

Semi-Annual Report of the Consumer Financial Protection Bureau



Message from the Acting Director

This Semi-Annual Report to Congress comes as we begin the recovery from a global pandemic. The last two years have brought tragedy and loss to millions and heightened our collective awareness of the persistent racial and economic inequities in our country. Congress, through the Dodd-Frank Wall Street Reform and Consumer Protection Act, created the CFPB to stand on the side of consumers and ensure they are treated fairly in the financial marketplace, and the statute compels the CFPB to respond to this moment. To that end, during my tenure, the CFPB has acted to increase racial equity in the marketplace and to mitigate the financial effects of COVID-19 on all consumers, especially the economically vulnerable. I have committed the CFPB to empowering all consumers, particularly those from marginalized communities; vigilantly supervising the financial marketplace; taking enforcement actions that redress current, and deter future, wrongdoing; and developing a regulatory framework that clearly articulates industry requirements and strengthens market fairness for all consumers.



Our work remains grounded in the experiences of consumers from all across the country. Consumer complaints form the backbone of our work. During the reporting period, we received the highest volume of complaints in our history, over 75,000 complaints per month. We have used those complaints to inform our supervisory and enforcement work, to shape our policy interventions, and to inform our general consumer engagement approach. Under my watch, we have also reinstituted regular public reporting on what we are seeing in consumer complaints, to allow everyone to learn from consumer experience. We have also worked to make sure companies are responsive in a timely manner to consumers' complaints.

The CFPB's supervision program developed Prioritized Assessments to protect consumers from elevated risks of harm related to the pandemic. These assessments are designed to obtain real-time information from entities that operate in markets that pose elevated risks of consumer harm due to pandemic-related issues. The assessments allow us to supervise a greater number of institutions, quickly ensure industry is aware of and corrects practices that may result in consumer harm, and gain a greater understanding of how industry responds to consumers. Prioritized Assessments have also proven useful for identifying issues around racial and economic equity. Specifically, we identified fair lending risks to consumers of color through our Prioritized Assessments of banks' lending practices under the Paycheck Protection Program. We are

prioritizing and expanding our follow-up activities to resolve issues we uncovered through this important targeted supervisory approach.

We must use our enforcement authority to ensure that industry gets the message that violations of the law, especially during times of crisis and need, will not be tolerated. Enforcement actions also have long-term positive consequences for consumers. When companies know they have to play by the rules, they compete through innovation and offering better value to customers, instead of looking for short-cuts that can harm their customers. Enforcement is not just about correcting bad business; it is about incentivizing companies to participate in market competition that benefits all consumers and the majority of companies who strive to play by the rules.

Because the CFPB must follow Congress's direction in how we exercise our statutory authority, we have rescinded a number of policy statements that circumscribed our statutory authority. We rescinded the January 24, 2020 "Statement of Policy Regarding Prohibition on Abusive Acts or Practices," on March 11, 2021. As a result of this rescission, we now look directly to the statute in enforcing the law and no longer apply an extra-statutory analytic framework. On March 31, 2021, we rescinded a series of policy statements that had previously stated that the CFPB would not enforce certain laws and regulations. We also issued, on June 16, 2021, an interpretive rule stating that the CFPB would once again supervise for risks to consumers associated with violations of the Military Lending Act.

In the six months covered by this report, we obtained orders through enforcement actions ordering approximately \$880 million in total relief for consumers who fell victim to various violations of consumer financial protection laws as well as approximately \$200 million in civil penalties. We brought numerous enforcement actions with claims or findings of various violations of the Dodd-Frank Act and other laws, including actions involving vulnerable or distressed consumers, against Nationstar Mortgage, Low VA Rates, Nissan Motor Acceptance Corporation, Seterus, Envios de Valores La Nacional, Omni, and Libre, among others.

We have issued rules and guidance to create a framework, during the COVID-19 pandemic, to help make sure all consumers have the chance to participate in a full economic recovery. This framework will help to protect consumers from credit reporting errors and improper evictions. We provided new tools and guardrails to make sure every homeowner has a chance to explore alternatives to foreclosure in the fall. We also issued guidance to ensure the proper review and approval of relief payments, mortgage payment adjustments, and other CARES Act protections. Communities of color, particularly Black and Hispanic communities, have disproportionately felt the health and economic effects of the pandemic. We are using all our tools to ensure that all communities, of all races and economic backgrounds, can participate in and benefit from the nation's economic recovery.

Much of our effort during this reporting period focused on helping families survive the economic effects of the pandemic. As we look forward, we will continue working to help individuals and families transition into the post-pandemic economy and financial market. We will continue to use all our tools to ensure financial stability and fair industry competition. We will continue to pursue bad actors and seek redress for harmed consumers. Racial equity will remain a central goal. For our financial markets and our nation's families to thrive well into the future, communities of color, marginalized communities, and consumers of all races need a fair shake in our consumer financial markets.

We look forward to carrying out the mandate Congress gave us: to ensure that all consumers have access to markets for consumer financial products and services and that those markets are fair, transparent, and competitive.

Sincerely,



David K. Uejio

Table of contents

Message from the Acting Director	1
Table of contents	4
1. Significant problems faced by consumers in shopping for or obtaining consumer financial products or services	6
1.1 The effects of the COVID-19 pandemic on consumer credit.....	6
1.2 Insights from the Making Ends Meet Survey	7
2. Justification of the budget request of the previous year	10
2.1 Fiscal year (FY) 2021 spending through the end of the second quarter of the fiscal year	10
3. List of the significant rules and orders adopted by the Bureau, as well as other significant initiatives conducted by the Bureau, during the preceding year, and the plan of the Bureau for rules, orders, or other initiatives to be undertaken during the upcoming period	13
3.1 Significant rules	13
3.2 Less significant rules	17
3.3 Significant initiatives.....	18
3.4 Plan for upcoming initiatives.....	44
3.5 Plan for upcoming rules	49
4. Analysis of complaints about consumer financial products or services that the Bureau has received and collected in its central database on complaints during the preceding year	53
5. List, with a brief statement of the issues, of the public supervisory and enforcement actions to which the Bureau was a party during the preceding year.....	56
5.1 Supervisory activities.....	56

5.2	Enforcement activities.....	56
6.	Actions taken regarding rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions	91
7.	Assessment of significant actions by State attorneys general or State regulators relating to Federal consumer financial law	92
8.	Analysis of the efforts of the Bureau to fulfill the fair lending mission of the Bureau	95
8.1	Fair lending supervision.....	95
8.2	Fair lending enforcement.....	96
8.3	Fair lending outreach.....	97
8.4	Fair lending coordination	103
9.	Analysis of the efforts of the Bureau to increase workforce and contracting diversity consistent with the procedures established by the Office of Minority and Women Inclusion (OMWI).....	105
9.1	Increasing workforce diversity	106
9.2	Increasing contracting diversity.....	108
9.3	Diversity within the Bureau contractors' workforces.....	109
9.4	Assessing diversity of regulated entities	109
Appendix A:	Addendum	111
	2020 Annual Report to Congress on the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act)	111

1. Significant problems faced by consumers in shopping for or obtaining consumer financial products or services

During the reporting period of this Semi-Annual Report, the Consumer Financial Protection Bureau (CFPB or Bureau) released reports in the form of blogs that discuss the various challenges consumers face in shopping for or obtaining consumer financial products or services, including one blog on the early effects of the COVID-19 pandemic on consumer credit and a blog containing insights from a survey of U.S. consumers on credit card debt early in the pandemic. The blogs report that access to credit, the ability to cope with financial difficulty and to save for emergencies, impact consumers' ability to obtain financial products and services.

1.1 The effects of the COVID-19 pandemic on consumer credit

The Bureau published a blog on the effects of the COVID-19 pandemic on consumer credit. The blog is based on the Bureau's Consumer Credit Panel (CCP), a longitudinal sample of approximately five million de-identified credit records from one of the three nationwide consumer reporting agencies. After the end of each month, the Bureau receives updated credit records for all sampled credit records, if available.

In December 2020, the Bureau published a blog¹ focusing on credit inquiries because they are among the first credit market measures to change in response to changes in economic activity. When a consumer applies for new credit to purchase a car or a home or applies for a new credit card account, most lenders will seek information about the consumer from a nationwide consumer reporting agency. This is often referred to as a "hard inquiry." Inquiries typically appear almost immediately in credit record data when a consumer's credit report is pulled. Other credit market measures, such as delinquencies or forbearances on existing accounts, are generally less quickly

¹<https://www.consumerfinance.gov/about-us/blog/credit-applications-remain-depressed-for-credit-cards-and-auto-loans/>.

observed since information on existing accounts is reported with some lag. The blog reported that consumer credit markets were far from normal. In September 2020, consumer credit inquiries were still 30 percent below their pre-pandemic levels. Applications are measured by the number of credit pulls or “hard inquiries” that lenders perform when a consumer applies for new credit.

The blog found that auto loan inquiries returned to pre-pandemic levels in June 2020 but slipped between then and September 2020, showing a 22 percent shortfall compared to their usual volume. New mortgage inquiries exceeded their typical volume in early May 2020 and stayed 20 percent above the usual volume throughout the summer of 2020, but revolving credit card inquiries did not recover much after March 2020’s 40 percent decline; they were still 30 percent below their usual volume in September 2020. Inquiries for revolving credit and other types of loans followed similarly and by September 2020, they were still 17 percent below the usual volume. Additionally, the drops were significantly more pronounced for consumers with higher credit scores, consistent with the possibility that higher credit score consumers have more flexibility in either their credit needs or the timing of their credit needs.

The Bureau also released a report in March 2021, “Housing Insecurities and the COVID-19 Pandemic,”² that warned of widespread evictions and foreclosures once federal, state, and local pandemic protections come to an end, absent additional public and private action. The report found that over 11 million families were behind on their rent or mortgage payments: 2.1 million families were behind at least three months on mortgage payments, while 8.8 million were behind on rent. Homeowners alone were estimated to owe almost \$90 billion in missed payments.

1.2 Insights from the Making Ends Meet Survey

The Bureau’s Making Ends Meet Survey³ is a nationally representative survey of adults with a credit record. The survey results provide a deeper understanding of how often U.S. consumers have difficulty making ends meet, how they cope with these shortfalls, and their subsequent financial difficulties. The survey is part of the Bureau’s statutory mission to conduct research on markets for consumer financial products and services, the experiences and access to credit for traditionally underserved communities, and consumer understanding and choice of products, among other things.

²<https://www.consumerfinance.gov/data-research/research-reports/housing-insecurity-and-the-covid-19-pandemic/>.

³<https://www.consumerfinance.gov/data-research/research-reports/insights-making-ends-meet-survey/>.

The Bureau survey was conducted in May 2019 which was reported in July 2020.⁴ Since this survey data predates COVID-19, it helped to develop an understanding of how well-prepared households are for negative shocks such as job loss. The consequences of those negative shocks help to shed light on how consumers deal with financial problems in general and provide a reference point for how these consumers fared during the COVID-19 pandemic.

The samples for the surveys are selected from the Bureau's CCP, a 1-in-48 random and deidentified sample of credit records maintained by one of the top three nationwide credit reporting agencies. Using the CCP is a key advantage of the survey compared to other surveys. We are able to link the CCP data to the survey responses in order to provide a deeper understanding of the circumstances—both positive and negative—that lead U.S. consumers to make the choices about debt observed in the credit bureau data. Using the CCP also strengthens the survey by ensuring the sample contains sufficient representation of particular groups by oversampling consumers with lower credit scores, with recent credit delinquencies, and those living in rural areas. Ultimately, 2990 consumers responded to the May 2019 survey either on paper or online. The survey is weighted to be nationally representative of consumers with a credit record.

In December 2020, the Bureau published a blog⁵ using data from January 2019 to June 2020 linked to credit bureau data from the respondents to explore whether financially vulnerable consumers turned to credit card debt during the pandemic.

Key results in the blog:

- The Bureau had reported⁶ in an August 2020 Issue Brief that average credit card debt fell sharply in the first few months of the pandemic, and the blog confirmed that this trend was the same for financially vulnerable consumers who might have been the first to turn to credit cards. The fall suggests that the combination of federal and state policies during the first months of the pandemic were effective at reaching the target population. It might be noted that many of the policies may have subsequently expired in July 2020 and others in December 2020.
- The credit card debt of both consumers who had difficulty before the pandemic and those who did not fell rapidly starting in March 2020. The decline in credit card balances may reflect normal seasonal variation and from using less credit for the first several weeks of the pandemic as states issued stay-at-home orders and other restrictions. There was a steep

⁴ files.consumerfinance.gov/f/documents/cfpb_making-ends-meet_survey-results_2020-07.pdf

⁵ <https://www.consumerfinance.gov/about-us/blog/credit-card-debt-fell-even-consumers-having-financial-difficulties-before-pandemic/>

⁶ https://files.consumerfinance.gov/f/documents/cfpb_early-effects-covid-19-consumer-credit_issue-brief.pdf

decline in average credit card debt for both groups over April and May 2020 that was much larger than that of the previous year. The relative decline for both groups was fairly similar.

The Bureau conducted another follow-up survey in May and June 2020 with the respondents from the first survey. The results from this follow-up survey provide more information on how COVID-19 and responses to it have affected people's financial lives. The results of the survey were published in April 2021.⁷

⁷https://files.consumerfinance.gov/f/documents/cfpb_making-ends-meet-wave-2_report_2021-04.pdf

2. Justification of the budget request of the previous year

The Bureau's Annual Performance Plan and Report, and Budget Overview, which is available online at www.consumerfinance.gov/about-us/budget-strategy/budget-and-performance/, includes estimates of the resources needed for the Bureau to carry out its mission. The document also describes the Bureau's performance goals and accomplishments, supporting the Bureau's long-term Strategic Plan.

2.1 Fiscal year (FY) 2021 spending through the end of the second quarter of the fiscal year

2.1.1 Bureau fund

As of March 31, 2021 the end of the second quarter of FY 2021, the Bureau had spent approximately \$335.8 million⁸ in FY 2021 funds to carry out the authorities of the Bureau under Federal consumer financial law, including approximately \$177.9 million for employee compensation and benefits. There were 1,532 Bureau employees on board at the end of the second quarter.⁹

TABLE 1: FY 2021 SPENDING EXPENSE CATEGORY

Expense Category	Fiscal Year 2020
Personnel Compensation	\$125,330,000
Benefit Compensation	\$52,425,000
Benefit Compensation – Former Employees	\$148,000

⁸ This amount includes new obligations and upward adjustments to the previous year obligations. An obligation is a transaction or agreement that creates a legal liability and obligates the government to pay for goods and services ordered or received.

