

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING

File No. 2017-CFPB-0016

In the Matter of:

American Express Centurion Bank and
American Express Bank, FSB

CONSENT ORDER

Through the course of its supervisory activity, the Consumer Financial Protection Bureau (Bureau) has reviewed the charge and credit card practices of American Express Centurion Bank (Respondent AECEB, as defined below) and American Express Bank, FSB (Respondent AEFSB as defined below) (collectively Respondents as defined below) and has identified the following law violations: Respondents violated the Equal Credit Opportunity Act (“ECOA”), 15 U.S.C. §§ 1691-1691f, and its implementing regulation, Regulation B, 12 C.F.R. pt. 1002. Specifically, through their now-legacy business organization, Respondents provided products and services to consumers in Puerto Rico, the U.S. Virgin Islands (collectively, “PRVI”), and the Pacific Territories, namely Guam, American Samoa, and Northern Mariana Islands, that were inferior in many respects to Respondents’ card products’ terms, conditions, servicing, and collections practices in the U.S. States from at least January 2005 to November 2015; and Respondents also did not provide consumers with Spanish language preferences certain collection offers available to those without Spanish language preferences from May 2012 to May 2014. The Bureau concluded such business policies and practices resulted in discrimination,

including against Puerto Rican, U.S. Virgin Islander, Guamanian, American Samoan, and Northern Mariana Islander applicants and prospective applicants for credit. Under Sections 1053 and 1055 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

Respondents self-identified and reported the above-mentioned policies and practices to the Bureau, discontinued them, and proactively worked with the Bureau in its remediation of disparities. Respondents voluntarily provided approximately \$95 million of remediation to approximately 222,000 consumers to address those practices cited in this Consent Order and implemented enhancements to its compliance management systems and kept the Bureau informed.

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 section 704 of the Equal Credit Opportunity Act, 15 U.S.C. § 1691c(a)(9).

II Stipulation

2. Respondents have executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated August 16, 2017 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondents have 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

Respondents admit the facts necessary to establish the Bureau's jurisdiction over Respondents and the subject matter of this action.

III Definitions

3. The following definitions apply to this Consent Order:
 - a. "Affected Consumers" means residents of Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands who applied for a credit or charge card issued by Respondents or were a credit or charge cardholder with Respondents at any time during the period from at least January 2005 to November 2015. The term also means consumers who indicated a preference to communicate in Spanish and who were in collections from Respondents from May 2012 to May 2014.
 - b. "Boards" means both of Respondents' duly elected and acting Board of Directors.
 - c. "Covered Consumers" means residents of Puerto Rico, U.S. Virgin Islands, Guam, American Samoa, and Northern Mariana Islands. The term also means consumers who indicate a preference to communicate in Spanish and are in collections from Respondents.
 - d. "Effective Date" means the date on which this Consent Order is issued.
 - e. "Fair Lending Director" means the Assistant Director of the Office of Fair Lending and Equal Opportunity for the Bureau, or his/her delegate.
 - f. "Non-objection" means written notification to Respondent(s) that there is not an objection to a proposal by Respondent(s) for a course of action. In

the event the Fair Lending Director objects to any proposed action by Respondent(s), the Fair Lending Director shall direct Respondent(s) to make revisions, and Respondent(s) shall make the revisions and resubmit the proposed action within fourteen (14) days. Upon notification to Respondent(s) of non-objection, Respondent(s) must implement the course of action within sixty (60) days unless otherwise specified. Respondents cannot make any changes to the course of action without obtaining written notification to Respondents that there is not an objection to Respondents' proposed change.

- g. "Pacific Territories" means Guam, American Samoa, and Northern Mariana Islands.
- h. "PRVI" means Puerto Rico and U.S. Virgin Islands.
- i. "U.S. States" means the fifty States and the District of Columbia.
- j. "Regional Director" means the Regional Director for the West Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his/her delegate.
- k. "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 Respondents based on substantially the same facts as described in paragraphs 22-48 of this Consent Order.
- l. "Relevant Period" means the period continuing from at least January 2005 to at least November 2015.
- m. "Respondent AECB" means American Express Centurion Bank, and its successors and assigns.

- n. “Respondent AEFBSB” means American Express Bank, FSB, and its successors and assigns.
- o. “Respondents” means both Respondent AECB and Respondent AEFBSB. “Respondent(s)” means either or both of Respondent AECB and/or Respondent AEFBSB.

IV

Bureau Findings and Conclusions

The Bureau finds the following:

Background

- 4. Respondents are both depository banks and subsidiaries of American Express Company, which is a multi-bank holding company and a global provider of credit and charge cards and travel services. American Express Company’s credit and charge card business is done through Respondents. A charge card must be paid off in full each month whereas a credit card is revolving and may be paid off over time.
- 5. As of December 31, 2016, Respondent AECB’s and Respondent AEFBSB’s total assets are approximately \$36.7 billion and \$49.3 billion, respectively.
- 6. Respondents have a decades-long history of offering credit to the PRVI market, a historically underserved credit market. Respondents offered residents of PRVI a suite of products that was distinct to the PRVI market.
- 7. On September 1, 2011, the Puerto Rico Secretary of the Department of Consumer Affairs (DACO) issued Administrative Order No. 2011-006, which cites longstanding discrimination against consumers in Puerto Rico by

companies that charge consumers in Puerto Rico higher prices and yet provide limited access to products and services as compared to consumers in the U.S. States. The Administrative Order requires all companies that sell goods and services in Puerto Rico to offer them with “similar conditions of access, sales, products, goods, service and delivery guarantees offered to citizens within the continental United States.”

