UNITED STATES OF AMERICA
BUREAU OF CONSUMER FINANCIAL PROTECTION

ADMINISTRATIVE PROCEEDING
File No. 2018-BCFP-0003

In the Matter of:

CITIBANK, N.A.

CONSENT ORDER

The Bureau of Consumer Financial Protection (Bureau) has reviewed the credit card account management activities of Citibank, N.A. (Respondent, as defined below) and has identified the following law violations: (1) violations of the Truth in Lending Act (TILA), as implemented in Regulation Z, by failing to reevaluate and reduce the annual percentage rates (APRs) for certain consumer credit card accounts consistent with the requirements of section 1026.59(a) of Regulation Z; and (2) violations of TILA, as implemented in Regulation Z, by failing to have reasonable written policies and procedures in place to conduct the APR reevaluations consistent with the requirements of section 1026.59(b) of Regulation Z. 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).
I

Jurisdiction


II

Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated June 22, 2018 (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. “Acquisition Factor” is a factor, consistent with the factors considered in an APR rate reevaluation as described in 12 C.F.R. § 1026.59(d)(1)(ii), that a card issuer currently considers when determining the annual percentage rates applicable to similar new credit card accounts.

   b. “Affected Consumer” is any person who is or was a credit card customer of Respondent who between February 2011 and February 2018 incurred higher interest charges due to Respondent’s failure to properly reevaluate and
reduce APRs for credit card accounts, including the failures described in Paragraph 20.

c. “Board” means Respondent’s duly-elected and acting Board of Directors.

d. “Effective Date” means the date on which the Consent Order is issued.

e. “Original Factor” is a factor, consistent with the factors considered in an APR rate reevaluation described in 12 C.F.R. § 1026.59(d)(1)(i), on which the increase in an annual percentage rate was originally based.

f. “Regional Director” means the Regional Director for the Northeast Region for the Office of Supervision for the Bureau of Consumer Financial Protection, or his or her delegate.

g. “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.

h. “Relevant Period” includes the period from August 22, 2010, through February 17, 2018.


IV

Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is a national bank headquartered in Sioux Falls, South Dakota. As of December 31, 2017, Respondent had approximately $1.4 trillion in total assets.
5. Respondent is an insured depository institution with assets greater than $10,000,000,000 within the meaning of 12 U.S.C. § 5515(a).

6. Respondent is a “covered person” as that term is defined by 12 U.S.C. § 5481(6).

7. Respondent issues credit cards, including open-end credit card accounts, and is a “card issuer” as that term is defined by 12 C.F.R. § 1026.2(a)(7).


9. The CARD Act amended Chapter 3 of the Truth in Lending Act (TILA), 15 U.S.C. § 1661 et seq., to require that “[i]f a creditor increases the annual percentage rate applicable to a credit card account under an open end consumer credit plan, based on factors including the credit risk of the obligor, market conditions, or other factors, the creditor shall consider changes in such factors in subsequently determining whether to reduce the annual percentage rate for such obligor.” 15 U.S.C. § 1665c(a); CARD Act § 101(c) (adding section 148 to TILA, 15 U.S.C. § 1665c). The amendment further required a creditor that previously increased the APR on a credit card to review the account at least every six months to assess whether the factors that prompted the increase have changed, and reduce the account’s APR when indicated by the review. 15 U.S.C. § 1665c(b)(2)-(3). The amendment also required the card issuer to maintain reasonable methodologies for assessing the factors at issue in the review. 15 U.S.C. § 1665c(b)(1).

10. Section 1026.59 of Regulation Z, which implemented the CARD Act’s APR reevaluation requirements, went into effect on August 22, 2010. 75 Fed. Reg.
37526 (June 29, 2010) (publishing final rule implementing CARD Act § 101(c), TILA § 148, 15 U.S.C. § 1665c, and establishing effective date).

11. Respondent began conducting APR reevaluations required by section 1026.59 in February 2011, and has conducted reevaluations every six months (in February and August) since then.

12. Respondent failed to properly implement section 1026.59’s new APR reevaluation requirements in 2010 and early 2011. Respondent’s credit cards line of business managed the initial implementation of its APR reevaluation methodologies. Several of the APR reevaluation methodologies developed at this time were later determined by Respondent and the Bureau to be deficient.

13. Respondent failed to correct its APR reevaluation methodologies in subsequent reevaluations.

14. In 2016, Respondent initiated a significant compliance review program across its credit cards line of business. That review led to Respondent self-identifying several deficiencies and errors in its APR reevaluation methodologies. Respondent expanded the review of its APR reevaluation methodologies, which led to the identification of additional deficiencies and errors.