⁹ This figure reflects the employees on board during pay-period 6, calendar year 2021.

Expense Category	Fiscal Year 2020
Transportation of Things	\$75,000
Rents, Communications, Utilities & Misc.	\$12,102,000
Printing and Reproduction	\$2,526,000
Other Contractual Services	\$127,316,000
Supplies & Materials	\$3,265,000
Equipment	\$12,630,000
Land and Structures	\$0
Total (as of March 31, 2021)	\$335,837,000

2.1.2 FY 2021 funds transfers received from the Federal Reserve

The Bureau is funded principally by transfers from the Federal Reserve System, up to the limits set forth in the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). As of March 31, 2021, the Bureau had received the following transfers for FY 2021. The amounts and dates of the transfers are shown below.¹⁰

TABLE 2: FUND TRANSFERS

Funds Transferred	Date
\$203.4M	October 01, 2020
\$118.6M	January 02, 2021
\$322.0M	Total

Additional information about the Bureau's finances, including information about the Bureau's Civil Penalty Fund and Bureau-Administered Redress programs, is available in the annual financial reports and the Chief Financial Officer (CFO) quarterly updates published online at www.consumerfinance.gov/about-us/budget-strategy/financial-reports/.

¹⁰ Current year spending in excess of funds received is funded from the prior year's unobligated balance.

Copies of the Bureau's quarterly funds transfer requests are available online at www.consumerfinance.gov/about-us/budget-strategy/funds-transfer-requests/.

3. List of the significant rules and orders adopted by the Bureau, as well as other significant initiatives conducted by the Bureau, during the preceding year, and the plan of the Bureau for rules, orders, or other initiatives to be undertaken during the upcoming period¹¹

3.1 Significant rules¹²

The Bureau issued five significant notices of proposed rulemaking during the preceding year:

- Proposed Rule: Amendments to Facilitate the LIBOR Transition (Regulation Z)¹³

¹¹ Separate from the Bureau's obligation to include in this report "a list of the significant rules and orders adopted by the Bureau . . . during the preceding year," 12 U.S.C. 5496(c)(3), the Bureau is required to "conduct an assessment of each significant rule or order adopted by the Bureau" under Federal consumer financial law and issue a report of such assessment "not later than 5 years after the effective date of the subject rule or order," 12 U.S.C. 5512(d). The Bureau will issue separate notices, as appropriate, identifying rules and orders that qualify as significant for assessment purposes.

¹² The statutory requirement under 1016(c)(3) calls for the Bureau to report a list of the significant rules and orders adopted by the Bureau. This list includes significant notices of proposed rulemakings.

¹³ <https://www.consumerfinance.gov/rules-policy/rules-under-development/amendments-facilitate-libor-transition-regulation-z/>

- Proposed Rule: Higher-Priced Mortgage Loan Escrow Exemption (Regulation Z)¹⁴
- Proposed Rule: Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z), Extension of the Sunset Date¹⁵
- Proposed Rule: Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z), General QM Loan Definition¹⁶
- Proposed Rule: Qualified Mortgage Definition under the Truth in Lending Act (Regulation Z), Seasoned QM Loan Definition¹⁷

The Bureau issued nine significant final rules:

- Final Rule: Home Mortgage Disclosure (Regulation C)—2020 Final Rule.¹⁸ The Bureau amended Regulation C to increase the threshold for reporting data about closed-end mortgage loans, so that institutions originating fewer than 100 closed-end mortgage loans in either of the two preceding calendar years will not have to report such data effective July 1, 2020. The Bureau also set the threshold for reporting data about open-end lines of credit at 200 open-end lines of credit effective January 1, 2022, upon the expiration of the current temporary threshold of 500 open-end lines of credit.
- Final Rule: Remittance Transfers under the Electronic Fund Transfer Act (Regulation E).¹⁹ The Bureau amended Regulation E and the official interpretations of Regulation E to provide tailored exceptions to address compliance challenges that insured institutions may face in certain circumstances upon the expiration of a statutory exception that allows insured institutions to disclose estimates instead of exact amounts to consumers. That

¹⁴ <https://www.consumerfinance.gov/rules-policy/notice-opportunities-comment/archive-closed/higher-priced-mortgage-loan-escrow-exemption-regulation-z/>.

¹⁵ <https://www.consumerfinance.gov/rules-policy/rules-under-development/qualified-mortgage-definition-under-truth-lending-act-regulation-z-extension-sunset-date/>. In October 2020, the Bureau finalized this rule. More information can be found here: <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-extension-sunset-date/>.

¹⁶ <https://www.consumerfinance.gov/rules-policy/rules-under-development/qualified-mortgage-definition-under-truth-lending-act-general-qm-loan-definition/>. In December 2020, the Bureau finalized this rule. More information can be found here: <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-general-qm-loan-definition/>.

¹⁷ <https://www.consumerfinance.gov/rules-policy/rules-under-development/qualified-mortgage-definition-under-truth-lending-act-regulation-z-seasoned-qm-loan-definition/>. In December 2020, the Bureau finalized this rule. More information can be found here: <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-seasoned-qm-loan-definition/>.

¹⁸ <https://www.consumerfinance.gov/rules-policy/final-rules/home-mortgage-disclosure-regulation-c/>.

¹⁹ <https://www.consumerfinance.gov/rules-policy/final-rules/electronic-fund-transfers-regulation-e/>.

exception expired on July 21, 2020. The Bureau also increased a safe harbor threshold related to whether a person makes remittance transfers in the normal course of its business.

- Final Rule: Payday, Vehicle Title, and Certain High-Cost Installment Loans—Revocation Rule.²⁰ The Bureau revoked regulations providing it is an unfair and abusive practice to make certain payday and vehicle title loans without reasonably determining ability to repay.
- Final Rule: QM Definition under the Truth and Lending Act (Regulation Z) Extension of the Sunset Date.²¹ With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer’s ability to repay any residential mortgage loan, and loans that meet Regulation Z’s requirements for “qualified mortgages” (QMs) obtain certain protections from liability. One category of QMs consists of loans that are eligible for purchase or guarantee by either the Federal National Mortgage Association (Fannie Mae) or the Federal Home Loan Mortgage Corporation (Freddie Mac) (government-sponsored enterprises or GSEs), while operating under the conservatorship or receivership of the Federal Housing Finance Agency (FHFA). In 2013, the Bureau established this category of QMs (Temporary GSE QMs) as a temporary measure that would expire no later than January 10, 2021 or when the GSEs cease to operate under conservatorship. In this final rule, the Bureau amended Regulation Z to replace the January 10, 2021 sunset date of the Temporary GSE QM loan definition with a provision stating that the Temporary GSE QM loan definition will be available only for covered transactions for which the creditor receives the consumer’s application before the mandatory compliance date of final amendments to the General QM loan definition in Regulation Z.
- Final Rules: Debt Collection Practices (Regulation F).²² The Bureau finalized two rules that revised Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA), to prescribe Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The first final rule addressed, among other things, communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection. The second final rule, among other things, clarified the information that a debt collector must provide to a consumer at the outset of debt collection communications and provided a model notice containing such information, prohibited debt collectors from bringing or threatening to bring a legal action against a consumer to collect a time-barred debt, and required debt

²⁰ <https://www.consumerfinance.gov/rules-policy/final-rules/payday-vehicle-title-and-certain-high-cost-installment-loans-revocation-rule/>

²¹ <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-extension-sunset-date/>

²² <https://www.consumerfinance.gov/rules-policy/final-rules/debt-collection-practices-regulation-f/>
<https://www.consumerfinance.gov/rules-policy/final-rules/debt-collection-practices-regulation-f-2020-12/>

collectors to take certain actions before furnishing information about a consumer's debt to a consumer reporting agency.

- **Final Rule: QM Definition under Truth in Lending Act (Regulation Z): General QM Loan Definition.**²³ With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for QMs obtain certain protections from liability. One category of QMs is the General QM category. For General QMs, the ratio of the consumer's total monthly debt to total monthly income (DTI or DTI ratio) must not exceed 43 percent. This final rule amended the General QM loan definition in Regulation Z. Among other things, the final rule removed the General QM loan definition's 43 percent DTI limit and replaced it with price-based thresholds.
- **Final Rule: QM Definition under Truth in Lending Act (Regulation Z): Seasoned QM Loan Definition.**²⁴ With certain exceptions, Regulation Z requires creditors to make a reasonable, good faith determination of a consumer's ability to repay any residential mortgage loan, and loans that meet Regulation Z's requirements for "qualified mortgages" (QMs) obtain certain protections from liability. This final rule created a new category of QMs (Seasoned QMs) for first-lien, fixed-rate covered transactions that have met certain performance requirements, are held in portfolio by the originating creditor or first purchaser for a 36-month period, comply with general restrictions on product features and points and fees, and meet certain underwriting requirements.
- **Final Rule: Higher-Priced Mortgage Loan Escrow Exemption (Regulation Z).**²⁵ This final rule amended Regulation Z, which implements the Truth in Lending Act, as mandated by section 108 of the Economic Growth, Regulatory Relief, and Consumer Protection Act. The amendments exempted certain insured depository institutions and insured credit unions from the requirement to establish escrow accounts for certain higher-priced mortgage loans.

²³ <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-general-qm-loan-definition/> In March 2021, the Bureau proposed extending the mandatory compliance date for the amendments to the general QM loan definition. <https://www.consumerfinance.gov/rules-policy/notice-opportunities-comment/open-notice/qualified-mortgage-definition-under-truth-lending-act-regulation-qm-loan-definition-delay-of-mandatory-compliance-date> Additional activity has occurred since the end of the reporting period. In April 2021, the Bureau finalized the proposal to extend the mandatory compliance date. <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-general-qm-loan-definition-delay-mandatory-compliance-date/>

²⁴ <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-seasoned-qm-loan-definition/>

²⁵ <https://www.consumerfinance.gov/rules-policy/final-rules/higher-priced-mortgage-loan-escrow-exemption-regulation-z/>

3.2 Less significant rules²⁶

- Interpretive and Interim Final Rules intended to facilitate compliance in light of the COVID-19 pandemic:
 - Interpretive Rule: Treatment of Pandemic Relief Payments Under Regulation E and Application of the Compulsory Use Prohibition²⁷
 - Interpretive Rule: Application of Certain Provisions in the TILA-RESPA Integrated Disclosure Rule and Regulation Z Right of Rescission Rules in Light of the COVID-19 Pandemic²⁸
 - Interim Final Rule: Treatment of Certain COVID-19 Related Loss Mitigation Options Under the Real Estate Settlement Procedures Act, Regulation X; Interim Final Rule²⁹
- Final Rule: Truth in Lending (Regulation Z) Threshold Adjustments³⁰
- Final Rule: Appraisals for Higher-Priced Mortgage Loans Exemption Threshold Adjustments³¹
- Final Rule: Consumer Leasing (Regulation M) Annual Threshold Adjustments³²
- Final Rule: Fair Credit Reporting Act Disclosures³³

²⁶ This list includes less significant rules, and it is not comprehensive. This list may exclude certain non-major rules, proposed rules, procedural rules, and other miscellaneous routine rules. More information about the Bureau's rulemaking activities is available in the Unified Agenda at <https://www.reginfo.gov/public/>, and on the Bureau's public website at <https://www.consumerfinance.gov/policy-compliance/rulemaking/>.

²⁷ <https://www.consumerfinance.gov/rules-policy/final-rules/regulation-e-pandemic-relief-payments-compulsory-use-prohibition/>

²⁸ <https://www.consumerfinance.gov/rules-policy/final-rules/tila-respa-integrated-disclosure-rule-regulation-z-right-rescission-rules-covid-19/>

²⁹ <https://www.consumerfinance.gov/rules-policy/final-rules/certain-covid-19-related-loss-mitigation-options-under-respa-regulation-x/>

³⁰ <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/truth-lending-regulation-z-threshold-adjustments/>

³¹ <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/appraisals-higher-priced-mortgage-loans-exemption-threshold-adjustments/>

³² <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/consumer-leasing-regulation-m-adjustments/>

³³ <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/fair-credit-reporting-act-disclosures/>

- Final Rule: Home Mortgage Disclosure (Regulation C) Adjustment to Asset-Size Exemption Threshold³⁴
- Final Rule: Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold³⁵
- Final Rule: Truth in Lending (Regulation Z); Determining “Underserved” Areas Using Home Mortgage Disclosure Act Data³⁶
- Final Rule: Civil Penalty Inflation Adjustments³⁷
- Final Rule: Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA, and Qualified Mortgages)³⁸
- Final Rule: Role of Supervisory Guidance³⁹
- Interpretive Rule: Equal Credit Opportunity (Regulation B); Discrimination on the Bases of Sexual Orientation and Gender Identity⁴⁰
- Final Rule: Amendments Relating to Disclosure of Records and Information⁴¹

3.3 Significant initiatives

- *COVID-19 Pandemic Response.*
 - *Continuing to Help Consumers.* Throughout the pandemic, the Bureau has worked efficiently and effectively to answer consumers’ questions and take consumers’ complaints. Despite the changes in operations brought by the pandemic and stay-

³⁴ <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/home-mortgage-disclosure-regulation-c-adjustment-asset-size-exemption-threshold/>

³⁵ <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/truth-lending-act-regulation-z-adjustment-asset-size-exemption-threshold/>

³⁶ <https://www.consumerfinance.gov/rules-policy/final-rules/truth-lending-regulation-z-underserved-areas-home-mortgage-disclosure-act-data/>

³⁷ <https://www.consumerfinance.gov/rules-policy/final-rules/civil-penalty-inflation-annual-adjustments/>

³⁸ <https://www.consumerfinance.gov/rules-policy/final-rules/truth-lending-regulation-z-annual-threshold-adjustments-card-act-hoeпа/>

³⁹ <https://www.consumerfinance.gov/rules-policy/final-rules/role-of-supervisory-guidance/>

⁴⁰ https://www.consumerfinance.gov/documents/9533/cfpb_ecoa-interpretive-rule_2021-03.pdf

⁴¹ https://www.consumerfinance.gov/documents/9353/cfpb_disclosure-records-information_final-rule_updated_2020-11.pdf

at-home orders, the CFPB fielded more than 54,700 complaints per month from April 1, 2020 through March 31, 2021. As always, the Bureau continues to route consumers' complaints about financial products and services—and any documents they provide—directly to financial companies and works to get consumers a timely response.