8. In November 2011, the Puerto Rico Secretary of DACO issued an information request to American Express Company regarding the Administrative Order in response to a complaint and investigation that concluded that Puerto Rican customers were denied access to submit applications for a prepaid card product. On January 13, 2012, American Express Company representatives met with the DACO Secretary to discuss availability of products and services in Puerto Rico. The primary focus of the meeting was to discuss ways that American Express Company could offer U.S. States prepaid and co-branded card products in Puerto Rico.
9. In spring 2012, Respondents launched an internal initiative to align its PRVI card products with its U.S. States card products and address disparities. Respondents offered all consumer products available in the U.S. States to residents of PRVI by March 2013, and Respondents transitioned existing PRVI accounts to U.S. States card products in 2014 and continuing into 2015. Respondents also reviewed their practices with respect to consumers who indicate a Spanish-language preference.
10. During the course of the Bureau’s supervisory quarterly monitoring, beginning in 2013, Respondents reported to the Bureau self-identified disparities in

pricing and other terms and conditions, underwriting, customer and account management services, and collections practices between their PRVI cards and their U.S cards, as well as disparities with respect to consumers who indicate a Spanish-language preference.

11. Subsequently, the Bureau conducted a review of Respondents' treatment of the PRVI and the Pacific Territories cardholders and Spanish-preferred cardholders for compliance with ECOA and its implementing regulation, Regulation B, 12 C.F.R. pt. 1002.
12. During the internal initiative and continuing during the Bureau's review, Respondents discontinued their credit and charge card policies and practices that led to disparities and provided redress to Affected Consumers.

Overview

13. American Express Company, through its bank subsidiaries Respondent AECB and Respondent AEFSB, offers charge and credit cards to consumers in the United States, including Puerto Rico, U.S. Virgin Islands, and the Pacific Territories.
14. Respondent AECB and Respondent AEFSB are creditors within the meaning of ECOA, 15 U.S.C. § 1691a(e), and Regulation B, 12 C.F.R. § 1002.2(j).
15. From the time Respondents began issuing charge and credit cards in the PRVI market until August 1, 2014, American Express Company's international division, International Consumer and Small Business Services (International Division), managed and controlled Respondents' PRVI cards. In contrast, Respondents' U.S. Consumer Services (U.S. Division) managed and controlled

their cards in the U.S. States market. Respondents' U.S. Division is a wholly distinct group from the International Division.

16. By design, most of the charge and credit cards that Respondents issued to consumers in the PRVI market were PRVI cards. As of August 2013, 92% of Respondents' PRVI cardholders were located in Puerto Rico, 7% were located in the U.S. States, 1% were located in the U.S. Virgin Islands, and less than 1% were located in other countries. In addition, 88% of Respondents' 185,168 accounts in Puerto Rico were PRVI cards and 44% of Respondents' 5,751 accounts in the U.S. Virgin Islands were PRVI cards. In the Pacific Territories, Respondents issued U.S. States cards to all consumers; 100% of Respondents' 4,131 accounts in the Pacific Territories were U.S. cards.
17. According to the 2010 Census and the 2012 American Community Survey, Puerto Rico's population is 99.0% Hispanic or Latino origin. According to the 2010 Census, the U.S. Virgin Islands' population is 76% Black or African-American. According to the 2010 Census, Guam, Northern Mariana Islands and American Samoa are populated with majority Asian Pacific Islander racial and ethnic groups, consisting of 81% Asian Pacific Islander, 72% Asian Pacific Islander, and 91.6% Asian Pacific Islander, respectively. These concentrations, according to the U.S. Census data, far exceed the concentrations of the same racial and ethnic minorities in the United States (16.3% Hispanic, 12.6% African American, and 5.0% Asian, Native Hawaiian and/or other Pacific Islander). Respondents' application of specific different policies for U.S. States cardholders and similarly situated Affected Consumers resulted in discrimination which negatively impacted approximately 220,000 consumers

on the basis of national origin, and, as described in paragraphs 24 and 45, approximately 7,000 of the same consumers on the basis of race in the U.S.

Virgin Islands and Pacific Territories according to U.S. Census data indicating a high racial and ethnic minority composition in these territories.

18. Respondents managed their PRVI cards and U.S. States cards through different business units. Respondents offered the following four charge card and five credit card products in the PRVI market (“PRVI cards”): PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI Platinum Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Card, PRVI Delta SkyMiles Credit Card, PRVI Costco Credit Card, and PRVI Costco True Earnings Card. In comparison, Respondents offered approximately 45 charge and credit card products in the U.S. States market, which included the U.S. Virgin Islands and the Pacific Territories.
19. As a result of this now-legacy structure, during the Relevant Period, Respondents’ PRVI cards offered Affected Consumers in PRVI different, and often worse, pricing and other terms and conditions, underwriting, customer and account management services, and collections practices than their cards for U.S. States consumers. Respondents also gave consumers in the Pacific Territories and those who expressed a Spanish language preference and who were in collections from Respondents less favorable debt collection offers than offers they gave to U.S. States consumers without a Spanish language preference. These differences existed for at least the Relevant Period and negatively impacted 221,932 Affected Consumers.

20. Respondents' application of specific differential policies for U.S. States cardholders and similarly situated Affected Consumers constitutes a pattern or practice of discrimination against borrowers with respect to credit transactions in violation of ECOA, 15 U.S.C. § 1691(a)(1). Respondents' policies are not justified by a legitimate business need.
21. As a result of Respondents' policies, harmed Affected Consumers have suffered substantial injury, including direct and indirect damages. They are victims of Respondents' discriminatory policies and aggrieved persons under ECOA, 15 U.S.C. § 1691e.

Pricing, Rebate, and Promotional Differences

22. During the Relevant Period, certain Respondent AECB PRVI cards had higher fees and interest rates, and lower rebates than its comparable U.S. States cards. The PRVI Platinum Credit Card had at least a \$45 annual fee and higher average annual percentage rates (APRs) than its most comparable U.S. States card product, which had no annual fee. Similarly, the PRVI American Express Credit Card had higher APRs than its most comparable U.S. States card product; and the PRVI Costco Credit Card had higher average fees, higher default APRs, and a lower rebate than its most comparable U.S. States card product. During the Relevant Period, Respondent's disparate pricing practices negatively impacted 135,931 PRVI consumers.
23. From at least January 2005 and continuing to March 2013, certain of Respondents' PRVI cards had promotional offers such as introductory 0% APR offers, 0% APR on balance transfers, or first-year free offers that waived the

annual fee that were not as widely available or favorable as those offers that were available for their comparable U.S. States card products. For example, 67% of PRVI American Express Credit Card and PRVI Platinum Credit Card pricing offers did not have a 0% introductory APR offer and only 29% had a 0% introductory APR for twelve months; whereas 90% of the comparable U.S. States card products had twelve-month 0% APR or better. During the Relevant Period, Respondents' practices negatively impacted 57,956 PRVI consumers.