15. Respondent promptly disclosed the APR reevaluation deficiencies and errors to the Bureau in early 2017, began to correct those deficiencies, voluntarily initiated the process of providing restitution to Affected Consumers and implementing enhancements to its compliance management systems, worked proactively with the Bureau, and kept the Bureau apprised of additional findings as its review progressed.
Findings and Conclusions as to Violations of TILA and Section 1026.59(a) of Regulation Z

16. Section 1026.59(a)(1)(i) of Regulation Z generally requires card issuers to evaluate any APR increase for open-end credit card accounts in which the APR was increased due to consumer credit risk, market conditions, or other factors, by evaluating the factors described in section 1026.59(d). That section requires card issuers to review either the Original Factors or the Acquisition Factors (as defined above).

17. Under section 1026.59(a)(1)(ii), based on the review of such factors, card issuers must reduce the APR applicable to the consumer’s account as appropriate.

18. Under section 1026.59(c), card issuers must conduct this review not less frequently than every 6 months after the rate increase.

19. Respondent violated TILA and section 1026.59(a) of Regulation Z during the Relevant Period by failing to properly reevaluate and reduce the APRs for certain consumer credit card accounts.

20. Respondent failed to comply with section 1026.59(a)’s requirements under several circumstances, including the following:

   a. Ability to Pay Analysis – From February 2011 through August 2016, Respondent reevaluated certain accounts using an Acquisition Factors methodology. Respondent, however, failed to correctly apply the customer’s ability to pay, which was an Acquisition Factor. When evaluating ability to pay for new accounts, Respondent considered whether a customer could afford a hypothetical new minimum monthly payment. During its APR
reevaluations during this timeframe, as part of its ability-to-pay analysis, Respondent considered whether a customer could afford both a hypothetical new minimum payment on a new account, and also the minimum payment due on the already-existing account. By doing so, Respondent double-counted certain customers’ obligation to make a minimum payment, thereby artificially increasing those customers’ debt-to-income ratios and decreasing the likelihood that they would qualify for a rate reduction. Each such failure to correctly apply the ability-to-pay Acquisition Factor was a violation of 12 C.F.R. § 1026.59(a).

b. Use of FICO Scores – From February 2011 through February 2014, and from August 2015 through August 2016 for certain accounts, Respondent considered FICO scores as part of its APR reevaluation process. For one group of customers, Respondent determined that a customer was eligible for a rate reduction based on an Original Factors methodology, but declined to reduce the APR for customers with FICO scores below a specified threshold. Respondent should have reduced APRs for customers with FICO scores below the threshold as well. For another group of customers, Respondent determined that a customer was eligible for a rate reduction based on an Acquisition Factors methodology, but limited its APR reductions by grouping similar customers based on their FICO scores, and then providing lower reductions for customers in the lower FICO score bands. Respondent instead should have reduced those customers’ APRs to the higher of the original APR or the APR that the customer would have qualified for based
on Respondent’s then-current acquisition factors. This violated 12 C.F.R. § 1026.59(a).

c. **Acquisition Rate Minimum** – From February 2011 through February 2014, for customers who were evaluated using Original Factors, Respondent conducted reevaluations and computed rate reductions for eligible customers by using the then-current acquisition rate as a minimum instead of using the original rate. This violated 12 C.F.R. § 1026.59(a).

d. **Mix of Original and Acquisition Factors** – From August 2014 through August 2016, for customers who previously received rate increases as a penalty or due to the customer’s risk profile, Respondent applied a mix of Original Factors and Acquisition Factors when conducting reevaluations. Section 1026.59 does not allow the APR reevaluation to mix factors; the card issuer must apply one set of factors or the other. This violated 12 C.F.R. § 1026.59(a).

e. **Fixed to Variable Accounts** – From February 2012 through August 2017, Respondent failed to conduct APR reevaluations for certain accounts that had previously been converted from a fixed rate to a variable rate that subsequently exceeded the fixed rate. Respondent failed to conduct the required APR reevaluations for these accounts in violation of 12 C.F.R. § 1026.59(a).

f. **Multiple Rate Increases** – From 2011 through August 2017, Respondent failed to conduct APR reevaluations for certain accounts with multiple previous rate increases. For such accounts, Respondent reevaluated only an increase to the penalty rate (which was imposed for a breach of contract
terms), and did not reevaluate other rate increases (e.g., credit risk) until the consumer conduct that prompted the penalty was cured and the rate was reset. This failure to address all rate increases violated 12 C.F.R. § 1026.59(a).

g. **Acquisition Criteria** – From February 2014 through February 2017, Respondent evaluated certain accounts by using acquisition criteria that did not completely align with the Acquisition Factors used for underwriting similar new accounts at the time. This violated 12 C.F.R. § 1026.59(a).