- *COVID-19 Consumer Information.*⁴² Since the onset of the COVID-19 pandemic, the Bureau has published a collection of consumer education resources to help consumers protect themselves financially during the health crisis. The Bureau created and maintained a landing page and series of webpages to help consumers quickly find accurate and up-to-date COVID-19 related resources. Topics covered include mortgages, rental assistance, credit reporting, debt collection, student loans, frauds and scams, retirement funds, economic impact payments and more. The Bureau also published resources for specific audiences such as servicemembers and veterans, older adults and their families, small business owners, parents and kids, and more. Additionally, the Bureau has also produced 33 COVID-19 related videos, 1,478 social media messages with a reach of 78,155,878, and over 150 translations of blogs and web content into other languages. During the reporting period, approximately 6.2 million users have accessed the Bureau's educational web content in response to COVID-19, totaling 7.3 million visits.
- *Economic Impact Payments.*⁴³ The Bureau coordinated with the Department of Treasury and the Internal Revenue Service to amplify communication outreach for the Economic Impact Payments (EIP) made available by the CARES Act, the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act. Following the passage of the CARES Act, the Bureau released a guide for intermediary organizations to help consumers claim their EIP, particularly those who do not normally file taxes. In support of the guide's release the Bureau engaged in extensive outreach to community-based organizations, local governments and other entities that serve primarily people with lower incomes who may not be required to file tax returns but who were still eligible to receive EIP and needed to take action in order to provide information to the IRS to receive those payments. The Bureau also issued a consumer advisory that highlighted the emerging trend of set-offs of EIP funds by financial institutions to cover an outstanding negative

⁴² <https://www.consumerfinance.gov/coronavirus/>

⁴³ <https://www.consumerfinance.gov/coronavirus/managing-your-finances/guide-economic-impact-payments/>; <https://www.consumerfinance.gov/about-us/blog/consumer-advisory-protect-your-economic-payment-if-your-account-is-overdrawn/>; <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-encourages-financial-institutions-and-debt-collectors-to-allow-stimulus-payments-to-reach-consumers/>

balance. The consumer advisory encouraged consumers to monitor their bank accounts for fees and provided talking points to use with their depository institutions for relief so they can fully utilize any stimulus and/or unemployment benefit deposited into their accounts by state and federal entities. An accompanying press release also encouraged financial institutions to provide as many COVID related accommodations to consumers as possible. The Bureau continued outreach to community-based organizations and directly to consumers following the issuance of the second and third stimulus payments in December of 2020 and March of 2021. The outreach was focused on increasing enrollment by people with lower incomes who are not required to file tax returns and may not have provided information to the IRS via its non-filers portal in 2020 to receive payments for which they were eligible.

- *Unified Housing Portal.*⁴⁴ The Bureau continued its partnership with HUD, the Federal Housing Finance Agency (FHFA), the Department of Veteran Affairs (VA), and the USDA on a federal interagency Housing Portal within ConsumerFinance.gov for consumers struggling to pay their mortgage or rent because of COVID-19. Resources include information on forbearance, foreclosure, eviction prevention, and specific action consumers can take to utilize protections to stay in their homes. Website analysis and testing reveals that the Housing Portal is a trusted resource for consumers: When the deadline for forbearances was extended from March 31 to June 30, traffic to the Housing Portal increased nearly 280% (from 10k pageviews to 28k) as compared to the same day the preceding week, and engagement metrics increased (from 41% to 48%). During usability research on the renters' pages of the Housing Portal in March 2021, almost all participants were able to find information on taking action to avoid eviction. Since its inception in May 2020, the Housing Portal has seen over 1.5M unique users and over 2.6M pageviews. A Bureau report on housing insecurity and the COVID-19 pandemic published in March 2021 was viewed and downloaded over 1,600 times. The Housing Portal has also been translated into six non-English languages (Spanish, Arabic, Korean, Tagalog, Traditional Chinese, Vietnamese).
- *COVID-19 Response to Data Collection.* The Bureau will continue to collect data and use information to identify market and consumer experience trends, to provide insights into the issues facing consumers and inform the publication of tools and

⁴⁴ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/>

materials designed to help consumers protect themselves financially during the COVID-19 pandemic.

- *Prioritized Assessments.* The Bureau’s supervision program developed Prioritized Assessments as a new, targeted supervisory approach in response to the COVID-19 pandemic’s impact on consumers and the consumer financial marketplace. Prioritized Assessments are higher-level inquiries than traditional examinations that were designed to obtain real-time information from entities that operate in markets that pose elevated risks of consumer harm due to pandemic-related issues. Through Prioritized Assessments, the Bureau expanded its supervisory approach to cover a greater number of institutions than its typical examination schedule allows, gained a greater understanding of industry responses to pandemic-related challenges, and helped to ensure that entities are attentive to practices that may result in consumer harm.
- The Bureau issued various guidance documents regarding compliance with various regulations and statutes during the reporting period:⁴⁵
 - Statement on Supervisory and Enforcement Practices Regarding the Fair Credit Reporting Act and Regulation V in Light of the CARES Act, April 1, 2020⁴⁶
 - The Bureau’s Mortgage Servicing Rules FAQs related to the COVID-19 Emergency, April 3, 2020⁴⁷
 - Joint Statement on Supervisory and Enforcement Practices Regarding the Mortgage Servicing Rules in Response to the COVID-19 Emergency and the CARES Act, April 3, 2020⁴⁸
 - Interagency Statement on Loan Modifications and Reporting for Financial Institutions Working with Customers Affected by the Coronavirus (Revised), April 7, 2020⁴⁹

⁴⁵ See Section 3.4 for the items released in response to COVID-19 after the reporting period ending on March 31, 2021.

⁴⁶ https://files.consumerfinance.gov/f/documents/cfpb_credit-reporting-policy-statement_cares-act_2020-04.pdf The Bureau rescinded this policy statement effective April 1, 2021.

⁴⁷ https://files.consumerfinance.gov/f/documents/cfpb_mortgage-servicing-rules-covid-19_faqs.pdf

⁴⁸ https://files.consumerfinance.gov/f/documents/cfpb_interagency-statement_mortgage-servicing-rules-covid-19.pdf

⁴⁹ https://files.consumerfinance.gov/f/documents/cfpb_interagency-statement_loan-modifications-reporting-covid-19_2020-04.pdf The Bureau withdrew as a signatory to this statement on March 31, 2021.

- Statement on Supervisory and Enforcement Practices Regarding the Remittance Rule in Light of the COVID-19 Pandemic, April 10, 2020⁵⁰
- Interagency Statement on Appraisals and Evaluations for Real Estate Related Financial Transactions Affected by the Coronavirus, April 14, 2020⁵¹
- Bulletin 2020-02—Compliance Bulletin and Policy Guidance: Handling of Information and Documents During Mortgage Servicing Transfers, April 24, 2020⁵²
- Statement on Supervisory and Enforcement Practices Regarding Certain Filing Requirements Under the Interstate Land Sales Full Disclosure Act and Regulation J, April 27, 2020⁵³
- The Bureau’s Mortgage Origination Rules FAQs related to the COVID-19 Emergency, April 29, 2020⁵⁴
- The Bureau’s Equal Credit Opportunity Act and Regulation B FAQs Related to the COVID-19 Emergency, May 6, 2020⁵⁵
- Statement on Supervisory and Enforcement Practices Regarding Regulation Z Billing Error Resolution Timeframes in Light of the COVID-19 Pandemic, May 13, 2020⁵⁶
- Payments and Deposits Rules FAQs related to the COVID-19 Pandemic, May 13, 2020⁵⁷

⁵⁰ https://files.consumerfinance.gov/f/documents/cfpb_policy-statement_remittances-covid-19_2020-04.pdf

⁵¹ https://files.consumerfinance.gov/f/documents/cfpb_interagency-statement_real-estate-transactions-covid-19.pdf
The Bureau withdrew as a signatory to this statement on March 31, 2021.

⁵² https://files.consumerfinance.gov/f/documents/cfpb_policy-guidance_mortgage-servicing-transfers_2020-04.pdf

⁵³ https://files.consumerfinance.gov/f/documents/cfpb_ilsa_relief-statement-covid-19_2020-04.pdf The Bureau rescinded this Policy Statement effective April 1, 2021.

⁵⁴ https://files.consumerfinance.gov/f/documents/cfpb_mortgage-origination-rules_faqs-covid-19.pdf

⁵⁵ https://files.consumerfinance.gov/f/documents/cfpb_ecoa-regulation-b_faqs-covid-19.pdf

⁵⁶ https://files.consumerfinance.gov/f/documents/cfpb_statement_regulation-z-error-resolution-covid-19_2020-05.pdf The Bureau rescinded this Policy Statement effective April 1, 2021.

⁵⁷ https://files.consumerfinance.gov/f/documents/cfpb_faqs_payments-deposits-rules-covid-19_2020-05.pdf

- Open-End (not Home-Secured) Rules FAQs related to the COVID-19 Pandemic, May 13, 2020⁵⁸
 - Joint release with the Conference of State Bank Supervisors (CSBS): Consumer Relief Guide on borrowers' rights to mortgage payment forbearance and foreclosure protection under the federal CARES Act, May 15, 2020⁵⁹
 - Statement on Supervisory and Enforcement Practices Regarding Electronic Credit Card Disclosures in Light of the COVID-19 Pandemic, June 3, 2020⁶⁰
 - Joint guidance, with the CSBS, to mortgage servicers to assist in complying with the CARES Act provisions granting a right to forbearance to consumers impacted by the COVID-19 pandemic, May 2020⁶¹
- *Response to Ensure Safety of Staff During COVID-19 Pandemic.* The Bureau instituted several initiatives to ensure the health, safety, and well-being of the Bureau's staff during the COVID-19 pandemic. These include:
- Maintaining that all examination activity of Bureau-supervised institutions be virtually conducted offsite, from examiners' home duty stations, through September 4, 2021.
 - Managing the agency's operating status and posture starting with mandatory telework through the current maximum telework position, which includes providing appropriate safety conditions to support voluntary return to the office for those who seek that option. This included a phased return to work at its Washington, D.C. headquarters location on July 8, 2020, allowing staff who want to work from the building the opportunity to do so in a safe and secure manner. Effective on October 1, 2020, the Bureau began a phased return to work at its regional locations allowing staff who want to work from the Bureau regional offices the opportunity to do so in a safe and secure manner, similar to the Washington D.C. Headquarters. This operating status is in place through September 4, 2021 and will be reassessed on a regular basis to determine whether additional extensions are appropriate.

⁵⁸ https://files.consumerfinance.gov/f/documents/cfpb_fags_open-end-rules-covid-19_2020-05.pdf

⁵⁹ https://files.consumerfinance.gov/f/documents/cfpb_csbs_consumers-forbearance-guide_2020-05.pdf

⁶⁰ https://files.consumerfinance.gov/f/documents/cfpb_e-sign-credit-card_statement_2020-06.pdf The Bureau rescinded this Policy Statement effective April 1, 2021.

⁶¹ https://files.consumerfinance.gov/f/documents/cfpb_csbs_industry-forbearance-guide_2020-06.pdf

- Granting flexibility to staff to vary their work schedules through additional accrual of credit hours and authorizing staff to use up to 20 hours of administrative leave per pay period if they are prevented from working due to a lapse in childcare or other reasons associated with COVID-19, including time needed to get a COVID-19 vaccine.⁶²
 - Providing up to two weeks (80 hours) of emergency paid sick leave through December 31, 2020, in accordance with the Emergency Paid Sick Leave Act.
 - Adjusting the Bureau's annual leave program for 2020 and 2021 by increasing the amount of the annual leave use or lose payout from 40 hours to 80 hours for employees who are unable to use their annual leave by the end of the 2020 or 2021 leave years. In addition, in 2020, the Bureau restored up to 40 hours of leave for employees who had a use or lose annual leave balance after the 80-hour payout.
 - Providing Bureau employees with updates on prevention measures, workplace flexibilities, telework options and best practices, and keeping staff informed through a variety of communication channels.
 - Hiring a medical advisor to provide medical advice and consultation related to COVID-19.
 - Creating several ways to hear from Bureau employees through National Treasury Employees Union engagements, a COVID-19 Bureau advisory group, a Pandemic Inquiries Inbox, leadership involvement, and through Bureau Employee Resources Groups. Additionally, the Bureau maintained a frequent cadence of communicating with Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and other federal agencies for situational awareness and alignment, where possible.
- *The Bureau published research briefs and blogs related to the economic impact of the COVID-19 pandemic:*

⁶² Administrative leave is provided through the Bureau's compensation authority.

- *The early effects of the COVID-19 pandemic on credit applications.*⁶³ This report documents the early effects of the COVID-19 pandemic on credit applications, which are among the very first credit market measures to change in credit report data in response to changes in economic activity. Using the Bureau's CCP, the Bureau studied how applications for auto loans, mortgages, credit cards, and other loans changed week-by-week during the month of March 2020, compared to the same time in previous years. The Bureau found that by the end of March 2020, applications for most categories fell between 30 and 50 percent, with relatively larger decreases among consumers with higher credit scores. The Bureau also found that the South and Midwest experienced relatively smaller drops, while the Northeast and California experienced relatively larger drops. These state-level drops are correlated with the number of COVID-19 cases per 100,000 residents and the share of workers entering unemployment in the state.
- *Fair and equitable access to credit for minority and women-owned businesses.*⁶⁴ This April 2020 blog highlighted the importance of fair and equitable access to credit for minority and women-owned businesses, including businesses applying for relief under the U.S. Small Business Administration's Paycheck Protection Program.
- *Special issue brief: The early effects of the COVID-19 pandemic on consumer credit.*⁶⁵ This second COVID-19 Special Issue Brief published August 31, 2020, describes trends in delinquency rates, payment assistance, credit access, and account balance measures with a focus on the period since the start of the COVID-19 pandemic (March 2020). Based on the credit outcomes analyzed, this report shows that through June 2020, consumers did not experience many of the negative credit consequences that might be expected during periods of high unemployment and large income shocks. The analysis shows that between March and June of 2020 delinquencies declined on auto loan, mortgage, student loan, and credit card accounts, while the number of accounts with zero payment due to CARES Act accommodations increased. Financial institutions also appear to have responded by increasing closures of credit card accounts and halting limit increases, but these actions have not significantly limited overall access to credit. As of June 2020, consumers also did not appear to have

⁶³ <https://www.consumerfinance.gov/data-research/research-reports/covid-19-early-effects-credit-applications/>

⁶⁴ <https://www.consumerfinance.gov/about-us/blog/fair-equitable-access-credit-minority-women-owned-businesses/>

⁶⁵ <https://www.consumerfinance.gov/data-research/research-reports/special-issue-brief-early-effects-covid-19-pandemic-on-consumer-credit/>

responded to adverse financial conditions by increasing balances, consistent with reports showing significant decreases in consumer spending since the start of the COVID-19 pandemic.