24. Similarly, for some residents of the PRVI and Pacific Territories who acquired U.S. States cards (both consumer and small business), Respondents gave promotional pricing offers of lesser value than promotional offers given to U.S. States residents. During the Relevant Period, this practice negatively impacted 25,516 consumers, including 2,327 Virgin Islands consumers and 2,525 Pacific Territory consumers.

Underwriting and Line Assignment Differences

25. Respondents' PRVI cards often applied more stringent credit score cutoffs than their comparable U.S. States cards both with respect to FICO scores and Respondents' proprietary credit score, while at the same time it did not apply more stringent credit score cutoffs to other geographic areas, including areas within the U.S. States. These differences were established at the geographic and product level and were not based on the individual creditworthiness of card applicants. As a result, beginning January 2009 and continuing to March 2013, Respondents declined certain PRVI applicants for PRVI cards when Respondents would have approved them had they resided in the U.S. States

and applied for comparable U.S. States cards. During the Relevant Period, Respondents' practices negatively impacted 3,452 PRVI consumers.

26. Between February 2010 and continuing to February 2013, Respondents gave lower initial credit line assignments to consumers who applied for Respondents' PRVI Platinum Credit Card, PRVI American Express Credit Card, and PRVI Costco Credit Card than consumers who applied for Respondents' comparable U.S. States cards. Respondents labeled new applicants from PRVI "prospects" and assigned them lower initial credit lines; whereas Respondents labeled U.S. States applicants "customers" and assigned them higher initial lines that were typically offered to existing customers. Respondents' practices negatively impacted 8,608 PRVI consumers.
27. From at least January 2005 through June 2013, Respondent AEFBSB offered a suite of small business credit and charge products ("AmEx Open") that was unavailable to residents of Puerto Rico. Specifically, Respondent employed new account policies that declined any Puerto Rico resident who applied for a U.S. States product (both consumer and small business) due to their residency in Puerto Rico. Respondent's practices negatively impacted 23,470 Puerto Rican consumer and small business applicants.

Customer Service and Account Management

28. From before January 2009 and continuing to August 2014, Respondent AECSB imposed certain adverse credit actions that it called Responsible Lending Actions ("RLA"), such as line reductions, spending limits on charge card accounts, and credit limits on credit card accounts, on certain PRVI

cardholders that it did not impose on comparable U.S. States cardholders. Specifically, for the PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, and PRVI Platinum Credit Card, cardholders who were missing FICO scores or were viewed as “high risk” were subject to these RLA; in contrast, similarly situated cardholders of comparable U.S. States cards were not subject to these specific RLA. Respondent AECB’s RLA resulted in more restrictive spending and credit limits on PRVI cardholders than similarly situated U.S. States cardholders, and negatively impacted 13,362 PRVI consumers.

29. Respondent AECB had a program that permitted cardholders to appeal RLA within one year of the action. From January 2009 and continuing to August 2014, Respondent AECB did not permit cardholders of the PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, and PRVI Platinum Credit Card to appeal RLA. In contrast, Respondent AECB did permit such appeals for similarly situated U.S. States cardholders. Respondent AECB’s practice negatively impacted 3,358 PRVI consumers.
30. Respondent AECB generally allowed cardholders to request a card reinstatement, which would reinstate their lending and charge card accounts within ninety days of their card cancellation. Respondent AECB evaluated reinstatement requests based on certain risk-based criteria. From at least January 2005 continuing to August 2014, Respondent AECB did not permit card reinstatement requests for cardholders of the PRVI American Express Credit Card and PRVI Platinum Credit Card whose accounts were cancelled due

to default. In contrast, Respondent AECB did permit card reinstatement requests for comparable U.S. States cardholders whose accounts were cancelled for the same reasons, and Respondent AECB evaluated such requests on certain risk-based criteria. Similarly, from January 2009 continuing to August 2014, Respondent AECB had a policy of automatically declining reinstatement requests based on historical delinquency for cardholders of the PRVI Green Charge Card, PRVI Gold Charge Card, and PRVI Rewards Gold Charge Card. In contrast, Respondent AECB did not automatically decline reinstatement requests of comparable U.S. States charge cardholders for the same reason. Respondent AECB's practices negatively impacted 1,875 PRVI consumers.

31. From at least January 2009 continuing to July 2014, Respondent AECB had in place certain point-of-sale approval rules that allowed certain transactions even though they may be over the pre-set limit, to be completed. Although Respondent AECB applied these rules to its U.S. States cards, it did not apply them to cardholders of its PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, and PRVI Platinum Credit Card. Respondent AECB's policy negatively impacted 253 PRVI consumers.
32. Respondent AECB had a policy of giving eligible survivors of a deceased cardholder the option of assuming responsibility of the deceased cardholder's account, including the debt and remaining membership reward points. If the survivors were ineligible or otherwise did not assume the account and the account balance was subsequently paid in full, Respondent AECB provided the survivors the option, if so requested, to redeem any membership rewards after

the balance was paid in full. In some cases after there was an agreement to pay the balance in full, Respondent AECB specifically notified eligible U.S. States cardholder survivors who specifically made the request, of the opportunity to redeem membership rewards points. In contrast, from May 2013 continuing to August 2014, Respondent AECB did not notify under the same circumstances eligible survivors of deceased cardholders of the PRVI Rewards Gold Card, PRVI Gold Charge Card, PRVI Green Charge Card, PRVI Platinum Credit Card, and PRVI American Express Credit Card. Respondent AECB's practices negatively impacted 17 PRVI consumers.