22. As a result, Respondent failed to appropriately reduce consumers’ APRs and imposed interest charges on an estimated 1.75 million consumer accounts in excess of $335 million of what should have been imposed.

**Findings and Conclusions as to Violations of TILA and Section 1026.59(b) of Regulation Z**

23. Section 1026.59(b) of Regulation Z requires that card issuers “have reasonable written policies and procedures in place to conduct the review described in” section 1026.59(a).

24. During the Relevant Period, Respondent failed to maintain reasonable written policies and procedures for conducting rate increase reevaluations.

25. Respondent’s application of deficient policies and procedures resulted in overcharges to consumers, as described in Paragraphs 19-20 and 22.

ORDER

V

Conduct Provisions

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

27. 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 148 of TILA, 15 U.S.C. § 1665c, and sections 1026.59(a) and 1026.59(b) of its implementing Regulation Z, 12 C.F.R. §§ 1026.59(a), 1026.59(b).

28. Respondent must implement and maintain reasonable written policies and procedures for conducting APR reevaluations, which must include policies and procedures:
   a. For making any future changes to Respondent’s APR reevaluation process;
   b. Ensuring the full involvement of Respondent’s legal and compliance departments in the development and implementation of any changes to Respondent’s APR reevaluation process;
   c. Ensuring that future compliance tests and audits assess whether Respondent is in compliance with the requirements of 12 C.F.R. § 1026.59; and
   d. Addressing any other deficiencies in Respondent’s compliance management system identified as a result of the review described in Paragraphs 14-15.
29. Respondent’s Board of Directors, or a relevant committee thereof, must oversee:

   a. Revisions to Respondent’s compliance management system designed to ensure that Respondent’s APR reevaluation process complies with all applicable Federal consumer financial laws; and
   b. the development and implementation of the Compliance Plan described in Section VI.

   VI
   Compliance Plan

   IT IS FURTHER ORDERED that:

30. Within 60 days of the Effective Date, Respondent must submit to the Regional Director for review and determination of non-objection a comprehensive written compliance plan designed to ensure that Respondent’s APR reevaluation process 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. Written policies and procedures for conducting APR reevaluations, as described in Paragraph 28;
   c. A requirement that within 90 days of completion of the actions required under the Compliance Plan, Respondent’s Internal Audit department assess whether Respondent has completely and accurately implemented the Compliance Plan; the Internal Audit department’s findings must be memorialized in writing; within 10 days of completing the assessment, the
Internal Audit department must provide its written findings to the Regional Director; and
d. Specific timeframes and deadlines for implementation of the steps described above.
31. 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, Respondent must make the revisions and resubmit the Compliance Plan to the Regional Director within 30 days.
32. 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.

VII
Role of the Board

IT IS FURTHER ORDERED that:
33. 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.
34. Although this Consent Order requires Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for ensuring that Respondent complies with Federal consumer financial law and this Consent Order.
35. 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:

36. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account an amount not less than $335 million, for the purpose of providing restitution to the approximately 1.75 million affected consumer accounts, as required by this Section. If Respondent has made any restitution to Affected Consumers prior to the Effective Date of this Consent Order, Respondent must provide appropriate documentation of such restitution to the Regional Director concurrent with the Redress Plan required by Paragraph 37.

37. Within 60 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 15 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.

38. The Redress Plan must describe the process for determining the amount of redress for each Affected Consumer, including:
   a. The process for re-executing Respondent’s APR reevaluations conducted during the Relevant Period in a manner that complies with 12 C.F.R. § 1026.59;
   b. The process for identifying accounts eligible to receive a rate reduction under the re-executions;
   c. The process for identifying accounts eligible to receive redress based on the re-executions and for determining the amount of redress; and
   d. The process by which Respondent will validate the amount of redress for each Affected Consumer.