- *Credit applications remain depressed for credit cards and auto loans* blog.⁶⁶ This December, 2020 blog is a follow-up to the original May 2020 report, *The early effects of the COVID-19 pandemic on credit applications*, and follows how consumer credit markets have evolved in response to the pandemic. As in the original report, the Bureau shows how the actual volume of inquiries compare to the usual volume of inquiries predicted based on historical seasonal trends and observed inquiry volumes in the first week of March. The Bureau found that consumer credit markets were still far from normal. In September 2020, credit card inquiries were still 30 percent below their pre-pandemic levels. Inquiries for auto loans returned to pre-pandemic levels in June 2020 but slipped between then and September 2020. However, inquiries for new mortgages have more than recovered since May 2020.
- *Credit card debt fell even for consumers who were having financial difficulties before the pandemic.*⁶⁷ This December 2020 blog further investigates the Making Ends Meet survey data to explore whether financially vulnerable consumers turned to credit card debt during the pandemic. It examines consumers who had difficulty paying bills and expenses and consumers who could cover two months or fewer of expenses. The fall in credit card debt suggests that policies such as unemployment insurance and stimulus checks were effective at reaching financially vulnerable consumers during the first months of the pandemic.
- *Friends and Family Exchanges Toolkit.*⁶⁸ The COVID-19 pandemic caused financial hardship for millions of Americans, forcing many to turn to family and friends for help. Many families rely on informal lending and borrowing arrangements to weather the storm, especially in acute financial emergencies or when there is a lack of available assistance from lending institutions. To support financial educators helping clients through these often-sensitive conversations about these arrangements, the Bureau released the Friends and Family

⁶⁶ <https://www.consumerfinance.gov/about-us/blog/credit-applications-remain-depressed-for-credit-cards-and-auto-loans/>.

⁶⁷ <https://www.consumerfinance.gov/about-us/blog/credit-card-debt-fell-even-consumers-having-financial-difficulties-before-pandemic/>.

⁶⁸ https://files.consumerfinance.gov/f/documents/cfpb_friends-and-family-exchanges-COVID_03.25.2021.pdf

Exchanges Toolkit, a four-part guide for coaching clients in asking for financial help or changing an existing agreement due to their own financial hardship. Based in research and tested with educators, the guide is available for download from the CFPB website.

- *Data Point Research Reports.* During the reporting period, the Bureau has released the following research reports:
 - *Balancing savings and debt: Findings from an online experiment*⁶⁹. This January 2021 report summarizes the results of an online experiment using hypothetical scenarios to explore how the amount of available savings might influence whether a consumer is willing to use savings and, if so, how much savings to put toward credit card debt. The findings suggest that consumers balance two goals: preserving a savings cushion and reducing debt.
 - *How mortgages change before origination*⁷⁰. This October 2020 report provides new information about the types of changes that occur during the mortgage origination process, their size and prevalence, and when they (and other mortgage milestones) occur in the mortgage origination process, as reflected in the Loan Estimate and Closing Disclosure forms provided to borrowers pursuant to the TRID Rule.
 - *Perceived Financial Preparedness, Savings Habits, and Financial Security*⁷¹. This September 2020 brief uses the Making Ends Meet survey to explore consumers' savings-related behaviors, experiences, and outcomes. It provides insight into consumers' perceived financial preparedness by highlighting the relationship between how much money people think they need in savings for emergencies and how much money they report actually having in their checking and savings accounts combined.
 - *2019 mortgage market activity and trends*⁷². This is the third in an annual series of Bureau Data Point articles describing mortgage market activity over time based on data reported under the Home Mortgage Disclosure Act (HMDA). It summarizes

⁶⁹ <https://www.consumerfinance.gov/data-research/research-reports/balancing-savings-and-debt-findings-from-an-online-experiment/>

⁷⁰ <https://www.consumerfinance.gov/data-research/research-reports/data-point-how-mortgages-change-before-origination/>

⁷¹ <https://www.consumerfinance.gov/data-research/research-reports/perceived-financial-preparedness-saving-habits-and-financial-security/>

⁷² <https://www.consumerfinance.gov/data-research/research-reports/data-point-2019-mortgage-market-activity-and-trends/>

the historical data points in the 2019 HMDA data, as well as recent trends in mortgage and housing markets.

- The Bureau continued a periodic series of Quarterly Consumer Credit Trends (qCCT) reports identifying trends in the consumer credit markets, using the data in the Bureau's CCP. The following are the publications during the reporting period:
 - *qCCT: Payment Amount Furnishing & Consumer Reporting*.⁷³ This report explores the prevalence of actual payment information in consumer credit reporting. It illustrates the prevalence of actual payment data furnishing for the five most commonly furnished loan products between 2012-2020 and demonstrates differences in furnishing between revolving and installment loan products. Then, it focuses on the changes in furnishing behavior among the largest credit card issuers over time and explores possible business incentives that may account for the differences in furnishing behavior observed.
 - *qCCT: Recent trends in debt settlement and credit counseling*.⁷⁴ This report describes trends in debt settlement and credit counseling during the Great Recession and in recent years. This report shows that nearly one in thirteen consumers with a credit record had at least one account settled through a creditor or had account payments managed by a credit counseling agency from 2007 through 2019. Since 2016, the number of debt settlements has increased steadily, while credit counseling numbers are relatively unchanged.
- The Bureau published the following additional notable reports:
 - Consumer Financial Protection Bureau Releases Assessment of TRID Mortgage Loan Disclosure Rule.⁷⁵ This report details an assessment of the TRID Integrated Disclosure Rule (the Truth in Lending Act and Real Estate Settlement Procedures Act). The assessment found that the TRID Rule made progress towards several of its goals. The report also summarizes public comments for modifying, expanding, or eliminating the rule. The evidence available for the assessment indicates that the TRID Rule improved consumers' ability to locate key information, compare terms and costs between initial disclosures and final disclosures, and compare terms and costs across mortgage offers. Evidence was mixed, but leans positive, regarding

⁷³ <https://www.consumerfinance.gov/data-research/research-reports/quarterly-consumer-credit-trends-payment-amount-furnishing-consumer-reporting/>

⁷⁴ <https://www.consumerfinance.gov/data-research/research-reports/quarterly-consumer-credit-trends-debt-settlement-credit-counseling/>

⁷⁵ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-releases-assessment-trid-mortgage-loan-disclosure-rule/>

whether the Rule improved consumer understanding of forms. The assessment also found that the Rule resulted in sizeable implementation costs for companies. The assessment was conducted in accordance with Section 1022(d) of the Dodd-Frank Act that requires the Bureau to assess significant rules or orders adopted under Federal consumer financial law. In addition, the Bureau published a Data Point examining how the terms and costs of a mortgage loan may change during the origination process as reflected in the Loan Estimate and Closing Disclosure forms provided to borrowers pursuant to the TRID Rule.

- *An updated review of the new and revised data points in HMDA: Further observations using the 2019 HMDA data.*⁷⁶ The goal of this article is to help the public become more familiar with the new and revised data points first reported in the 2018 HMDA data. This article looks at the 2019 HMDA data and provides some initial observations about the nation's mortgage market in 2019 using those new and revised data points. As in last year's article, the focus of this article is on cross-sectional analyses, i.e., using the data contained in one year's loan application registrar (LAR) to explore various patterns and relationships between different data fields to provide some initial observations. To the extent some of those patterns or relationships might have changed significantly over the last year, this article will highlight such changes in comparison to the observations from last year's article. Otherwise, the majority of the analyses in this article are limited to the data collected in 2019 and reported in 2020.
- *Evidence-based strategies to build emergency savings.*⁷⁷ Savings as a path to improved financial well-being is at the core of the Bureau's Start Small, Save Up initiative. This report synthesizes the rigorous research of programs and strategies aiming to help consumers achieve greater savings. The goal of this review is to provide researchers, policymakers, and practitioners with a broad view of the savings-related research landscape and to help identify promising practices, as well as gaps where additional future research might be most useful. The research is organized into three broad categories, each identifying an avenue through which to increase consumers' savings: savings products (providing a ready place to save), financial incentives (providing motivation to save), and behavioral and psychological approaches (providing a choice environment that facilitates saving).

⁷⁶ <https://www.consumerfinance.gov/data-research/research-reports/revised-data-points-hmda/>

⁷⁷ <https://www.consumerfinance.gov/data-research/research-reports/evidence-based-strategies-build-emergency-savings/>

- *Insights from the Making Ends Meet Survey.*⁷⁸ This research brief presents results from the Bureau’s Making Ends Meet Survey, a nationally representative survey of adults with a credit record developed by the CFPB’s Office of Research. The survey results provide a deeper understanding of how often U.S. consumers have difficulty making ends meet, how they cope with these shortfalls, and the subsequent effects of financial difficulty. The Bureau conducted the survey in May 2019, almost one year before efforts to halt the spread of COVID-19 altered many people’s lives. Yet the economic effects of COVID-19 add new urgency to the survey’s goal of understanding how prepared households are for economic hardships such as job loss or medical expenses. U.S. consumers are frequently exposed to financial shocks which can lead to difficulty paying for bills and expenses. Consumers who experience difficulty often adjust by borrowing, cutting back on other expenses, not paying bills or expenses, or seeking additional income. Many consumers report that they are not well prepared to weather even a brief period of loss to their main income source without altering their lifestyle.
- *Retirement Security and Financial Decision-making: Research Brief.* A growing number of retirees are not experiencing the expected gradual reduction in spending after they retire. This report summarizes the findings of a Bureau study into whether people who retired between 1992 and 2014 had the income, savings, and/or non-housing assets to maintain the same level of spending for at least five consecutive years after retiring. The study found that about half of people who retired between 1992 and 2014 had income, savings, and/or non-housing assets to maintain the same spending level for five consecutive years after retiring. In addition, the Bureau found that the ability to maintain the same spending level in the first five years in retirement was associated with large spending cuts in later years. The study helps identify ways to protect retirees from overspending their savings in early retirement.
- *Targeting credit builder loans.*⁷⁹ The Bureau published a report on its evaluation of a Credit Builder Loan (CBL) product. CBLs are designed for consumers looking to establish a credit score or improve an existing one, while at the same time giving them a chance to build their savings. The report presents the results of the evaluation and synthesizes their implications for lenders, financial capability practitioners, and consumers. Alongside the report, the Bureau released a

⁷⁸ <https://www.consumerfinance.gov/data-research/research-reports/insights-making-ends-meet-survey/>

⁷⁹ <https://www.consumerfinance.gov/data-research/research-reports/targeting-credit-builder-loans/>

practitioner's guide synthesizing key findings for community-based organizations and financial institutions working to expand financial inclusion.

- *Financially Fit? Comparing the credit records of young servicemembers and civilians.*⁸⁰ Financial well-being, including credit history, is an important consideration in an individual's ability to join the military as well as his or her ability to maintain a security clearance and continue in military service. This report uses a representative sample of young servicemembers' credit reports to show how their credit histories evolve from the time they turn 18 until their mid-twenties. It also compares servicemembers to a cohort of same-age civilians.
 - *Debt and delinquency after military service: A study of the credit records of young veterans in the first year after separation.*⁸¹ A follow-up report to the *Financially Fit?* report, this report shows that a sizeable fraction of young enlisted servicemembers go delinquent on debt payments or have severe derogatory entries (for example, defaults) appear on their credit record around the time they leave active duty. The report focuses on three types of credit accounts: auto loans, revolving credit accounts (credit cards), and personal or retail installment loans. The report also analyzes medical and non-medical debt. These types of accounts were found in prior research to be the most likely sources of delinquency and default among young servicemembers.
 - *Financial Literacy Annual Report.*⁸² The Bureau reports annually on its statutory mission to conduct financial education programs and to ensure consumers receive timely and understandable information to make responsible decisions about financial transactions. The 2020 report highlights the Bureau's financial education programs and initiatives.
- *Bureau Symposia Series.*⁸³ On July 20, 2020 the Bureau held a symposium on cost-benefit analysis, the last in a series established under previous Bureau leadership. There was a total of five symposia in the series, one of which was held during the reporting period:

⁸⁰ <https://www.consumerfinance.gov/data-research/research-reports/financially-fit-comparing-credit-records-young-servicemembers-civilians/>

⁸¹ <https://www.consumerfinance.gov/data-research/research-reports/debt-and-delinquency-after-military-service-study-credit-records-young-veterans-first-year-after-separation/>

⁸² <https://www.consumerfinance.gov/data-research/research-reports/2020-financial-literacy-annual-report/>

⁸³ <https://www.consumerfinance.gov/about-us/newsroom/bureau-announces-symposia-series/>

- The [fifth symposium](#) in the series, held on July 20, 2020, focused on cost-benefit analysis in consumer financial protection regulation.
- *Consumer Complaint Database.* The Bureau implemented several enhancements to the Bureau’s Consumer Complaint Database during the reporting period. The Bureau:
 - Built and launched dynamic visualization tools including geospatial (April 2020) and trend (July 2020) views based on recent complaint data to help users of the database understand current and recent marketplace conditions;
 - Added an optional public company response category (June 2020), expanding a company’s ability to respond publicly to individual complaints. The Taskforce on Federal Consumer Financial Law completed its work in January 2021, accomplishing its goal to examine ways to harmonize and modernize Federal consumer financial laws and regulations. The Taskforce, informed by the public, stakeholders, and Bureau experts, leveraged the five members’ past insights and expertise to produce a two-volume work. Volume I of the Report analyzes data regarding the benefits and costs of consumer financial products and services, and reviews the existing consumer financial regulatory framework to develop a common understanding of the history and current state of federal consumer financial laws and their influence on the marketplace. Volume II contains one hundred and two recommendations for improvements to the consumer financial system.
- *Advisory Opinions.*⁸⁴ The Bureau launched a pilot Advisory Opinion program advisory opinion (AO) program in June 2020 and finalized the AO program in November 2020 to provide interpretive rules that address regulatory uncertainty in the Bureau’s existing regulations. Also, in November, the Bureau issued an advisory opinion regarding earned wage access (EWA) products, which are marketed as a way for employees to meet short-term liquidity needs that arise between paychecks without turning to more costly alternatives like traditional payday loans. The advisory opinion aimed to resolve regulatory uncertainty regarding the applicability of the definition of credit under Regulation Z to EWA products that have certain features, including zero cost to the employees that use them. The Bureau also issued an advisory opinion to clarify that certain loan products that refinance or consolidate a consumer’s pre-existing federal, or federal and private, education loans meet the definition of “private education loan” in Truth in Lending Act and Regulation Z and are subject to the disclosure and other requirements in subpart F of Regulation Z. In December 2020, the Bureau issued an advisory opinion to address

⁸⁴ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-finalizes-advisory-opinions-policy-and-announces-two-new-advisory-opinions/>

regulatory uncertainty regarding Regulation B, which implements the ECOA, as it applies to certain aspects of special purpose credit programs designed and implemented by for-profit organizations to meet special social needs.⁸⁵ Specifically, this interpretive rule clarified the content that a for-profit organization must include in a written plan that establishes and administers a special purpose credit program under Regulation B. In addition, this rule clarified the type of research and data that may be appropriate to inform a for-profit organization's determination that a special purpose credit program is needed to benefit a certain class of persons.