Collections and Debt Mitigation

33. Respondent AECB used various third-party collections agencies to collect from delinquent cardholders, although it did not sell these debts to these third-parties. From at least January 2005 continuing to August 2014, Respondent used different collection agencies for delinquent accounts of U.S. States cardholders than it did for the delinquent accounts of the following PRVI cards: PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Card, and PRVI Costco Credit Card. This resulted in Respondent AECB settling for on average 73% of the total owed amount from delinquent PRVI card accounts, while settling for on average only 55% of the total owed amount from comparable delinquent U.S. States card accounts. Therefore, Respondent AECB's assigning PRVI delinquent accounts to different collection agencies

than those it assigned to delinquent U.S. States accounts resulted in less advantageous debt settlements for similarly situated PRVI consumers.

34. In addition to using third-party collections agencies, Respondent AECB also collected debts on comparable U.S. States cards through letter campaigns, which offered debt settlement on generally even more favorable terms, averaging 42% of the total owed amount. However, from at least January 2005 continuing to August 2014, Respondent AECB excluded cardholders of the PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Cards, and PRVI Costco Credit Card from these letter campaigns.
35. Respondent AECB's disparities in these collection practices negatively impacted 11,544 customers.
36. Respondent AECB administers, by itself as well as through third-party collection agencies, a twelve-month hardship program called "CARE," which reduces cardholders' owed interest and waives fees. With respect to the CARE program that Respondent AECB administered, from March 2013 continuing to August 2014, Respondent AECB removed cardholders of the PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Cards, and PRVI Costco Credit Card from the CARE program if they were more than 45 days delinquent (*i.e.*, missed only one payment), whereas Respondent AECB removed similarly situated U.S. States cardholders from CARE only after they were 60 days delinquent (*i.e.*, missed two consecutive payments).

37. With respect to the CARE program that third-party collection agencies administered, from July 2008 continuing to August 2014, although Respondent AECB offered CARE to its U.S. States cardholders, it excluded its cardholders of the PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Card, and PRVI Costco Credit Card from its CARE program.
38. Respondent AECB's differential application of its CARE program negatively impacted 5,040 consumers.
39. Respondent AECB also offered long-term hardship programs to U.S. States cardholders, including (a) the Consumer Debt Management Plan, which allows cardholders to make payments under a consumer credit counseling service program of their choosing, subject to certain eligibility conditions, and (b) the Fixed Payment Plan, which allows cardholders to participate in a sixty-month fixed payment program and included a reduction in interest, fee waivers, and re-aging of lending products. From September 2006 continuing to July 2012 and November 2011 continuing to February 2012, Respondent AECB excluded PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Card, and PRVI Costco Credit Card cardholders from its Consumer Debt Management Plan and Fixed Payment Plan, respectively. Respondent AECB offered no other formal long-term hardship programs to PRVI cardholders. Respondent AECB's policies negatively impacted 1,461 consumers.

40. Respondents also deemed PRVI cardholders ineligible for a number of collections offers and services that are available to delinquent U.S. States customers.
41. Respondents provided to delinquent U.S. States customers a Membership Reward Redemption Offer, which is an option for customers to pay down their balance to receive access to their reward points with certain redemption options. From at least January 2005 continuing to April 2014, Respondents deemed cardholders of the PRVI Costco Credit Card, PRVI Rewards Gold Charge Card, PRVI Gold Charge Card, PRVI Green Charge Card, PRVI Platinum Credit Card, and PRVI American Express Credit Card ineligible for the Membership Reward Redemption Offer.
42. From May 2009 continuing to March 2014, Respondents deemed cardholders of the PRVI Platinum Credit Card and PRVI American Express Credit Card ineligible for Account Credit Offers, which is an option whereby a U.S. States customer who paid one percent or more of the current balance received a match with a credit for interest and fees from one cycle.
43. From May 2008 continuing to August 2014, Respondents excluded cardholders (both consumer and small business) of the PRVI Rewards Gold Charge Card, PRVI Gold Charge Card, and PRVI Green Charge Card from their Charge Card Reinstatement Offers (APOLLO), which allow U.S. States customers to pay off their balances in full for a reinstatement of their account with a spending limit that is equal to a percentage of the amount paid. Respondents excluded cardholders who indicated a Spanish language preference from APOLLO from May 2012 continuing to May 2014.

44. From at least January 2005 continuing to August 2014, Respondents provided U.S. States customers with a Lending Card New Card Offer (OASIS), which is an option for customers to pay off their balances in full for an Optima lending card with a credit limit equal to a percentage of the amount paid (not to exceed \$5,000). However, Respondents excluded cardholders (both consumer and small business) of the PRVI Costco Credit Card, PRVI Rewards Gold Charge Card, PRVI Gold Charge Card, PRVI Green Charge Card, PRVI Platinum Credit Card, and PRVI American Express Credit Card from these offers. This practice negatively impacted 25,244 PRVI consumers.
45. Similarly, for some consumers in PRVI and the Pacific Territories who acquired U.S. States cards (both consumer and small business), from at least January 2005 continuing to May 2014, Respondents excluded OASIS offers. This practice negatively impacted 760 consumers in the U.S. Virgin Islands and 1,431 consumers in the Pacific Territories.
46. During the Relevant Period, Respondents' practices negatively impacted 36,911 PRVI, Pacific Territories, and Spanish preferred consumers with these differing collections offers.
47. From at least January 2005 continuing to August 2014, Respondent AECB flagged the accounts of U.S. States cardholders who requested cease and desist requests to protect them against further dunning communications, while not flagging PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Card, and PRVI Costco Credit Card cardholders who made the same cease and desist request.

