

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING

File No. 2017-CFPB-0005

In the Matter of:

CitiMortgage, Inc.

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the mortgage servicing practices of CitiMortgage, Inc. (Respondent, as defined below) and has identified the following law violations: Respondent informed borrowers seeking loss mitigation that they were required to submit a substantial number of documents in order to complete their application, many of which were not applicable to borrowers' specific financial circumstances and were not required to complete their loss mitigation application, in violation of the Real Estate Settlement Procedures Act (RESPA), 12 U.S.C. § 2601 *et seq.*, Section 1024.41(b) of its implementing Regulation X, 12 C.F.R. Part 1024, and Sections 1031(a) and 1036(a)(1) of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a), 5536(a)(1). In some cases, Respondent requested that borrowers submit documents for their loss mitigation applications that borrowers had previously submitted, also in violation of Regulation X and the CFPA. 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 Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, and RESPA, 12 U.S.C. § 2601 *et seq.*, and its implementing Regulation X, 12 C.F.R. Part 1024.

II
Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated January [], 2017 (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, except that Respondent admits the facts necessary to establish 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. “Affected Consumers” includes borrowers who were sent a Notice of Incomplete Information (NOII) letter by Respondent between January 10, 2014, and December 4, 2014, after providing little or no income or hardship information along with their initial loss mitigation application, with the exception of borrowers who:
 - i. were current at the time they received CMI’s non-compliant (b)(2) notice, who never submitted a document in response to CMI’s non-

- compliant (b)(2) notice, and who have remained current on their mortgage up to the Effective Date of the Consent Order; AND/OR
- ii. were current at the time they received CMI's non-compliant (b)(2) notice, who never submitted a document in response to CMI's non-compliant (b)(2) notice, and who never subsequently submitted another loss mitigation application up to the Effective Date of the Consent Order; AND/OR
 - iii. submitted a complete loss mitigation application after January 10, 2014, for which a decision was provided after January 10, 2014, and who subsequently submitted another loss mitigation application, and was sent CMI's non-compliant (b)(2) notice.
- b. "Board" means Respondent's duly-elected and acting Board of Directors.
 - c. "Effective Date" means the date on which the Consent Order is issued.
 - d. "Loss mitigation application" means an oral or written request for a loss mitigation option that is accompanied by any information required by a servicer for evaluation for a loss mitigation option. 12 C.F.R. § 1024.31.
 - e. "Loss mitigation option" means an alternative to foreclosure offered by the owner or assignee of a mortgage loan that is made available through the servicer to the borrower, including a short-sale or a deed-in-lieu of foreclosure. 12 C.F.R. § 1024.31; 12 C.F.R. Pt. 1024, Supp. I, comment 31 (Loss mitigation option)-1.
 - f. "NOII letter" means the Notice of Incomplete Information letter that Respondent sent pursuant to 12 C.F.R. § 1024.41(b)(2)(i)(B) to Affected Consumers.

- g. “Regional Director” means the Regional Director for the Northeast Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegate.
- h. “Related Consumer Action” means a private action 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.
- i. “Relevant Period” includes the period from January 10, 2014, to December 4, 2014.
- j. “Respondent” means CitiMortgage, Inc., and its successors and assigns.

IV

Bureau Findings and Conclusions

The Bureau finds the following:

- 4. Respondent is incorporated in New York, headquartered in O’Fallon, Missouri, and is a subsidiary of Citibank, N.A. Respondent is a “covered person,” as that term is defined by 12 U.S.C. § 5481(6). Respondent is also a “service provider,” as that term is defined by 12 U.S.C. § 5481(26), and a “servicer” under Regulation X, 12 C.F.R. § 1024.2(b).
- 5. During the Relevant Period, Respondent serviced residential mortgage loans on behalf of Citibank, N.A., government-sponsored entities, and various investors, including by handling loss mitigation activities and initiating foreclosure proceedings.

Findings and Conclusions as to Respondent's NOII Letter

6. When Respondent received an incomplete loss mitigation application 45 days or more before a scheduled foreclosure sale, Respondent's practice was to send borrowers a notice advising them of the additional documents and information necessary to complete their loss mitigation applications.

7. During the Relevant Period, Respondent sent approximately 41,000 NOII letters to Affected Consumers.

8. The NOII letters Respondent sent to Affected Consumers requested all documents that could potentially be relevant to loss mitigation applications generally.