- *Compliance Assistance Sandbox.*⁸⁶ In September 2019, the Bureau issued its Policy on the Compliance Assistance Sandbox (CAS Policy). Under the final CAS Policy, innovators can apply for an approval that provides a safe harbor from liability for good faith compliance with the law under certain statutes within the Bureau's jurisdiction. The Bureau granted its first application for a Compliance Assistance Statement of Terms Template (CAST Template) under the CAS Policy to Commonwealth, a nonprofit organization focused on promoting personal financial security.⁸⁷ The CAST template can be used as the basis for applications by employers to apply for individualized approvals of automatic savings programs created as a way for employees to build emergency savings and increase their financial resiliency. In December 2020, the Bureau granted applications under the CAS policy to PayActiv,⁸⁸ which provides earned wage access (EWA) products, and to Synchrony Bank for its "dual-feature credit card."⁸⁹ The PayActiv approval concerned specific aspects of some of its EWA products,⁹⁰ which are designed to provide an alternative to more risky small-dollar products, such as payday loans and overdraft. Also, in December 2020, the Bureau issue an approval order to Synchrony Bank regarding its proposal to develop a "dual-feature credit card." The card is designed for consumers with a limited or damaged credit history as a tool that can be used to establish or reestablish a favorable credit history.⁹¹ In connection with each of the December 2020 approval orders, the Bureau is

⁸⁵ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>

⁸⁶ https://files.consumerfinance.gov/f/documents/cfpb_final-policy-on-cas.pdf

⁸⁷ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-help-employers-develop-emergency-savings-programs/>

⁸⁸ https://files.consumerfinance.gov/f/documents/cfpb_payactiv_approval-order_2020-12.pdf

⁸⁹ https://files.consumerfinance.gov/f/documents/cfpb_synchrony_approval-order_2020-12.pdf

⁹⁰ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-an-approval-order-to-facilitate-employee-access-to-earned-but-unpaid-wages/>

⁹¹ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-approval-order-to-facilitate-the-use-of-dual-usage-credit-cards/>

receiving data from the recipient concerning consumer impacts of the products in question. The Bureau is currently processing several other applications under the CAS Policy.

- *No-Action Letters.* In September 2020, the Bureau issued a No Action Letter (NAL) under its NAL Policy⁹² to JP Morgan Chase Bank, N.A., regarding its housing counseling funding agreements, pursuant to the U.S. Department of Housing and Urban Development (HUD) NAL Template issued in September 2019.⁹³ In May 2020, the Bureau issued a NAL Template that can be used by mortgage servicers seeking to assist struggling borrowers to avoid foreclosure and engage in loss mitigation efforts.⁹⁴ At the same time, the Bureau issued a NAL Template covering small-dollar loan products in part to further competition in the small-dollar lending space and facilitate robust competition that fosters access to credit.⁹⁵ In November 2020, the Bureau granted a no-action letter (NAL) to Bank of America, N.A., regarding certain small-dollar credit loan products.⁹⁶ Also in November 2020, the Bureau issued a No-Action Letter to Upstart Network, Inc. regarding its automated model for making underwriting and pricing decisions with respect to applications by consumers for unsecured, closed-end loans.⁹⁷ Under this No-Action Letter, the Bureau is receiving information from Upstart, including fair lending and access to credit testing results, that it is using to inform its policy on AI and alternative data.⁹⁸ The Bureau is currently processing several applications under the NAL Policy.
- *Trial Disclosure Programs.* In Sept. 2019, the Bureau issued its revised Policy to Encourage Trial Disclosure Programs (TDP Policy).⁹⁹ While the Bureau has not yet granted

⁹² https://files.consumerfinance.gov/f/documents/cfpb_final-policy-on-no-action-letters.pdf

⁹³ <https://www.consumerfinance.gov/about-us/newsroom/bureau-issues-policies-facilitate-compliance-promote-innovation/>

⁹⁴ https://www.consumerfinance.gov/about-us/newsroom/cfpb-helps-struggling-homeowners-seeking-mitigation-efforts-consumers-seeking-small-dollar-loans/?_gl=1*_ingsev8*_ga*MTg2MjE1MjQ3Mi4xNTkzMDI2NDQ5*_ga_DBYJL3oCHS*MTYyNiEyMDI3Mi44Mx4xLjE2MjYxMiAzNDUuMA

⁹⁵ https://www.consumerfinance.gov/about-us/newsroom/cfpb-helps-struggling-homeowners-seeking-mitigation-efforts-consumers-seeking-small-dollar-loans/?_gl=1*_ingsev8*_ga*MTg2MjE1MjQ3Mi4xNTkzMDI2NDQ5*_ga_DBYJL3oCHS*MTYyNiEyMDI3Mi44Mx4xLjE2MjYxMiAzNDUuMA

⁹⁶ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-no-action-letter-facilitate-consumer-access-small-dollar-loans/>

⁹⁷ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-no-action-letter-facilitate-use-artificial-intelligence-pricing-and-underwriting-loans/>

⁹⁸ https://files.consumerfinance.gov/f/documents/cfpb_upstart-network-inc_no-action-letter_2020-11.pdf

⁹⁹ https://files.consumerfinance.gov/f/documents/cfpb_final-policy-to-encourage-tdp.pdf

an application under the TDP Policy, the Bureau is currently processing several applications.

- *The American Consumer Financial Innovation Network (ACFIN).*¹⁰⁰ ACFIN is a network of 21 federal and state officials and regulators seeking to facilitate consumer-beneficial innovation. ACFIN benefits consumers by enabling federal and state officials to coordinate efforts to facilitate innovation and further shared objectives such as competition, consumer access, and financial inclusion. In the reporting period, the Bureau hosted joint innovation office hours with (i) the OCC, and (ii) the Colorado Department of Law to speak with firms, advocates, and other parties about innovation-related matters.
- *Global Financial Innovation Network (GFIN).*¹⁰¹ The Bureau is also a coordinating member of GFIN, an organization of over 50 regulatory agencies worldwide working together to support financial innovation in the interest of consumers. GFIN seeks to: (a) act as a network of regulators to collaborate and share experiences on innovation in respective markets, including emerging technologies and business models; (b) provide a forum for joint policy work and discussions; and (c) give firms an environment that allows for trials of cross-border solutions. The Bureau participates in two GFIN workstreams: one related to cross-border testing and another related to regulatory and supervisory technology.
- *Tech sprints.* The Bureau hosted two Tech sprints during the reporting period. Tech sprints are events designed to bring together a variety of participants and perspectives to develop technology-based proof of concepts that address a challenge in a particular area of consumer financial services. In October 2020, the Bureau hosted a Tech sprint that focused on ways to improve adverse action notices to make them more informative.¹⁰² In March 2021, the Bureau hosted its second Tech sprint that challenged teams to develop consumer-facing tools using HMDA data and to improve the submission of HMDA data to the Bureau.¹⁰³
- *Home Mortgage Disclosure Act Data Release.* Every year, on behalf of the Federal Financial Institutions Examination Council (FFIEC), the Bureau releases data on mortgage lending transactions at U.S. financial institutions covered by the HMDA. Covered

¹⁰⁰ <https://www.consumerfinance.gov/policy-compliance/innovation/american-consumer-financial-innovation-network/>

¹⁰¹ <https://www.consumerfinance.gov/policy-compliance/innovation/global-financial-innovation-network/>

¹⁰² <https://www.consumerfinance.gov/rules-policy/innovation/cfpb-tech-sprints/electronic-disclosures-tech-sprint/>

¹⁰³ <https://www.consumerfinance.gov/rules-policy/innovation/cfpb-tech-sprints/home-mortgage-disclosure-act-tech-sprint/>. Additional activity has occurred with this matter since the end of this reporting period. The Bureau's next tech sprint starting in summer 2021 is focused on Preventing Crisis for Low-Income Renters and Small Landlords and will be conducted through the Census Bureau's The Opportunity Project. More information can be found here: <https://opportunity.census.gov/sprints/>.

institutions include banks, savings associations, credit unions, and mortgage companies. The loan-level HMDA data covering previous-year lending activity are submitted to the Bureau by March 1 of each year. Modified loan-level data are released by March 31, and other data products including a national dataset and Aggregate and Disclosure Reports are released in the summer of each year.¹⁰⁴ In June 2020, the Bureau also released two reports along with this HMDA data. The first Data Point article is an annual series of Bureau articles describing mortgage market activity over time. It summarizes the historical data points in the HMDA data, as well as recent trends in mortgage and housing markets.¹⁰⁵ The second Data Point article is a 2019 update to analysis of new and revised data points introduced beginning with the 2018 HMDA data and provides observations about the nation's mortgage market based on those new or revised data points.¹⁰⁶ Public access to HMDA data is also made available through the HMDA Data Browser,¹⁰⁷ allowing custom selections of the data to be mapped, summarized and downloaded.

- *Equal Credit Opportunity Act (ECOA) and Regulation B RFI.*¹⁰⁸ The Bureau published this RFI to seek public input on how best to create a regulatory environment that expands access to credit and ensures that all consumers and communities are protected from discrimination in all aspects of a credit transaction. ECOA and Regulation B make it unlawful for any creditor to discriminate against any applicant, with respect to any aspect of a credit transaction, on the basis of race, color, religion, national origin, sex, marital status, or age; because all or part of the applicant's income derives from any public assistance program; or because the applicant has in good faith exercised any right under the Consumer Credit Protection Act. The information provided will help the Bureau continue to explore ways to address regulatory compliance challenges while fulfilling the Bureau's core mission to prevent unlawful discrimination and foster innovation.
- *Request for Information on Financial Institutions' Use of Artificial Intelligence, including Machine Learning.*¹⁰⁹ In March 2021, the Bureau, along with The Federal Reserve Board, the FDIC, the NCUA and the OCC announced a request for information to gain input from financial institutions, trade associations, consumer groups, and other stakeholders on the

¹⁰⁴ <https://ffiec.cfpb.gov/data-publication/>.

¹⁰⁵ <https://www.consumerfinance.gov/data-research/research-reports/data-point-2019-mortgage-market-activity-and-trends/>

¹⁰⁶ <https://www.consumerfinance.gov/data-research/research-reports/revised-data-points-hmda/>

¹⁰⁷ <https://ffiec.cfpb.gov/data-browser/data/2019?category=states>

¹⁰⁸ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-rfi-prevent-credit-discrimination-build-more-inclusive-financial-system/>

¹⁰⁹ <https://www.consumerfinance.gov/about-us/newsroom/agencies-seek-wide-range-of-views-on-financial-institutions-use-of-artificial-intelligence/>

growing use of AI by financial institutions. More specifically, the RFI seeks comments to better understand the use of AI, including machine learning, by financial institutions; appropriate governance, risk management, and controls over AI; challenges in developing, adopting, and managing AI; and whether any clarification would be helpful.