48. Respondent AECB also ceased debt collection activity on U.S. States cardholder accounts once a cardholder's outstanding debt was deemed stale enough or sufficiently *de minimis* to no longer be considered in new accounts underwriting. From June 2012 continuing to August 2014, Respondent AECB continued debt collection activities against PRVI Green Charge Card, PRVI Gold Charge Card, PRVI Rewards Gold Charge Card, PRVI American Express Credit Card, PRVI Platinum Credit Card, and PRVI Costco Credit Card cardholders in such circumstances. Respondent AECB's differences in collections services negatively impacted 782 PRVI consumers.
49. During the course of the Bureau's review, Respondents implemented a number of redress steps which provided monetary and non-monetary relief to 221,932 harmed Affected Consumers. This resulted in approximately \$95 million of remediation to harmed Affected Consumers. Of that total, approximately \$55.7 million represents payments or credits for disparities in pricing, rebates, and promotional offers; approximately \$3.2 million represents payments or credits for disparities in underwriting; and approximately \$35.7 million represents payments or credits for disparities in customer service, account management, collections, debt mitigation, and line assignment. Respondents also implemented enhancements to its policies and procedures and its compliance management system; specifically as of August 2014, Respondents transferred the management of their PRVI credit and charge cards from Respondents' International Division to their U.S. Division.

V

Conduct Provisions

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

50. Respondents and their officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate section 701 of the ECOA, 15 U.S.C. § 1691(a)(1), and Regulation B, 12 C.F.R. pt. 1002, in any aspect of the provision of credit and charge cards to Covered Consumers, including but not limited to pricing, underwriting, customer service, account management, and collections.

VI

Compliance Plan

IT IS FURTHER ORDERED that:

51. Within 60 days of the Effective Date, Respondents must submit to the Fair Lending Director for review and determination of non-objection a comprehensive compliance plan designed to ensure that Respondents' provision of credit and charge cards in a non-discriminatory manner to Covered Consumers, as compared with U.S. States consumers, 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. Detailed steps to develop, implement, and maintain any necessary improvements to Respondent's compliance management system that ensures Respondents' credit and charge card lines of business are in

- compliance with ECOA and Regulation B with respect to Covered Consumers, and any violations are corrected in a timely manner;
- c. Detailed steps to develop, implement, and maintain any necessary improvements to Respondents' credit and charge card lines of business to ensure compliance with ECOA and Regulation B with respect to Covered Consumers with a business structure, systems, models, programs, policies, and procedures relating to (i) pricing, rebate, and promotional offers, (ii) underwriting and line assignments, (iii) customer service and account management, and (iv) collection and debt mitigation;
- d. Detailed steps to develop, implement, and maintain any necessary improvements to Respondents' training procedures, including job-specific training, to ensure that personnel have a current and complete understanding of ECOA and Regulation B with respect to Covered Consumers;
- e. Detailed steps to develop, implement, and maintain any necessary improvements to Respondents' credit and charge card policies and procedures for receiving, retaining, and addressing inquiries or complaints related to compliance with ECOA and Regulation B;
- f. Detailed steps to develop, implement, and maintain any necessary improvements to ensure Respondents' compliance audit program (Compliance Audit Program) that is led by an internal audit department that is independent of both Respondents' compliance unit and the credit and charge card lines of business, can adequately audit Respondents' compliance with ECOA and Regulation B in their credit and charge card lines of

business, and is adequately staffed with qualified personnel. The Compliance Audit Program shall assess, at least annually, Respondents' ECOA and Regulation B compliance, including their adherence to the Compliance Plan and whether any changes or additions are necessary to ensure compliance with the requirements of this Consent Order, and within ten (10) days of completing each assessment, the Compliance Audit Program shall provide its written findings to the Boards and the Regional Director; and

- g. Specific timeframes and deadlines for implementation of the steps described above that have not already been completed and a section designating and certifying those items that have been completed.

52. The Compliance Plan shall also include:

- a. Based upon the Compliance Audit Program's assessment of all Respondents' current business structure, systems, models, programs, training materials, policies, and procedures for credit and charge cards, the Compliance Audit Program's review and assessment of the Compliance Plan (Compliance Audit Report), including but not limited to whether Respondents' Compliance Plan satisfies the requirements in this Consent Order as set forth in paragraph 51 and whether any changes or additions to Respondents' Compliance Plan are necessary to ensure compliance with the requirements of this Consent Order; and
- b. Detailed steps to be taken to correct any deficiencies identified in the Compliance Audit Report.

53. The Fair Lending Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct Respondents to revise it. If the Fair Lending Director directs Respondents to revise the Compliance Plan, Respondents must make the requested revisions and resubmit the revised Compliance Plan to the Fair Lending Director for review and determination of non-objection within 15 days of the date that the Fair Lending Director directs Respondents to revise the Compliance Plan.
54. After receiving notification that the Fair Lending Director has made a determination of non-objection to the Compliance Plan, Respondents must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan and have the Compliance Audit Program review and assess compliance with the Compliance Plan and validate that the Compliance Plan has been properly executed; the results of such review should be submitted to the Regional Director within 30 days after completion.

VII Role of the Board

IT IS FURTHER ORDERED that:

55. The Boards, or duly authorized subcommittee(s) thereof, must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.
56. Although this Consent Order requires Respondents to submit certain documents for review and non-objection by the Fair Lending Director, the Boards will have the ultimate responsibility for proper and sound management

of Respondents and for ensuring that Respondents comply with Federal consumer financial law and this Consent Order.

57. In each instance that this Consent Order requires the Boards to ensure adherence to, or perform certain obligations of Respondents, the applicable Board or a subcommittee thereof, must:
- a. Authorize whatever actions are necessary for Respondents to fully comply with the Consent Order;
 - b. Require timely reporting by management to the Boards 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:

58. Within 10 days of the Effective Date, Respondents must reserve or deposit into a segregated deposit account \$1 million, for the purpose of providing redress to harmed Affected Consumers who have not been redressed or sufficiently redressed as required by this Section.
59. Within 60 days of the Effective Date, Respondents must submit to the Fair Lending Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Fair Lending Director will have the discretion to make a determination of non-objection to the Redress Plan or direct Respondents to revise it. If the Fair

Lending Director directs Respondents to revise the Redress Plan, Respondents must make the revisions and resubmit the Redress Plan to the Fair Lending Director within 14 days. After receiving notification that the Fair Lending Director has made a determination of non-objection to the Redress Plan, Respondents must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.