9. For a portion of the Relevant Period, from January 10, 2014, through August 19, 2014, the first page of Respondent's NOII letter sent to Affected Consumers included the following directive in bold, capitalized text: **"WE MUST HAVE THE DOCUMENTS LISTED BELOW TO PROCESS YOUR LOSS MITIGATION APPLICATION."** The NOII letter Respondent sent to Affected Consumers then listed dozens of documents and forms that may or may not have been applicable to a borrower's loss mitigation application.

10. The NOII letters Respondent sent to Affected Consumers did not specify which of the listed documents were actually necessary for a particular borrower to submit in order to complete his or her loss mitigation application. Respondent did not, in fact, need the Affected Consumers to submit all of the documents listed in the NOII letter in order to complete their loss mitigation application.

11. For example, the NOII letter Respondent sent to Affected Consumers requested, among other things, the following documents: "Form 1065 (Partnership Tax Return) with all schedules"; "Form 1120S (S-Corporation Tax Return) with all

schedules”; “Social Security Award Letter”; “Trust Agreement”; “Broker’s Statements at Year-End”; “Teacher contract”; “Pension Statement”; and a “Most current year of Real estate tax bill for Rental.”

12. Near the end of the NOII letter Respondent sent to some Affected Consumers, Respondent included the following statement in bolded text: **“Remember, you must provide the necessary documentation to complete your application.”**

13. In some cases, the NOII letter Respondent sent to Affected Consumers also requested documents that borrowers had already submitted.

14. In certain circumstances, Respondent’s representatives communicated with Affected Consumers via phone or email to inform them of the actual documents the borrowers needed to submit to complete their loss mitigation applications. However, Respondent also sent some of these same borrowers an additional letter requesting a large numbers of documents inapplicable to their circumstances, or documents that the borrowers had already submitted.

15. Some Affected Consumers also received conflicting messages from Respondent’s representatives regarding the documents that they needed to submit to complete their loss mitigation applications, including that they had to submit documents previously submitted. Affected Consumers also complained about the lack of communication by Respondent’s representatives, and the assignment of multiple representatives during the loss mitigation application process.

Violation of RESPA and Regulation X

16. When a servicer receives an incomplete loss mitigation application 45 days or more before a scheduled foreclosure sale, Section 1024.41(b)(2)(i)(B) of Regulation X

requires the servicer, within five days of receiving the application, to provide a written notice “stat[ing] the additional documents and information the borrower must submit” to complete his or her loss mitigation application. 12 C.F.R. § 1024.41(b)(2)(i)(B).

17. As described in Paragraphs 6–14, the NOII letter Respondent sent to Affected Consumers did not state which documents and information those borrowers actually needed to submit to complete their loss mitigation applications. In some cases, the NOII letter Respondent sent to Affected Consumers requested documents that the borrowers had previously submitted.

18. Therefore, Respondent violated RESPA, 12 U.S.C. § 2601 *et seq.*, and Section 1024.41(b)(2)(i)(B) of its implementing Regulation X.

Violation of the CFPA

19. Sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a)(1)(B) prohibit “unfair, deceptive, or abusive” acts or practices. 12 U.S.C. § 5536(a)(1)(B).

20. As described in Paragraphs 6-14, in connection with servicing residential mortgage loans, Respondent has represented, expressly or impliedly, that borrowers must submit all the documents listed in the NOII letter in order to complete their loss mitigation application and for Respondent to process that loss mitigation application.

21. In fact, Respondent actually needed a much smaller universe of documents to process borrowers’ loss mitigation applications and borrowers did not have to submit all of the documents listed in the NOII letter to complete their loss mitigation application. In some cases, Respondent also represented in its NOII letter that borrowers needed to submit documents that they had already provided.

22. Therefore, Respondent engaged in deceptive acts or practices in violation of Sections 1031(a) and 1036(a)(1) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1).

V

Conduct Provisions

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

23. 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 Section 1024.41(b)(2)(i)(B) of Regulation X, 12 C.F.R. § 1024.41(b)(2)(i)(B), and Sections 1031(a) and 1036(a)(1) of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1), as follows and must take the following affirmative actions:

- a. When Respondent does not possess information or documentation from borrowers who have submitted a loss mitigation application sufficient to know what specific information or documentation is necessary to complete a loss mitigation application, Respondent must send notices of incomplete loss mitigation applications that comply with 12 C.F.R. § 1024.41(b)(2)(i)(B) by:
 - i. Explaining in plain language the purpose of any enclosed form that a borrower must complete in connection with his or her application, including a description of any documentation the form requires the borrower to submit; and
 - ii. Enclosing any form that a borrower must complete with his or her application.
- b. When Respondent possesses more extensive information or documentation from borrowers who have submitted a loss mitigation application sufficient to

inform the borrower of what specific information or documentation is necessary to complete a loss mitigation application, Respondent must send notices of incomplete loss mitigation applications that comply with 12 C.F.R. § 1024.41(b)(2)(i)(B) by:

- i. Clearly identifying any required documents that have not been submitted by the borrower;
 - ii. Explaining in plain language the purpose of any enclosed form that a borrower must complete in connection with his or her application, including a description of any documentation the form requires the borrower to submit;
 - iii. To the extent certain applicable income and financial documents are valid for a limited period of time, clearly identifying the length of time for which those specified documents are valid; and
 - iv. Enclosing any form that a borrower must complete with his or her application.
- c. 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 servicing residential home mortgages, may not misrepresent, or assist others in misrepresenting:
- i. The documents and information borrowers are actually required to submit to complete their loss mitigation application;
 - ii. The documents and information Respondent must have to process a borrower's loss mitigation application; or

- iii. That borrowers must submit documents to complete their loss mitigation application when the borrower has already submitted a current version of those documents.

24. For Affected Consumers who did not receive a decision on their loss mitigation application, Respondent must take the following affirmative actions:

- a. Place a hold on all foreclosure-related activity for the accounts of all Affected Consumers who are included in the outreach and review described in subsections (b) and (c) below;
- b. Make at least 4 attempts (using at least one attempt by first-class mail) to contact each Affected Consumer whose mortgage loan is still active, whose servicing rights are owned by Respondent, and who Respondent was servicing as of January 13, 2017, to determine his or her continued interest in loss mitigation options; and
- c. Review and evaluate loss mitigation applications submitted by Affected Consumers as a result of this outreach within 15 days of receipt of a complete loss mitigation application.

VI

Compliance Plan

IT IS FURTHER ORDERED that:

25. Within 60 days of the Effective Date, Respondent must submit to the Regional Director for review and determination of non-objection a comprehensive compliance plan designed to ensure that Respondent's practice of notifying borrowers who submit an incomplete loss mitigation application of the additional documents and

information necessary to complete their application complies with all applicable Federal consumer financial laws and the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum:

- a. Detailed steps for addressing each action required by this Consent Order;
- b. Templates of all notices that Respondent currently sends to borrowers who have submitted an incomplete loss mitigation application;
- c. Templates of all new or revised notices Respondent seeks to send to borrowers to comply with the terms of this Consent Order; and
- d. Specific timeframes and deadlines for the implementation of the steps described above.

26. The Regional Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Compliance Plan, the Respondent must make the revisions and resubmit the Compliance Plan to Regional Director within 30 days.

27. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

28. If Respondent materially revises its notices to borrowers who submit an incomplete loss mitigation application within 5 years of the Regional Director's determination of non-objection to the Compliance Plan, Respondent must submit its revised notices to the Regional Director for review and non-objection.

VII

Role of the Board

IT IS FURTHER ORDERED that:

29. The Board, or a relevant Committee thereof, must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.

30. Although this Consent Order requires the 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.

31. In each instance that this Consent Order requires the Board to ensure adherence to, or perform certain obligations of Respondent, the Board, or a relevant Committee thereof, 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 any failures to comply with Board directives related to this Section.

VIII

Order to Pay Redress

IT IS FURTHER ORDERED that:

32. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account \$17 million for the purpose of providing redress to Affected Consumers as required by this Section.

33. Within 90 days of the Effective Date, Respondent must submit to the Regional Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Regional Director will have the discretion to make a determination of non-objection to the Redress Plan or direct Respondent to revise it. If the Regional Director directs Respondent to revise the Redress Plan, Respondent must make the revisions and resubmit the Redress Plan to the Regional Director within 30 days. After receiving notification that the Regional Director has made a determination of non-objection to the Redress Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

34. The Redress Plan must apply to all Affected Consumers and:

- a. Specify how Respondent will identify all Affected Consumers;
- b. Provide processes for providing redress covering all Affected Consumers;
- c. Include a description of the following:
 - i. Methods used to compile a list of potential Affected Consumers;
 - ii. Methods used to calculate the amount of redress to be paid to each Affected Consumer;

iii. Procedures for issuance and tracking of redress to Affected Consumers; and

iv. Procedures for monitoring compliance with the Redress Plan.

35. The Redress Plan must, at a minimum, require Respondent to provide \$400 in redress to each Affected Consumer.

36. The Redress Plan must describe the process for providing redress for Affected Consumers, and must include the following requirements:

- a. Respondent must mail a bank check to each Affected Consumer along with a Redress Notification Letter (as defined below);
- b. Respondent must send the bank check by United States Postal Service first-class mail, address correction service requested, to the Affected Consumer's last known address as maintained by the Respondent's records;
- c. Respondent must make reasonable attempts to obtain a current address for any Affected Consumer whose Redress Notification Letter and/or redress check is returned for any reason, using the National Change of Address System, and must promptly re-mail all returned letters and/or redress checks to current addresses, if any; and
- d. Processes for handling any unclaimed funds.