- The Bureau published the following consumer guides and tools:
 - *Elder Fraud Prevention and Response Networks (EFPRN) Development Guide*.¹¹⁰ The Bureau released the EFPRN Development Guide that provides step-by-step materials to help communities form or enhance networks to increase their capacity to prevent and respond to elder fraud.
 - *Misadventures in Money Management (MiMM)*.¹¹¹ The Bureau released a new MiMM character, which was created specifically to address scenarios surrounding debt of the family members of servicemembers. MiMM is a cutting edge, graphic novel where you can choose your own adventure in a virtual learning experience that trains future and current servicemembers on how to navigate future financial landmines in an engaging and interactive way. The program is currently available for use by all the U.S. Armed Forces and can be played at MiMM.GOV.
 - *Paying for College*.¹¹² The Bureau released Paying for College: Your Financial Path to Graduation, a web tool that seeks to help prospective students make informed decisions about financing their college education. The tool helps prospective borrowers navigate financial aid offers by exploring some important concepts and questions about the short and long-term financial consequences of their aid choices. The Bureau has worked with institutions of higher education, college access advisors, and high school counselors, and other K-12 professionals to pilot the tool with their students.
 - *Your Money, Your Goals*.¹¹³ The Bureau continued to disseminate financial empowerment resources to consumers and stakeholders, and provide training on its interactive, Your Money, Your Goals (YMYG) digital and print resources. Training was offered to a wide array of public sector and non-profit organizations, focusing on emerging issues as a result of the COVID-19 crisis such as credit protection, debt management, financial planning, rental assistance, accessing CARES Act benefits

¹¹⁰ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-tool-helps-communities-prevent-and-respond-to-elder-fraud/>

¹¹¹ <https://www.mimm.gov/>

¹¹² <https://www.consumerfinance.gov/paying-for-college/>

¹¹³ <https://www.consumerfinance.gov/practitioner-resources/your-money-your-goals/>

and more; resources were also used by the Bureau for direct-to-consumer outreach. A training page entitled *Videos to Spark Action* shares engaging and brief training videos rooted in the YMYG toolkit, such as *How Do I Get a Copy of My Credit Report?*¹¹⁴ The YMYG materials include issues-focused booklets that are consumer-facing such as *Behind on Bills?*¹¹⁵ the financial empowerment toolkit that includes several modules such as *Dealing with Debt*; and companion guides to the toolkit for special populations, such as *Focus on Native Communities*.¹¹⁶ New materials released included 11 individual digital tools in Spanish and a new companion guide for military communities. YMYG publications can be easily accessed through the cf.gov website, and free print copies are available for order.¹¹⁷

- *Children’s Savings Account Programs: Measuring Program Performance and Outcomes*.¹¹⁸ The Bureau released two guides to help Children’s Savings Account (CSA) programs evaluate their effectiveness in increasing children and families’ savings for post-secondary education and training. CSA programs vary in terms of their reach, funding sources, and other features. Given this diversity, programs have different goals and opportunities around how they collect data to track their performance and evaluate participant outcomes. With input from CSA program leaders, researchers, and funders, the Bureau explored how the field might take a more coordinated approach to program design and evaluation. The first guide provides design and evaluation principles to help CSA programs develop a theory of change and logic model. The second guide provides a list of common measures that programs may consider collecting.
- *Financial inTuition podcast*.¹¹⁹ In September of 2020, the Bureau launched the Financial inTuition podcast. Episodes focus on a variety of topics pertaining to saving and paying for higher education, managing money, and repaying student loan debt. The podcast shares interviews with financial practitioners, students and recent graduates, family members and young adults that have successfully managed their money and repaid their student loan debt.

¹¹⁴ <https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/videos/>.

¹¹⁵ <https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/booklets-talk-about-money/>

¹¹⁶ <https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/>

¹¹⁷ <https://pueblo.gpo.gov/CFPBpubs/CFPBpubs.php?PubID=13272&PHPSESSID=ic71h6c6025t3miorj9ldg5gi5>

¹¹⁸ <https://www.consumerfinance.gov/data-research/research-reports/childrens-savings-account-programs-measuring-program-performance-and-outcomes/>

¹¹⁹ <https://www.consumerfinance.gov/consumer-tools/educator-tools/students/financial-intuition/>

- *Start Small, Save Up Initiative.*¹²⁰ The Bureau launched the Smart Small, Save Up (SSSU) initiative in February 2019 to increase people’s opportunities to save and empower them to realize their personal savings goals as a step toward improved financial well-being. During the reporting period, the SSSU initiative worked toward that vision through direct to consumer tools and strategic engagement with a variety of external entities that focused on promoting solutions that make saving easier and more accessible. The Bureau reached more than 1.3 million consumers with targeted messages encouraging saving for emergencies. The Bureau also added to its suite of online tools including the Guide to Building an Emergency Fund and the Guide to Saving at Tax Time. The Bureau updated its savings tools and resources available to consumers on the Bureau’s website, ensuring that Bureau tools reflected the new economic realities faced by many people in the wake of the coronavirus pandemic. In addition, the Bureau engaged with a select number of community based organizations to gain a better understanding about how consumers in their service area build emergency savings, and to support those organizations with Bureau tools and resources to help residents to increase their financial well-being.

- *Classroom Activities for Teaching the Building Blocks of Financial Capability.*¹²¹ The Bureau launched a set of activities for elementary and middle school teachers to incorporate lessons into the classroom that support the development of financial skills. The middle school activities, added in 2019, and the elementary school activities, added in 2020, are available alongside the activities for high school teachers that were launched in late 2018. These activities are based on the building blocks for youth to develop financial capability for adulthood. Children and youth need to develop all three of the interconnected building blocks to support financial capability in adulthood. The building blocks are executive function; financial habits and norms; and financial knowledge and decision-making skills. The searchable teacher platform on [consumerfinance.gov](https://www.consumerfinance.gov) includes 252 specific classroom activities for teachers to use with their students.

- *CFPB Money Monsters.*¹²² [The CFPB Money Monsters](https://www.consumerfinance.gov/consumer-tools/educator-tools/youth-financial-education/teach/money-monsters/) stories introduce students in grades K-5 to ideas, habits, and activities that can help them build skills to manage their own money. This story series teaches children about financial literacy in the context of resonant themes including school, friendship, and financial literacy. Each

¹²⁰ <https://www.consumerfinance.gov/start-small-save-up/>

¹²¹ <https://www.consumerfinance.gov/practitioner-resources/youth-financial-education/teach/activities/>

¹²² <https://www.consumerfinance.gov/consumer-tools/educator-tools/youth-financial-education/teach/money-monsters/>

of the Money Monsters books are available as a downloadable PDF or Pub file compatible with an eReader app. The ePub version of the Money Monsters stories are animated so images move. Each Money Monsters story has [downloadable classroom activities](#) accompanied by a teacher guide.

- *Consumer Handbook on Adjustable-Rate Mortgages.*¹²³ Consumers who discuss adjustable-rate mortgages (ARMs) with lenders must receive a copy of the disclosure booklet. Based on multiple rounds of consumer feedback, the booklet helps people understand how an ARM works and whether it is the right choice for their situation, shows them how to review important documents, and explains the risks that come with different types of ARMs. This version of the booklet is more concise, reduced from 41 pages to 13 pages, and eliminates references to LIBOR due to the forecasted cessation of LIBOR. Available for download from the CFPB site; printed copies may be purchased through the GPO Bookstore.
- *Outreach.* From April 1, 2020 to March 31, 2021, the Bureau engaged with external stakeholders under two Directors: Director Kathleen Kraninger and Acting Director David Uejio, who was named Acting Director on January 21, 2021.
 - In the spring of 2020, Director Kraninger delivered remarks at the Credit Union National Association’s Government Affairs Conference; the National Diversity Coalition’s “One Voice Across America” Town Hall; the U.S. Department of the Treasury’s Freedman’s Bank Forum; and the National Association of Realtors’ Regulatory Issues Forum. In the summer of 2020, she participated in a town hall with the Milken Institute as part of Consumer Financial Protection Week; a webinar hosted by the National Diversity Coalition; and the Women in Housing and Finance’s Annual Symposium. In the fall of 2020, Director Kraninger participated in the National Association of Federal Credit Unions’ Congressional Caucus; Operation HOPE’s Global Forum; Harvard University’s Regulatory Policy Seminar Series; a fireside chat with the Chamber of Commerce; and joint virtual office hours with Colorado Attorney General Philip Weiser as part of the American Consumer Financial Innovation Network (ACFIN).
 - In May 2020, September 2020, and November 2020 the Bureau held meetings with the Consumer Advisory Board (CAB), Community Bank Advisory Council (CBAC), Credit Union Advisory Council (CUAC), and Academic Research Council (ARC).

¹²³ https://files.consumerfinance.gov/f/documents/cfph_charm_booklet.pdf

Director Kraninger provided remarks and participated in these advisory committees.

- In July 2020, the Bureau held a virtual symposium, focused on the use of cost-benefit analysis in consumer financial protection regulation, at which Director Kraninger provided opening remarks.
- In the winter of 2021, Acting Director Uejio participated in more than 50 calls and virtual meetings with the Bureau’s advisory committee, intergovernmental, consumer advocacy, and trade association stakeholders on issues related to COVID-19 and racial equity as well as other topics. He also delivered virtual remarks at the Conference of State Bank Supervisors’ Washington Fly-in, in late March 2021.
- *Interagency Collaboration on Supervision of Very Large Credit Unions.* The Bureau and the National Credit Administration (NCUA) entered into a Memorandum of Understanding (MOU) agreement to improve coordination between the agencies related to the consumer protection supervision of credit unions over \$10 billion dollars in assets. The MOU was announced in January 2021.¹²⁴
- *Rescission of Abusiveness Policy Statement.* On March 11, 2021, the Bureau announced its rescission of its January 24, 2020 policy statement, “Statement of Policy Regarding Prohibition on Abusive Acts or Practices.” The Bureau rescinded the original policy statement to better protect consumers and the marketplace from abusive acts or practices, and to enforce the law as Congress wrote it. Effective March 19, 2021, as stated in the rescission, the Bureau intends to exercise its supervisory and enforcement authority consistent with the full scope of its statutory authority under the Dodd-Frank Act as established by Congress.¹²⁵
- *Rescission of Series of Policy Statements.* On March 31, 2021, the Bureau rescinded seven policy statements issued in 2020 that provided temporary flexibilities to financial institutions in consumer financial markets including mortgages, credit reporting, credit cards and prepaid cards. The seven rescissions, effective April 1, 2021, provide guidance to financial institutions on complying with their legal and regulatory obligations. With the rescissions, the Bureau provided notice of its intent to exercise the full scope of its supervisory and enforcement authority as provided under the Dodd-Frank Act. The Bureau also rescinded its 2018 bulletin on supervisory communications and replaced it with a

¹²⁴ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-and-national-credit-union-administration-sign-memorandum-of-understanding/>.

¹²⁵ https://www.consumerfinance.gov/documents/9541/cfpb_abusiveness-policy-statement-consolidated_2021-03.pdf

revised bulletin describing its use of matters requiring attention (MRAs) to effectively convey supervisory expectations.¹²⁶

- *Other Guidance Documents.* The Bureau also issued the following guidance documents over the past year:¹²⁷
 - Annual Reports to Congress on the TILA, EFTA, and CARD Act, Jan. 21, 2021¹²⁸
 - October 2020 Annual Report of the CFPB Private Education Loan Ombudsman¹²⁹
 - Reverse Mortgage Servicing Examination Procedures, June 2020¹³⁰
 - Statement on Supervisory and Enforcement Practices Regarding Certain Large Loans under the Regulations for Payday, Vehicle Title, and Certain High-Cost Installment Loans, July 7, 2020¹³¹
 - Statement on Policy of Applications for Early Termination of Consent Orders, October 5, 2020.¹³² The policy statement outlines the early termination application process for entities subject to an administrative consent order and the standards that the Bureau intends to use when evaluating applications.¹³³
 - Summer 2020, *Supervisory Highlights*, September 2020¹³⁴
 - Truth in Lending Act (TILA) Examination Procedures, September 2020¹³⁵

¹²⁶ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-rescinds-series-of-policy-statements-to-ensure-industry-complies-with-consumer-protection-laws/>

¹²⁷ The Bureau posts many documents relating to compliance and guidance on its website at <https://www.consumerfinance.gov/policy-compliance/guidance/>. For the purpose of this Semi-Annual Report, the term “guidance” is used informally to refer broadly to documents that could serve to inform and advise regulated entities.

¹²⁸ https://files.consumerfinance.gov/f/documents/cfpb_semi-annual-report-to-congress_fall-2020.pdf.

¹²⁹ https://files.consumerfinance.gov/f/documents/cfpb_annual-report_private-education-loan-ombudsman_2020.pdf

¹³⁰ https://files.consumerfinance.gov/f/documents/cfpb_reverse-mortgage-servicing-examination-procedures_2020-06.pdf

¹³¹ https://files.consumerfinance.gov/f/documents/cfpb_statement_large-loans-payday-revocation-final-rule_2020-07.pdf

¹³² <https://www.consumerfinance.gov/policy-compliance/guidance/supervisory-guidance/statement-policy-applications-early-termination-consent-orders/>

¹³³ https://files.consumerfinance.gov/f/documents/cfpb_abusiveness-enforcement-policy_statement.pdf.

¹³⁴ https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-22_2020-09.pdf

¹³⁵ https://files.consumerfinance.gov/f/documents/cfpb_supervision-and-examination-manual_tila-exam-procedures_2020-09.pdf

- COVID-19 Prioritized Assessments Special Edition, *Supervisory Highlights*, January 2021¹³⁶
- Memorandum of Understanding with the National Credit Union Administration Regarding Enhanced Cooperation and Coordination, January 14, 2021¹³⁷
- CFPB Bulletin 2021-01: Changes to Types of Supervisory Communications, March 31, 2021¹³⁸
- Rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding Bureau Information Collections for Credit Card and Prepaid Account Issuers, March 29, 2021¹³⁹ This bulletin rescinded and replaced CFPB Bulletin 2018.
- Rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding Quarterly Reporting under the Home Mortgage Disclosure Act, March 29, 2021¹⁴⁰
- Rescission of Statement of Policy on Bureau Supervisory and Enforcement Response to COVID-19 Pandemic, March 29, 2021¹⁴¹
- Rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding the Fair Credit Reporting Act and Regulation V in Light of the CARES Act, March 29, 2021¹⁴²
- Rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding Certain Filing Requirements under the Interstate Land Sales Full Disclosure Act and Regulation J, March 29, 2021¹⁴³

¹³⁶ https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-23_2021-01.pdf

¹³⁷ https://files.consumerfinance.gov/f/documents/cfpb_ncua-memorandum-of-understanding_2021-01.pdf

¹³⁸ https://files.consumerfinance.gov/f/documents/cfpb_bulletin_2021-01_changes-to-types-of-supervisory-communications_2021-03.pdf

¹³⁹ https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_cc-prepaid-info-collectns-cons_2021-03.pdf

¹⁴⁰ https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_hmnd-qrtly-reporting-consolidated_2021-03.pdf

¹⁴¹ https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_enf-and-supervisory-response_2021-03.pdf

¹⁴² https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_fcra-enforcement-flexibility_2021-03.pdf

¹⁴³ https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_ilsa-filings-consolidated_2021-03.pdf

- Rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding Regulation Z Billing Error Resolution Timeframes in Light of the COVID-19 Pandemic, March 29, 2021¹⁴⁴
- Rescission of Statement of Policy on Supervisory and Enforcement Practices Regarding Electronic Credit Card Disclosures in Light of the COVID-19 Pandemic, March 29, 2021¹⁴⁵
- CFPB Bulletin 2020-02: Handling of Information and Documents During Mortgage Servicing Transfers, April 24, 2020¹⁴⁶
- CFPB Bulletin 2021-02: Supervision and Enforcement Priorities Regarding Housing Insecurity, March 31, 2021¹⁴⁷

3.4 Plan for upcoming initiatives

- *Office of Servicemember Affairs Annual Report.*¹⁴⁸ The Office of Servicemember Affairs' FY2020 Annual Report will highlight how the office adapted to the challenges of the pandemic to continue to serve servicemembers. The report will cover OSA's outreach initiatives, key educational tools, and an analysis of the over 40,000 complaints received from servicemembers in 2020.
- *Older Americans Month and WEEAD.*¹⁴⁹ May 2021 is Older Americans Month, and June 15, 2021 is World Elder Abuse Awareness Day. The Bureau's Office for Older Americans (OA) has developed a seven-week outreach plan to capitalize on this focus to broadly share

¹⁴⁴ https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_billing-error-resolution_2021-03.pdf

¹⁴⁵ https://files.consumerfinance.gov/f/documents/cfpb_final-rescission_electronic-cc-discl-e-sign-consent-cons_2021-03.pdf

¹⁴⁶ https://www.consumerfinance.gov/documents/8750/cfpb_policy-guidance_mortgage-servicing-transfers_2020-04.pdf

¹⁴⁷ https://files.consumerfinance.gov/f/documents/cfpb_bulletin-2021-02_supervision-and-enforcement-priorities-regarding-housing_WHcae8E.pdf

¹⁴⁸ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here: <https://www.consumerfinance.gov/data-research/research-reports/office-of-servicemember-affairs-annual-report-fy-2020/>.