60. The Redress Plan must include Respondents' Compliance Audit Program's review and assessment of the Redress Plan, including but not limited to:
 - a. Based upon the Compliance Audit Program's reviewing and verifying the redress that Respondents conducted prior to submitting the Redress Plan and reviewing Respondents' procedures for issuing and tracking redress to each harmed Affected Consumer, the Compliance Audit Program's review and assessment of the Redress Plan (Redress Audit Report), including but not limited to whether Respondents' proposed redress for Affected Consumers satisfies the redress requirements in this Consent Order as set forth in paragraph 61-62 including reviewing Respondents' methodologies for identifying harmed Affected Consumers and determining the type and amount of redress, and whether any changes or additions to Respondents' proposed redress are necessary to ensure compliance with the redress requirements of this Consent Order; and
 - b. Detailed steps to be taken to correct any deficiencies identified in the Redress Audit Report.

61. The Redress Plan must also include, but is not limited to:
 - a. Detailed descriptions of:
 - i. how Respondents identified each harmed Affected Consumer for each violation identified in this Consent Order;
 - ii. how Respondents calculated the amount of redress to be paid to each harmed Affected Consumer for each violation identified in this Consent Order; and
 - iii. Respondents' procedures for issuing and tracking redress to each harmed Affected Consumer;
 - b. Detailed descriptions of the redress that Respondents performed for each identified violation prior to implementing the Redress Plan, including Respondents' certification and documentation of such redress;
 - c. The forms of the letters to be sent notifying harmed Affected Consumers of the redress (Redress Notification Letters), and the form of the envelope that will contain the Redress Notification Letters; and
 - d. Specific timeframes and deadlines for implementation of the steps described above.

62. The Redress Plan must apply to all harmed Affected Consumers and must provide the following:
 - a. Processes to provide remediation regardless of the Affected Consumers' current account status with Respondents, including open and closed accounts, both with and without a balance, and regardless of whether

Respondents charged off, sold, stopped collecting on, or reacquired the accounts. The redress processes shall include the following requirements:

- i. for any open credit or charge card account, Respondents shall apply a statement credit to the account or otherwise send a check;
 - ii. for any closed or inactive credit or charge card account with a zero balance at time of redress, Respondents shall send a check to any harmed Affected Consumer;
 - iii. for any charged-off, sold, uncollectable, or reacquired accounts, Respondents shall issue a credit decreasing the account balance, if any; if the refund is greater than the existing account balance, Respondents shall send the harmed Affected Consumer a check in the amount of the excess;
 - iv. for any deceased harmed Affected Consumer, if the balance is greater than the redress, Respondents shall apply a statement credit to the account; otherwise send a check to his/her estate, if any; and
 - v. with respect to any bankruptcy and accounts in litigation, Respondents shall make the redress in accordance with applicable law.
- b. Redress Notification Letters to harmed Affected Consumers that are subject to the Fair Lending Director's non-objection and include a statement that the provision of the credit and/or check payment is in accordance with the terms of this Consent Order, and explain the manner in which the amount of redress was calculated and the use of a credit and/or check as applicable. Respondents shall not include in any envelope containing a Redress

Notification Letter any materials other than the non-objected to letters, and when appropriate, redress checks, unless Respondents have obtained written non-objection from the Fair Lending Director regarding the inclusion of such additional materials.

- c. For the violation described in paragraph 22 concerning higher fees, higher interest rates, and/or lower rebates, (i) the payment difference due to the difference between the harmed Affected Consumer's PRVI card APR and what the APR would have been had the consumer had a comparable U.S. States card, including interest; (ii) the difference between the harmed Affected Consumer's PRVI card fees and what the fees would have been had the consumer had a comparable U.S. States card, including interest; and (iii) the difference between the harmed Affected Consumer's PRVI card rebates and what the rebates would have been had the consumer had a comparable U.S. States card, including interest.
- d. For the violation described in paragraphs 23–24 concerning promotional pricing offer differences, the difference in the values of promotional pricing offers included in the PRVI card of each Affected Consumer who was harmed by this violation and the promotional pricing offers of the comparable U.S. States card, such as the difference in finance charges due to different introductory purchase APR offers.
- e. For the violation described in paragraph 25 concerning denials due to more stringent PRVI card underwriting criteria, (i) for each currently eligible Affected Consumer (based on standard U.S. States credit eligibility criteria) who was harmed by this violation and declined due to the more stringent

underwriting criteria, an invitation to apply for a U.S. States card product comparable to the originally requested PRVI product; and (ii) for each Affected Consumer who was harmed by this violation and declined due to the more stringent underwriting criteria, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.

- f. For the violation described in paragraph 26 concerning lower initial line assignments, (i) for each currently eligible Affected Consumer (based on account status and reasonable credit criteria) who was harmed by this violation and given a lower initial line assignment, an increase in the credit line to be comparable to the average credit line of similarly situated cardholders of the comparable U.S. States card; and (ii) for each Affected Consumer who was harmed by this violation and given a lower initial line assignment, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.
- g. For the violations described in paragraph 27 concerning denials for U.S. States cards due to Puerto Rico residency, (i) for each currently eligible Affected Consumer (based on standard U.S. States credit eligibility criteria) who was harmed by this violation and declined because of residency in Puerto Rico, an invitation to apply for a U.S. States card product that is the same or comparable to the originally requested product; and (ii) for each Affected Consumer who was harmed by this violation and declined because of residency in Puerto Rico, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.

- h. For the violation described in paragraph 28 concerning imposing adverse credit actions called Responsible Lending Actions, (i) for each Affected Consumer who was harmed by this violation, restored credit or spending limits to the levels prior to the Responsible Lending Actions, consistent with rules applied to comparable U.S. States cards; and (ii) for each Affected Consumer who was harmed by this violation, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.
- i. For the violation identified in paragraph 29 concerning the ability to request a re-assessment of Responsible Lending Actions within one year, (i) for each currently eligible Affected Consumer (based on eligibility criteria for comparable U.S. States cards) who was harmed by this violation, removal of all negative impacts due to Responsible Lending Actions; and (ii) for each Affected Consumer who was harmed by this violation, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.
- j. For the violation identified in paragraph 30 concerning unavailability of or declining reinstatement requests after card cancellation, (i) for each currently eligible Affected Consumer (based on eligibility criteria for comparable U.S. States cards) who was harmed by this violation, an invitation to apply for the same or comparable cards; and (ii) for each Affected Consumer who was harmed by this violation, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.