39. The Redress Plan must describe the process for providing redress for all Affected Consumers, and must include the following requirements:
   a. Respondent must mail a bank check or issue an account credit to each Affected Consumer who maintains with Respondent the credit card account
impacted by the practices described in Section IV and mail a Redress Notification Letter (as defined below);

b. Respondent must mail a bank check to each Affected Consumer who no longer maintains with Respondent the credit card account impacted by the practices described in Section IV along with a Redress Notification Letter;

c. For accounts that have been written off with a balance, Respondent must apply the redress amount for Affected Consumers impacted by the practices described in Section IV against the outstanding balance and send a Redress Notification Letter;

d. Respondent must send the bank check and/or Redress Notification Letter by United States Postal Service first-class mail, address correction service requested, to the Affected Consumer’s last known address as maintained by Respondent’s records, or, for Affected Consumers who no longer maintain the credit card account impacted by the practices described in Section IV, Respondent will first make reasonable attempts to obtain a current address for those Affected Consumers through the National Change Address System before sending the bank check and/or Redress Notification Letter to the last known address;

e. For any Affected Consumer who maintains the credit card account affected by the practices described in Section IV, whose Redress Notification Letter and/or redress check is returned for any reason, Respondent must make reasonable attempts to obtain their current address using the National Change Address System, and must promptly re-mail all returned letters and/or redress checks to current addresses, if any;
f. For any bank check that remains uncashed after 180 days, or if Respondent is unable to locate an Affected Consumer after taking the steps required in this Section, Respondent must issue an account credit to each Affected Consumer who maintains with Respondent the credit card account impacted by the practices described in Section IV; and

g. Processes for handling any unclaimed funds.

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

   a. The form letter (Redress Notification Letter) to be sent notifying Affected Consumers of the redress; 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 the Consent Order; and

   b. The form of the envelope that will contain the Redress Notification Letter; 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.

41. The Redress Plan must contain the following elements for the Affected Consumers:

   a. All interest charges incurred by Affected Consumers that should not have been charged;
b. Plus an appropriate amount to compensate consumers for foregone earnings on the excess interest charged from the date of imposition of improper interest charges to the date of restitution; and

c. Less any refunds previously provided and any restitution previously provided by Respondent that the Bureau believes is adequate and consistent with the above.

42. 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.

43. After completing the Redress Plan, if the amount of restitution provided to Affected Consumers, including any unclaimed funds, is less than $335 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 $335 million.
44. The Bureau may use these remaining funds to pay additional restitution to Affected Consumers. If the Bureau determines, in its sole discretion, that additional restitution is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional restitution 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. Respondent may not condition the payment of any redress to any Affected Consumer under this Consent Order on that Affected Consumer waiving any right.

45. 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.

46. 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.

47. 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.

48. 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.

IX
Reporting Requirements

IT IS FURTHER ORDERED that:

49. 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.

50. Within 90 days of the Effective Date, and again by July 31, 2019, and annually by each July 31 thereafter, 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. Lists each applicable paragraph and subparagraph of the Order and describes in detail the manner and form in which Respondent has complied with each such paragraph and subparagraph of the Consent Order;
   b. Describes in detail the manner and form in which Respondent has complied with the Redress Plan and the Compliance Plan; and
c. 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,

51. 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.

52. 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 IX, 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.

53. 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.
XI
Recordkeeping

IT IS FURTHER ORDERED that

54. Respondent must create, or if already created, must retain for the duration of the Consent Order, 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. All documents and records relating to Respondent’s methodologies for conducting APR reevaluations.

55. Respondent must retain the documents identified in Paragraph 54 for the duration of the Consent Order.

56. Respondent must make the documents identified in Paragraph 54 available to the Bureau upon the Bureau’s request.

XII
Notices

IT IS FURTHER ORDERED that:

57. 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 Citibank, N.A., File No. 2018-BCFP-0003,” and send them by overnight courier or first-class mail to
the below address and contemporaneously by email to

Enforcement_Compliance@cfpb.gov:

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

XIII

Cooperation with the Bureau

IT IS FURTHER ORDERED that:

58. Respondent must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, each Affected Consumer. Respondent must provide such information in its or its agents’ possession or control within 14 days of receiving a written request from the Bureau.

XIV

Compliance Monitoring

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

59. Within 30 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information related to the requirements of this Consent Order, which must be made under penalty of perjury; provide sworn testimony related to requirements of this Consent Order and Respondent’s compliance with those requirements; or produce documents related to requirements of this Consent Order and Respondent’s compliance with those requirements.
60. 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.

61. 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.

XV

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

62. 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.

63. The Regional 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 Regional Director must be in writing.

XVI

Administrative Provisions

64. 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 65.

65. 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.

66. 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.

67. This Consent Order will terminate 5 years from the Effective Date. 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.

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

69. 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 all applicable provisions of this Consent Order.
70. 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.

71. 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.

72. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 28th day of June, 2018.

[Signature]
Mick Mulvaney
Acting Director
Bureau of Consumer Financial Protection