¹⁴⁹ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here: <https://www.consumerfinance.gov/about-us/blog/celebrating-older-adults-communities-strength-supporting-them/>

resources that support older adults' financial decision-making and help them avoid the harm of elder financial fraud and exploitation. During each of the seven weeks, the Bureau will focus on a specific issue affecting older adults and their families and service providers. The Bureau will make available print publications to support organizations that serve older consumers who prefer or require information in print. The Bureau is also increasing outreach to organizations that focus on serving historically underserved or marginalized groups, in furtherance of the Bureau's increased focus on addressing racial and economic inequality.

- *Appraisal Bias Event.* On June 15, 2021 Acting Director Dave Uejio will host virtual discussions with civil rights organizations, housing policy experts, and other federal agencies to explore how racial bias in housing appraisals and automated valuation models may occur and what steps can be taken in response.
- *Research Reports.* The Bureau plans to publish several research reports in the second half of FY 2021, including:
 - Data Point: Changes in Consumer Financial Status During Early Months of the Pandemic¹⁵⁰
 - Data Point: Characteristics of Mortgage Borrowers During COVID-19 Pandemic¹⁵¹
 - Data Point: Consumer Use of Payday, Auto Title, and Pawn Loans¹⁵²
 - Data Point: Manufactured Housing Finance: New Insights from HMDA¹⁵³
 - Data Point: A Brief Note on General Lending Patterns of Small to Medium Size Closed-end HMDA Reporters¹⁵⁴
 - *Measuring the Financial Well-being of Hispanics: 2018 Financial Well-being Score Benchmarks.* This report will provide a foundational set of benchmarks of the

¹⁵⁰ <https://www.consumerfinance.gov/data-research/research-reports/changes-in-consumer-financial-status-during-early-months-pandemic/>

¹⁵¹ <https://www.consumerfinance.gov/data-research/research-reports/characteristics-mortgage-borrowers-during-covid-19-pandemic/>

¹⁵² <https://www.consumerfinance.gov/data-research/research-reports/consumer-use-of-payday-auto-title-and-pawn-loans-insights-making-ends-meet-survey/>

¹⁵³ <https://www.consumerfinance.gov/data-research/research-reports/manufactured-housing-finance-new-insights-hmda/>

¹⁵⁴ <https://www.consumerfinance.gov/data-research/research-reports/a-brief-note-on-general-lending-patterns-small-to-medium-size-closed-end-hmda-reporters/>

financial well-being of Hispanics ages 18 and older in the United States in 2018, as measured by the CFPB Financial Well-Being Scale, that practitioners and researchers can use in their work. The benchmarks are being developed using data from the FINRA Foundation's 2018 National Financial Capability Survey. This report will specifically show financial well-being score patterns for Hispanic adults by socio-demographics, financial inclusion, safety nets, and financial literacy factors. The report will highlight key findings in the data and the implications for organizations that are planning to use the benchmarks.¹⁵⁵

- *Financial Coaching Initiative: Results and Lessons Learned.* In 2015, the Consumer Financial Protection Bureau launched the Financial Coaching Initiative, a pilot program that provided financial coaching services to veterans and economically vulnerable consumers. Over four years, the Financial Coaching Initiative served over 23,000 consumers, demonstrating that financial coaching can be successfully implemented at scale in many different settings for a wide range of consumers. This report and summary brief will describe the basic structure of the Initiative, present data about the program's results, and summarize key lessons learned for practitioners and organizations interested in coaching.¹⁵⁶
- *Outreach.*
 - From April 1, 2021 to September 30, 2021, Acting Director Uejio will continue to engage with the Bureau's intergovernmental, consumer advocate, and trade association stakeholders on issues related to COVID-19 and racial and economic equity and other topics. In the spring of 2021, he will virtually participate in the University of Minnesota Humphrey School of Public Affairs' Brustad Lecture, the Small Business Administration's National Financial Capability Month Speaker Series, the Asian Real Estate Association of America's Diversity and Fair Housing Summit, the National Association of Attorneys General Consumer Protection Spring Conference, the Mortgage Bankers Association's Legal Issues and Regulatory Compliance Conference, and a townhall hosted by AARP.
- *Coordination with the Department of Education (Department).* The CFPB and the Department are engaging in coordination protocols regarding oversight of compliance

¹⁵⁵ To see additional activity that occurred after the reporting period, visit: [Measuring the financial well-being of Hispanics: 2018 Financial Well-being Score Benchmarks | Consumer Financial Protection Bureau \(consumerfinance.gov\)](#)

¹⁵⁶ To see additional activity that occurred after the reporting period, visit: [Financial Coaching Initiative: Results and Lessons Learned | Consumer Financial Protection Bureau \(consumerfinance.gov\)](#).

obligations. The protocols are designed to coordinate efforts to oversee regulated entities and protect consumers.

- **Interagency Collaboration on Student Loans.** Following the reestablishment of the Memorandum of Understanding (MOU) with the Department of Education (Department) regarding complaints, the CFPB and Department have engaged in regular meetings regarding complaints, complaint data, and borrower characteristics. The Bureau also has engaged with the Department and the Federal Trade Commission regarding third-party debt relief scams. Finally, the Bureau participates in the Principles of Excellence (POE) Working Group with the Department of Defense, the Department of Education, the Veteran's Administration, and the FTC pursuant to Executive Order 13607 (Establishing Principles of Excellence for Educational Institutions Serving Service Members, Veterans, Spouses, and Other Family Members).
- ***Inaugural Open Data Plan and CDO Annual Report.*** Per the Evidence Act, the Bureau plans to publish its inaugural Open Data Plan to provide greater transparency and promote access to and use of Bureau datasets. This plan will detail the Bureau's strategy and progress toward identifying priority open datasets and making them more accessible through the Federal Data Catalogue and the Bureau's website. The Bureau also plans to publish a CDO Report on the Bureau's compliance with the Evidence Act.
- ***Data Maturity Assessment.*** The Bureau is continuing to develop a data maturity assessment framework to document data management best practices, determine gaps, and identify areas of opportunity to modernize and improve the Bureau's ability to harness data to inform policy decisions. This assessment will provide the foundation to enable the Bureau to mature its use of data to meet its policy priorities and fulfill its mission.
- ***COVID-19 Pandemic Response.***
 - ***Unified Housing Portal.*** The Bureau coordinated interagency work to increase awareness and understanding of forbearance options for struggling homeowners and emergency assistance for renters. The Bureau will continue to engage in user testing for existing materials and synthesize findings to continuously improve the Housing Portal. The Bureau will also publish web content to support the Interim Final Rule on debt collection and evictions, including new Housing Portal pages and modules. The interagency work will include publishing consumer-facing FAQs about Treasury's Emergency Rental Assistance Program and the CDC order and declaration form, as well as continuing to create landlord-facing content. The Bureau will finish publication of translations in 6 non-English languages and work with trusted intermediaries and news outlets to distribute and pitch new resources.

- *American Rescue Plan Act (ARP).*¹⁵⁷ The Bureau will coordinate with the Department of Treasury and the Internal Revenue Service to provide up to date information to consumers on how they can access the Advance Child Tax Credit and the enhanced Earned Income Tax Credit and Child and Dependent Care Tax Credit that were enacted through ARP for tax year 2021. The Bureau will also provide information to help consumers make decisions about how to utilize the additional funds available through these tax credits to increase their financial security and financial well-being.
- *EIP and Unemployment Fraud outreach.*¹⁵⁸ The Bureau will continue to conduct outreach to hard-to-reach populations, including through organizations that serve them to encourage traditional non-filers to file a tax return in 2021 to receive their EIP and other tax benefits. The Bureau intends to create a designated resource page for direct service providers helping people facing homelessness access stimulus payments. Lastly, the Bureau intends to produce content advising consumers on how to protect against 1099-G unemployment benefits fraud.
- *Continued Response to Ensure Safety of Staff in 2021.* The Bureau will continue to monitor and update its workforce flexibilities to ensure the health, safety, and well-being of the Bureau's staff during the COVID-19 pandemic. The Bureau will also develop safety protocols and procedures to determine when and how staff will re-enter its buildings. The Bureau's operating posture remains in place through September 4, 2021.
- *Future of Work.* Further prompted by the pandemic, the future of work is changing the way organizations look at where we work, how we work, and the nature of the work itself. The Bureau has developed an approach for how it will evolve with a priority on workplace changes as the first outcome of this initiative. The Bureau's has successfully proven its ability to deliver on its mission during the pandemic and will use the lessons learned, along with feedback from its employees, to assess and define the future path.
- *Continued Follow-up on Prioritized Assessments.* The Bureau will be prioritizing and expanding its follow up on the issues identified in Prioritized Assessments last

¹⁵⁷ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here: <https://www.consumerfinance.gov/coronavirus/managing-your-finances/child-tax-credit-flowchart/>.

¹⁵⁸ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here: <https://www.consumerfinance.gov/coronavirus/help-homeless-access-their-eip/>; <https://www.consumerfinance.gov/about-us/blog/unemployment-benefits-scams-how-to-protect-yourself/>

year as well as the current issues related to economic hardships consumers are facing in the ongoing pandemic.

- *Racial and Economic Equity.* The Bureau is increasing its supervisory resources on targeted fair lending reviews in the coming year. This will include follow up work to the fair lending risks identified in the Prioritized Assessments from the review of the Paycheck Protection Program restrictions to current customers, as well as other supervisory activities.

3.5 Plan for upcoming rules

The Bureau published its Spring 2021 Rulemaking Agenda as part of the Spring 2021 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by OMB.¹⁵⁹ Among other things, the Unified Agenda lists the regulatory matters that the Bureau reasonably anticipates having under consideration during the period from May 1, 2021, to April 30, 2022.¹⁶⁰ Not included in this report, the Bureau's Rulemaking Agenda also includes long-term actions.

Pre-rulemaking initiatives, as reflected in the Bureau's Spring 2021 Unified Agenda:

- *Consumer Access to Financial Records.* *Consumer Access to Financial Records.* The Bureau is working on a potential rulemaking to address the availability of consumer financial account data in electronic form, which has helped consumers understand their finances and make better-informed financial decisions in a variety of ways. Research has indicated that the availability of certain consumer financial account data may improve underwriting and expand access to credit. At the same time, the means by which these data are accessed, transmitted, stored, and used by financial institutions of all kinds can implicate significant privacy, security, racial equity, and other consumer financial protection concerns. Section 1033 of the Dodd-Frank Act provides that, subject to rules prescribed by the Bureau, covered persons shall make available to consumers, upon request, transaction data and other information concerning a consumer financial product or service that the consumer obtains from a covered person. Section 1033 also states that the Bureau shall prescribe by rule standards to promote the development and use of standardized formats for information made available to consumers. In November 2020, the Bureau issued an Advance Notice of Proposed Rulemaking (ANPRM) concerning

<https://www.consumerfinance.gov/about-us/blog/spring-2021-rulemaking-agenda/>

¹⁶⁰ <https://www.consumerfinance.gov/policy-compliance/rulemaking/regulatory-agenda/>

consumer data access to implement section 1033.¹⁶¹ The Bureau is reviewing comments received in response to the ANPRM and is considering those comments as it assesses potential next steps.

- *Property Assessed Clean Energy (PACE) Financing.* Section 307 of the EGRRCPA amends the Truth in Lending Act (TILA) to mandate that the Bureau prescribe certain regulations relating to PACE financing. As defined in EGRRCPA Section 307, PACE financing results in a tax assessment on a consumer's real property and covers the costs of home improvements. The required regulations must carry out the purposes of TILA's ability-to-repay (ATR) requirements, currently in place for residential mortgage loans, with respect to PACE financing, and apply TILA's general civil liability provision for violations of the ATR requirements the Bureau will prescribe for PACE financing. The EGRRCPA directs that such requirements account for the unique nature of PACE financing. In March 2019, the Bureau issued an ANPR on PACE financing to facilitate the Bureau's rulemaking process. The Bureau is continuing to engage with stakeholders and collect information for the rulemaking, including by pursuing quantitative data on the effect of PACE on consumers' financial outcomes.

Proposed rules for the upcoming period, as reflected in the Spring 2021 Unified Agenda:

- *Mortgage Servicing (Regulation X) COVID-19 Relief.* In April 2021, the Bureau issued [proposed amendments](#) to the mortgage servicing early intervention and loss mitigation-related provisions in Regulation X, which implements the Real Estate Settlement Procedures Act.¹⁶² The CFPB's proposal seeks to ensure that both servicers and borrowers have the tools and time they need to work together to prevent avoidable foreclosures when federal protections expire, recognizing that the expected surge of borrowers exiting forbearance in the fall will put mortgage servicers under strain.¹⁶³
- *Small Business Lending Data (Regulation B).* The Bureau is working to develop rules to implement Section 1071 of the Dodd-Frank Act. Section 1071 amended the ECOA to require financial institutions to collect, report, and make public certain information concerning credit applications made by women-owned, minority-owned, and small businesses. In November 2019, the Bureau conducted a symposium on small business loan data collection.