- k. For the violation identified in paragraph 31 concerning exclusion from certain point-of-sale approval rules, for each Affected Consumer who was harmed by this violation, payment or credit to be determined in the Redress Plan for failure to apply the point-of-sale approval rules, representing additional direct and/or indirect damages.
- l. For the violation identified in paragraph 32 concerning failing to inform survivors of a deceased cardholder of the ability to redeem Membership Rewards after the account was paid in full, for each Affected Consumer who was harmed by this violation, (i) an offer to redeem Membership Rewards to the estate; and (ii) payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.
- m. For the violation identified in paragraph 33 concerning less favorable settlements through third-party collections agencies, for each harmed Affected Consumer who received a settlement offer from a collection agency during the Relevant Period, (i) if the Affected Consumer settled with the collection agency for more than 55% of the amount owed, an amount adequate to put the consumer in a similar position as similarly situated U.S. States cardholders; and (ii) if the Affected Consumer did not settle with the collection agency and the account is still active but delinquent or in collections, an offer to settle the existing balance comparable to that available to U.S. States cardholders.
- n. For the violation identified in paragraph 34 concerning failing to offer Respondents' letter-based settlement program, for each harmed Affected Consumer who would have qualified for the letter-based settlement

campaign but did not receive an offer, (i) if the Affected Consumer made any payment to Respondents, an amount adequate to put the consumer in a similar position as similarly situated U.S. States cardholders who settled through the letter-settlement program; (ii) if the Affected Consumer did not settle and the account is still active but delinquent or in collections, a settlement offer comparable to that available to U.S. States cardholders; and (iii) if the Affected Consumer did not settle, and the foregoing criteria in subparagraph (ii) are not met or if the Affected Consumer who received a settlement offer under subparagraph (ii) does not accept the offer, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages. Any remaining balance is waived if an Affected Consumer is bankrupt or deceased or the debt is uncollectable.

- o. For the violation identified in paragraph 36 concerning differences in application of Respondents' 12-month hardship program (CARE) that was administered by Respondent AECB, for each Affected Consumer who was harmed by this violation, any additional amount paid, including interest and fees, that could be attributed to premature termination from CARE because of the more stringent program rules.
- p. For the violation identified in paragraph 37 concerning differences in application of Respondents' 12-month hardship program (CARE) that was administered by third-party collection agencies, for each Affected Consumer who was harmed by this violation, (i) if the Affected Consumer is currently eligible, an offer to participate in CARE; (ii) if any Affected Consumer offered CARE under (i) declines to participate, a payment or credit to be

determined in the Redress Plan, representing direct and/or indirect damages; and (iii) if the Affected Consumer is not eligible for CARE, any additional amount paid, including interest and fees, that could be attributed to not being offered CARE.

- q. For the violation identified in paragraph 39 concerning exclusion from the Consumer Debt Management Plan (CDMP), for each harmed Affected Consumer who was eligible for CDMP but was declined for CDMP, all fees and financial charges, including interest, that could have been avoided through CDMP enrollment. Remaining balance, if any, is waived in all cases.
- r. For the violation identified in paragraph 39 concerning exclusion from the Fixed Payment Plan (FPP), for each harmed Affected Consumer who was eligible for FPP but was not offered FPP, (i) if the Affected Consumer is eligible for the program, an offer to participate in FPP; (ii) if any Affected Consumer offered FPP under (i) declines to participate, a payment or credit to be determined in the Redress Plan, representing direct and/or indirect damages; and (iii) if the Affected Consumer is not eligible for FPP, fees and finance charges that could have been avoided through FPP enrollment. Any remaining balance is waived if a harmed Affected Consumer is bankrupt or deceased or the debt is uncollectable.
- s. For the violation identified in paragraph 41 concerning exclusion from the Membership Reward Redemption Offer, for each harmed Affected Consumer who was eligible for the offer but was excluded, \$1 for every 100 points in the consumer's points bank during which the consumer was eligible for the offer.

- t. For the violation identified in paragraph 42 concerning exclusion from Account Credit Offers, for each harmed Affected Consumer who was eligible for, but was excluded from, participating in the program, a credit or payment that would have been provided had the consumer participated.
- u. For the violation identified in paragraph 43 concerning exclusion from the Charge Card Reinstatement Offer (APOLLO), (i) for each harmed Affected Consumer who was eligible for APOLLO but was excluded and is currently eligible for APOLLO, an offer to participate in APOLLO, and if not accepted, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages; and (ii) for each harmed Affected Consumer who was eligible for APOLLO but is not currently eligible for APOLLO, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.
- v. For the violation identified in paragraphs 44 and 45 concerning exclusion from the Lending Card New Card Offer program (OASIS), (i) for each harmed Affected Consumer who was eligible for OASIS but was excluded and is currently eligible for OASIS, an offer to participate in OASIS, and if not accepted, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages; and (ii) for each harmed Affected Consumer who was eligible for OASIS but is not currently eligible for OASIS, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.
- w. For the violation identified in paragraph 47 concerning not flagging cease and desist requests, for each harmed Affected Consumer who made a cease

and desist request but was not systemically protected against further dunning communications, payment or credit to be determined in the Redress Plan, representing additional direct and/or indirect damages.

- x. For the violation identified in paragraph 48 concerning failing to cease debt collection on certain small and/or old debts, for each eligible Affected Consumer harmed by this violation, a payment of any amount collected after the account met the criteria of comparable U.S. cards to cease debt collections.
63. For accounts that appear in a consumer's credit reports, Respondents shall provide updated balances and payment histories to all three major credit reporting agencies—Experian, Equifax, and TransUnion—including, as appropriate, deleting trade lines or adjusting payment histories.
64. Throughout the course of the Bureau's review, Respondents implemented a number of redress steps which provided monetary and non-monetary relief to 221,932 Affected Consumers largely consistent with the required redress described in paragraph 62. This resulted in \$94.6 million of remediation to those accounts. Of that total, approximately \$55.7 million represents payments or credits for disparities in pricing, rebates, and promotional offers; approximately \$3.2 million represents payments or credits for disparities in underwriting; and approximately \$35.7 million represents payments or credits for disparities in customer service, account management, collections, debt mitigation, and line assignment. Respondents must certify and document this redress and relief as part of the Redress Plan. In addition, the Redress Plan will exhaust the amount reserved or deposited into a segregated account

established under this Section, consistent with the relief described in paragraph 62.

