan servicing practices:](#) The CFPB ordered Discover Bank to pay \$16 million in refunds to consumers and a \$2.5 million civil penalty for overstating the minimum amounts due on billing statements and denying consumers information they needed to obtain federal income tax benefits. The company also engaged in illegal debt collection tactics, including calling consumers early in the morning and late at night.
- [Student Financial Aid Services, Inc. – Company offering fee-based FAFSA assistance sued for illegal recurring billing scheme:](#) The CFPB filed a proposed order against Student Financial Aid Services, Inc. that would halt its illegal practices and require the company to pay \$5.2 million for illegal sales and billing practices. The Bureau alleged that the company, which until recently operated FAFSA.com, lured in consumers with misleading information about the total cost of its subscription financial services and hit them with undisclosed and unauthorized automatic recurring charges.

## Debt Relief Services

*The CFPB has taken action against firms illegally taking advantage of consumers struggling with debt and those helping other companies collect illegal fees from consumers.*

- [Global Client Solutions – \\$6 million in consumer relief for ordering illegal upfront fees:](#) The CFPB ordered Global Client Solutions, a debt settlement payment processor, to provide \$6 million in relief to consumers and pay a \$1 million civil penalty for allegedly helping other companies to collect tens of millions of dollars in illegal upfront fees from consumers.
- [Meracord, LLC – Debt-settlement payment processor fined and barred from the industry:](#) The CFPB obtained a consent order from a federal district court requiring debt settlement

payment processor Meracord LLC and its CEO and owner, Linda Remsberg, to pay a civil penalty of approximately \$1.38 million for helping other companies collect millions of dollars in illegal upfront fees from consumers. Meracord and Remsberg are also subject to a lifetime ban from processing payments for debt settlement and mortgage settlement companies.

- [Morgan Drexen – Debt-settlement company sued for taking advantage of struggling consumers:](#) The CFPB took action against Morgan Drexen, Inc. and its president and CEO, Walter Ledda, for charging illegal upfront fees and deceiving consumers. A CFPB investigation revealed that consumers enrolled in the company’s debt-relief programs were charged millions of dollars in illegal fees. A consent order required Ledda to permanently cease providing supposed “debt relief” services and to pay \$500,000 in consumer relief. The court found that Morgan Drexen violated federal law, and ordered it to pay \$132 million in restitution and a \$40 million civil penalty. The court also found that Morgan Drexen had falsified evidence “willfully and in bad faith.”
- [World Law Group – Company operating a debt-relief scheme sued for charging illegal fees and making false promises in debt-relief scheme:](#) The CFPB obtained a preliminary injunction against World Law Group and its senior leaders for running a debt-relief scheme that charged consumers exorbitant, illegal upfront fees. The Bureau also alleges the debt-relief scheme falsely promised consumers local attorneys and legal representation to settle consumers’ debts. Defendants had been engaged in protracted litigation with no less than four State Attorneys General offices over the same conduct, yet had continued their operations using the same unlawful practices. World Law is alleged to have taken over \$67 million from at least 21,000 consumers before providing any debt relief services. The Bureau obtained an order in U.S. District Court that halts World Law’s operations and freezes defendants’ assets while the case is pending.

## Consumer Reporting

*The CFPB has taken action against companies found to have harmed consumers by reporting inaccurate information.*

- [General Information Services and e-Background-checks.com – \\$10.5 million in consumer relief for serious inaccuracies:](#) The CFPB ordered two of the largest employment background screening report providers to correct their practices, provide \$10.5 million in relief to harmed consumers, and pay a \$2.5 million civil penalty for failing to take basic steps to assure the information reported about job applicants was accurate. The serious inaccuracies reported by General Information Services and its affiliate, e-Background-checks.com, Inc. (BGC), potentially affected consumers’ eligibility for employment and caused reputational harm.

## Wireless Cramming

*The CFPB has taken action against wireless companies found to have illegally crammed third party charges onto consumer's accounts without notification.*

- [Sprint Corporation and Verizon Wireless – \\$120 million consumer refund for billing customers illegal third-party charges](#): The CFPB filed proposed orders against Sprint Corporation and Verizon Wireless for illegally billing wireless consumers tens of millions of dollars in unauthorized third-party charges, taking action in coordination with state attorneys general and the Federal Communications Commission. The CFPB's complaint alleges that Sprint operated a billing system that allowed third parties to "cram" unauthorized charges on customers' mobile-phone accounts and ignored customer complaints about the charges. The orders require Sprint and Verizon to pay \$120 million in consumer refunds and \$38 million in federal and state fines.

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*The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by making rules more effective, by consistently and fairly enforcing those rules, and by empowering consumers to take more control over their economic lives. For more information, visit [www.consumerfinance.gov](http://www.consumerfinance.gov).*