37. With respect to redress paid to Affected Consumers, the Redress Plan must include:

- a. The form of the letter ("Redress Notification Letter") to be sent notifying Affected Consumers of the redress; and
- b. The form of the envelope that will contain the Redress Notification Letter. The letter must include language explaining the manner in which the amount of

redress was calculated; and a statement that the provision of the refund payment is in accordance with the terms of this Consent Order.

- c. Respondent must not include in any envelope containing a “Redress Notification Letter” any materials other than the approved letters and redress checks, unless Respondent has obtained written confirmation from the Regional Director that the Bureau does not object to the inclusion of such additional materials.

38. Within 90 days from completion of the Redress Plan, Respondent must submit a Redress Plan Report to the Regional Director, which must include Respondent’s Internal Audit department’s review and assessment of Respondent’s compliance with the terms of the Redress Plan, including:

- a. The methodology used to determine the population of Affected Consumers;
- b. The Redress Amount for each Affected Consumer;
- c. The total number of Affected Consumers;
- d. The procedures used to issue and track redress payments;
- e. The amount, status, and planned disposition of all unclaimed redress payments; and
- f. The work of independent consultants that Respondent has used, if any, to assist and review its execution of the Redress Plan.

39. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than \$17 million within 30 days of the completion of the Redress Plan, Respondent must pay to the Bureau, by wire transfer to the Bureau or to the Bureau’s agent, and according to the Bureau’s wiring instructions, the difference between the amount of redress provided to Affected Consumers and \$17 million.

40. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. If the Bureau determines, in its sole discretion, that additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress is completed, the Bureau will deposit any remaining funds 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 Section.

41. Respondent may not condition the payment of any redress to any Affected Consumer under this Consent Order on that Affected Consumer waiving any right.

IX

Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

42. 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 \$3 million to the Bureau.

43. 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.

44. 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).

45. 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.

46. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action (Penalty Offset). If the court in any Related Consumer Action grants such a Penalty Offset, Respondent must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

X

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

47. 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.

48. 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.

49. 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.

50. 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.

XI

Reporting Requirements

IT IS FURTHER ORDERED that:

51. 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, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.

52. Within 120 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 or a relevant committee thereof, 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 XII, unless previously submitted to the Bureau.

XII

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that,

53. 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.

54. 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 XI, 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.

55. 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.

XIII

Recordkeeping

IT IS FURTHER ORDERED that

56. Respondent must create, or if already created, must retain 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 Plan, described in Section VIII above.
- c. For each Affected Consumer: the consumer's name, address, phone number, email address, and the date on which his or her loss mitigation application was submitted.

57. Respondent must retain the documents identified in Paragraph 56 for the duration of the Consent Order.

58. Respondent must make the documents identified in Paragraph 56 available to the Bureau upon the Bureau's request.

XIV

Notices

IT IS FURTHER ORDERED that:

59. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “*In re* CitiMortgage Inc., File No. 2017-CFPB-0005,” and send them either:

- a. By overnight courier (not the U.S. Postal Service), as follows:

Regional Director, Northeast Region
Consumer Financial Protection Bureau
140 East 45th Street, 4th Floor
New York, NY 10017

- b. By first-class mail to the below address and contemporaneously by email to Enforcement_Compliance@cfpb.gov:

Regional Director, Northeast Region
Consumer Financial Protection Bureau
140 East 45th Street, 4th Floor
New York, NY 10017

XV

Compliance Monitoring

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

60. Within 30 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.

61. For purposes of this Section, the Bureau may communicate directly with Respondent, unless Respondent retains counsel related to these communications.

62. 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.

63. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XVI

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

64. 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.

65. 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.

XVII

Administrative Provisions

66. 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 67.

67. 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.

68. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under Section 1053 of the CFPA, 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.

69. 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.

70. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.

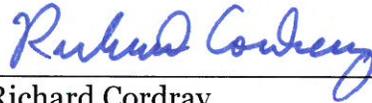
71. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with Paragraph 24 and Section VIII to the extent Respondent transfers or seeks to transfer its obligations under these provisions of this Consent Order.

72. 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 CFPA, 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.

73. 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.

74. 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 23rd day of January, 2017.



Richard Cordray

Director

Consumer Financial Protection Bureau