65. Respondents shall provide all relief to consumers required by this Consent Order, regardless whether the total of such relief exceeds the amount reserved or deposited into a segregated account under this Section.
66. Respondents must have the Compliance Audit Program review and assess Respondents' compliance with the Redress Plan and validate that the Redress Plan has been properly executed. Within 30 days from the completion of the Redress Plan, Respondents must submit a Redress Plan Report to the Regional Director. The Redress Plan Report shall include Respondents' Compliance Audit Program's review and assessment of Respondents' compliance with the terms of the Redress Plan, including but not limited to:
 - a. the methodology used to identify harmed Affected Consumers;
 - b. the methodology used to determine how and/or how much to remediate harmed Affected Consumers;
 - c. the procedures used to issue and track remediation to each harmed Affected Consumer;
 - d. for accounts that appear in a consumer's credit report, the procedures used for reporting and requesting the reporting of updated balances to all three major credit reporting agencies—Experian, Equifax, and TransUnion—including, as appropriate, deleting trade lines or adjusting payment histories;
 - e. a list of remediation received by each harmed Affected Consumer; and

- f. the total number of harmed Affected Consumers and a summary of remediation they received, by each identified violation.
67. In the event of any default on Respondents' 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. Respondents 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 Respondents.
 69. Under 31 U.S.C. § 7701, Respondents, unless they already have done so, must furnish to the Bureau their 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, Respondents 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.
 71. 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
Reporting Requirements

IT IS FURTHER ORDERED that:

72. Respondent(s) 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(s); or a change in Respondent(s)' name or address. Respondent(s) 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.
73. Within 7 days of the Effective Date, Respondents must designate at least one telephone number and email, physical, and postal address as points of contact, which the Bureau may use to communicate with Respondents.
74. Respondents must report any change in the information required to be submitted under Paragraph 73 at least 30 days before the change or as soon as practicable after learning about the change, whichever is sooner.
75. Within 120 days after the determination of non-objection by the Fair Lending Director of either the (i) the Compliance Plan or (ii) the Redress Plan, and again at least semi-annually, Respondents must submit to the Regional Director an accurate written compliance progress report (Compliance Report)

that has been approved by each Board or an appropriate subcommittee thereof, which, at a minimum:

- a. Describes in detail the manner and form in which Respondents have complied with this Consent Order;
- b. Separately lists each corrective action required by this Consent Order and the Compliance Plan, the Compliance Audit Report, the Redress Audit Report, and the Compliance Audit Program;
- c. Describes the current status of the Redress Plan and the required, actual, and anticipated completion date for each aspect of the Redress Plan;
- d. Describes the current status of each corrective action taken and the required, actual, and anticipated completion date for each corrective action; and
- e. Attaches a copy of each Order Acknowledgment obtained under Section X, unless previously submitted to the Bureau.

X

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that,

76. Within 30 days of the Effective Date, Respondents must deliver a copy of this Consent Order to each of their Board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who have managerial-level responsibilities related to the subject matter of the Consent Order.

77. For the duration of the Consent Order, Respondents must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section IX and to any future Board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have managerial-level responsibilities related to the subject matter of the Consent Order, before they assume their responsibilities.
78. Respondents 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.

XI

Recordkeeping

IT IS FURTHER ORDERED that:

79. Respondents must create, or if already created, must retain for a period of five 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 Compliance Plan, described in Section VI above; and
 - c. All documents and records pertaining to the Redress Plan, described in

Section VIII above.

80. Respondents must retain the documents identified in Paragraph 79 for the duration of the Consent Order.
81. Respondents must make the documents identified in Paragraph 79 available to the Bureau upon the Bureau's request.

XII
Notices

IT IS FURTHER ORDERED that:

82. Unless otherwise directed in writing by the Bureau, Respondents must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "In re American Express Centurion Bank and American Express Bank, FSB, File No. 2017-CFPB-0016 ," and send them either:

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

Edwin L. Chow
Regional Director – West Region
Consumer Financial Protection Bureau
301 Howard Street, Suite 1200
San Francisco, CA 94105 or

- b. By first-class mail to the below address and contemporaneously by email to

Edwin.chow@cfpb.gov:

Edwin L. Chow
Regional Director – West Region
Consumer Financial Protection Bureau
301 Howard Street, Suite 1200
San Francisco, CA 94105

XIII
Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondents' compliance with this Consent Order:

83. Within 30 days of receipt of a written request from the Bureau, Respondents must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.
84. Respondents must permit Bureau representatives to interview any employee or other person affiliated with Respondents who has agreed to such an interview. The person interviewed may have counsel present.
85. 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.

XIV
Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

86. Respondents 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 Fair Lending Director.
87. The Fair Lending Director may, in his or her discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if he or she determines good

cause justifies the modification. Any such modification by the Fair Lending Director must be in writing.

XV

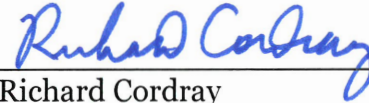
Administrative Provisions

88. 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 89.
89. The Bureau releases and discharges Respondents 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 Respondents and their 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.
90. 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.

91. This Consent Order will remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.
92. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
93. Should Respondents seek to transfer or assign all or part of their operations that are subject to this Consent Order, Respondents must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
94. 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 Respondents wherever Respondents may be found and Respondents may not contest that court's personal jurisdiction over Respondent.
95. 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.

96. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondents, their Boards, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 23rd day of August, 2017.



Richard Cordray
Director
Consumer Financial Protection Bureau