¹⁶¹ <https://www.consumerfinance.gov/rules-policy/notice-opportunities-comment/archive-closed/dodd-frank-act-section-1033-consumer-access-to-financial-records/>

¹⁶² <https://www.consumerfinance.gov/rules-policy/rules-under-development/protections-for-borrowers-affected-by-the-covid-19-emergency-under-the-real-estate-settlement-procedures-act-regulation-x/>

¹⁶³ Additional activity has occurred since the end of the reporting period. On June 28, 2021 the Bureau finalized this proposed rule. <https://www.consumerfinance.gov/rules-policy/final-rules/protections-for-borrowers-affected-by-covid-19-under-respa/>

In addition, the Bureau conducted a survey of lenders to obtain estimates of one-time costs lenders of varying sizes would incur to collect and report data pursuant to Section 1071. In September 2020, the Bureau released an outline of proposals under consideration and alternatives considered in advance of convening a panel under the Small Business Regulatory Enforcement Fairness Act (SBREFA), in conjunction with the Office of Management and Budget and the Small Business Administration's Chief Counsel for Advocacy. The SBREFA panel was convened in October 2020 and received feedback from representatives of small entities on the impacts that possible approaches to the Section 1071 rulemaking would have on small entities likely to be directly affected by it. The panel's report was completed and released in December 2020.¹⁶⁴ The next action for Section 1071 is to release a Notice of Proposed Rulemaking, which the Bureau anticipates doing in September 2021.

- *Amendments to FIRREA Concerning Appraisals (Automated Valuation Models).* The Bureau is participating in interagency rulemaking processes with the FRB, the OCC, the FDIC, the NCUA, and the FHFA (collectively, the Agencies) to develop regulations to implement the amendments made by the Dodd-Frank Act to the FIRREA concerning appraisals. The FIRREA amendments require implementing regulations for quality control standards for automated valuation models (AVMs). These standards are designed to ensure a high level of confidence in the estimates produced by the valuation models, protect against the manipulation of data, seek to avoid conflicts of interest, require random sample testing and reviews, and account for any other such factor that the Agencies determine to be appropriate. The Agencies will continue to work to develop a proposed rule to implement the Dodd-Frank Act's AVM amendments to FIRREA.

Final rules for the upcoming period:

- *Debt Collection Rule.* In October 2020, the Bureau issued a final rule under Regulation F that focused primarily on debt collection communications under the FDCPA and addressed a number of other topics, including imposing record retention requirements and prohibiting the sale or transfer of certain types of debt.¹⁶⁵ In December 2020, the Bureau issued another final rule under Regulation F addressing disclosures related to the validation notice, requiring certain outreach by debt collectors before consumer reporting, and barring suits or threats of suit on time-barred debt. Both final rules are scheduled to take effect on November 30, 2021.¹⁶⁶ In April 2021, in light of the continuation well into 2021 of

¹⁶⁴ https://files.consumerfinance.gov/f/documents/cfpb_1071-sbreffa-report.pdf

¹⁶⁵ <https://www.consumerfinance.gov/rules-policy/final-rules/debt-collection-practices-regulation-f/>

¹⁶⁶ <https://www.consumerfinance.gov/rules-policy/final-rules/debt-collection-practices-regulation-f-2020-12/>

the widespread societal disruption caused by the COVID-19 pandemic, the Bureau issued a NPRM to extend the effective date of both rules by 60 days and anticipates that its next action will be a final rule as to the effective date.¹⁶⁷

- *Amendments to Regulation Z to Facilitate Transition from LIBOR.* Some consumer credit contracts use LIBOR as a reference rate. The Bureau's work is designed to facilitate compliance by open-end and closed-end creditors and to lessen the financial impact to consumers by providing examples of replacement indices that meet Regulation Z requirements. For creditors for home equity lines of credit (HELOCs) (including reverse mortgages) and card issuers for credit card accounts, the rule would facilitate the transition of existing accounts to an alternative index well in advance of LIBOR's anticipated expiration at the end of 2023. The rule also would address change-in-terms notice provisions for HELOCs and credit card accounts and how they apply to the transition away from LIBOR, to ensure that consumers are informed of the replacement index and any adjusted margin. To facilitate compliance by card issuers, the rule would address how the rate re-evaluation provisions applicable to credit card accounts apply following the transition from LIBOR to a replacement index. This rulemaking will enable the Bureau to facilitate compliance by creditors with Regulation Z as they transition away from LIBOR. The Bureau issued a Notice of Proposed Rulemaking in June 2020¹⁶⁸ and expects to issue a final rule in January 2022.

¹⁶⁷ <https://www.consumerfinance.gov/rules-policy/rules-under-development/debt-collection-practices-regulation-f-delay-of-effective-date/>

¹⁶⁸ <https://www.consumerfinance.gov/rules-policy/rules-under-development/amendments-facilitate-libor-transition-regulation-z/>

4. Analysis of complaints about consumer financial products or services that the Bureau has received and collected in its central database on complaints during the preceding year

During the period April 1, 2020, through March 31, 2021, the CFPB received approximately 656,200 consumer complaints.¹⁶⁹ This is an approximately 41 percent increase from the prior reporting period.¹⁷⁰ Consumers submitted approximately 91 percent of these complaints through the CFPB's website and four percent via telephone calls. Referrals from other state and federal agencies accounted for three percent of complaints. Consumers submitted the remainder of complaints by mail, email, and fax. The CFPB sent approximately 555,400 (85 percent) of complaints received to companies for review and response.¹⁷¹ Companies responded to approximately 96 percent of complaints that the CFPB sent to them for response during the period. The remaining complaints were either pending response from the company at the end of the period or did not receive a response. Company responses typically include descriptions of steps taken or that will be taken in response to the consumer's complaint, communications received from the consumer, any follow-up actions or planned follow-up actions, and a categorization of the

¹⁶⁹ This analysis excludes multiple complaints submitted by a given consumer on the same issue and whistleblower tips. The CFPB does not verify all the facts alleged in complaints and does not publish complaints in the Consumer Complaint Database until the company responds, confirming a commercial relationship with the consumer, or after it has had the complaint for 15 days, whichever comes first. For more information on our complaint process refer to the Bureau's website at <https://www.consumerfinance.gov/complaint/process>.

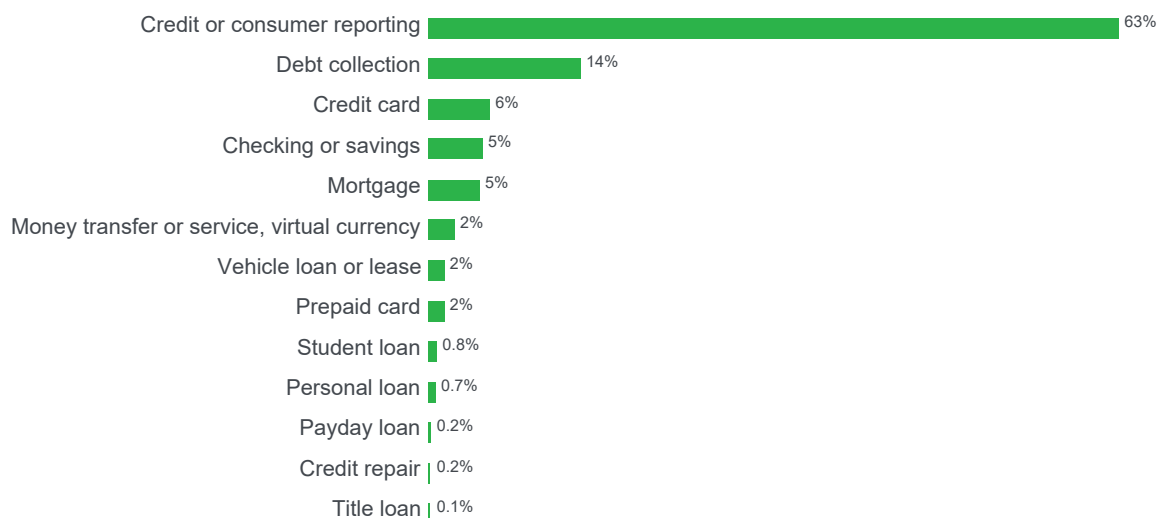
¹⁷⁰ The prior reporting period, October 1, 2019, to September 30, 2020, reported 467,200 consumer complaints. See Consumer Fin. Prot. Bureau, Semi-Annual Report Fall 2020 (January 2021.), available at <https://www.consumerfinance.gov/data-research/research-reports/semi-annual-report-fall-2020/>.

¹⁷¹ The CFPB referred 8 percent of the complaints it received to other regulatory agencies and found six percent to be incomplete. At the end of this period, 0.4 percent of complaints were pending with the consumer and 0.7 percent were pending with the Bureau. Percentages in this section of the report may not sum to 100 percent due to rounding.

response. Companies' responses also describe a range of monetary and non-monetary relief. Examples of non-monetary relief include correcting inaccurate data provided or reported in consumers' credit reports; stopping unwanted calls from debt collectors; correcting account information; issuing corrected documents; restoring account access; and, addressing formerly unmet customer service issues. Ninety-nine percent of complaints sent to companies received timely responses.

When consumers submit complaints, the CFPB's complaint form prompts them to select the consumer financial product or service with which they have a problem as well as the type of problem they are having with that product or service. The CFPB uses these consumer selections to group the financial products and services about which consumers complain to the CFPB for public reports. As shown in Figure 1, credit or consumer reporting was the most complained about consumer financial product or service during the period, followed by debt collection.

FIGURE 1: CONSUMER COMPLAINTS BY PRODUCT



Consumer Response analyzes consumer complaints, company responses, and consumer feedback to assess the accuracy, completeness, and timeliness of company responses so that the Bureau, other regulators, consumers, and the marketplace have relevant information about consumers' challenges with financial products and services. Consumer Response uses a variety of approaches to identify trends and possible consumer harm. Examples include:

- Reviewing cohorts of complaints and company responses to assess the accuracy, timeliness, and completeness of an individual company's responses to complaints sent to them for response;
- Conducting text analytics to identify emerging trends and statistical anomalies; and

- Visualizing data to highlight geographic and temporal patterns.
- The CFPB publishes periodic reports about its complaint analyses. Notable among these is the [Consumer Response Annual Report](#), which was published on March 24, 2021 and is required by Section 1013(b)(3)(C) of the Dodd-Frank Act. This report analyzed complaints submitted in calendar year 2020 about a variety of consumer financial products and services and included observations about issues consumers experienced related to the coronavirus pandemic.¹⁷²
- The CFPB makes complaint data available to the public in the [Consumer Complaint Database](#) (Database). The Database contains certain de-identified, individual complaint-level data, as well as dynamic visualization tools, including geospatial and trend views based on recent complaint data to help users of the database understand current and recent marketplace conditions.
- Finally, the CFPB also shares consumer complaint information with prudential regulators, the FTC, other federal agencies, and state agencies.
- Complaints give the CFPB and others insights into problems people are experiencing in the marketplace and help the CFPB regulate consumer financial products and services under existing Federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make informed financial decisions.

¹⁷² From April 1, 2020, to March 31, 2021, CFPB complaint data was included in the Office of Servicemember Affairs' Annual Report. (published on April 3, 2020, but covers October 1, 2018, to September 30, 2019), and the Bureau's Fair Debt Collection Practices Act Annual Report. In May and July of 2021, the CFPB issued two complaint bulletins analyzing complaints that mention coronavirus or related terms. These and other reports can be viewed at <https://www.consumerfinance.gov/data-research/research-reports>.

5. List, with a brief statement of the issues, of the public supervisory and enforcement actions to which the Bureau was a party during the preceding year

5.1 Supervisory activities

The Bureau's supervisory activities with respect to individual institutions are non-public. The Bureau has, however, issued numerous supervisory guidance documents and bulletins during the preceding year. These documents are listed under Section 3.3 of this Report as issued guidance documents undertaken within the preceding year.

5.2 Enforcement activities¹⁷³

The Bureau was a party in the following public enforcement actions from April 1, 2020, through March 31, 2021, detailed as follows and listed in descending chronological order by filing or issue date. This section also identifies those actions involving Office of Administrative Adjudication Orders with respect to covered persons that are not credit unions or depository institutions.

Consumer Financial Protection Bureau v. Judith Noh d/b/a Student Loan Pro, Judith Noh as an individual, Syed Faisal Gilani, and FNZA Marketing, LLC, (C.D. Cal. No. 8:21-cv-00488). On March 16, 2021, the Bureau filed a lawsuit against Student Loan Pro, a California sole proprietorship that telemarketed and provided debt-relief services focused on federal student-loan debt; Judith Noh, its owner; and Syed Gilani, its manager and owner-in-fact. The Bureau also

¹⁷³ Enforcement activity summaries are current as of March 31, 2021, and do not include activities that occurred after the reporting period.

named as a relief defendant FNZA Marketing, LLC (FNZA), a California company nominally owned by Noh and controlled by Gilani. The Bureau alleges that Student Loan Pro conducted a student-loan debt-relief business from 2015 through 2019 that charged about 3,300 consumers with federal student-loan debt approximately \$3.5 million in illegal upfront fees in violation of the Telemarketing Sales Rule (TSR), to file paperwork on their behalf to apply for programs that were available to them for free from the United States Department of Education. The Bureau alleges that Noh and Gilani are individually liable for and substantially assisted Student Loan Pro's violations of the TSR. The Bureau also alleges that FNZA was the recipient of some portion of the unlawful advance fees obtained by Student Loan Pro without legitimate claim to the funds. The Bureau seeks redress to consumers, appropriate injunctive relief, and the imposition of civil money penalties against Student Loan Pro, Noh, and Gilani, and seeks to have FNZA disgorge the funds it received from Student Loan Pro. The case remains pending.

Consumer Financial Protection Bureau v. BrightSpeed Solutions, Inc. and Kevin Howard (N.D. Ill. 1:21-cv-01199). On March 3, 2021, the Bureau filed a lawsuit against BrightSpeed Solutions, Inc. (BrightSpeed) and its founder and former chief executive officer, Kevin Howard. BrightSpeed was a privately-owned, third-party payment processor based in Chicago, Illinois. Howard founded BrightSpeed in 2015 and ran the company until he wound it down in March 2019. The Bureau alleges that between 2016 and 2018, Howard and BrightSpeed knowingly processed payments for companies that purported to offer technical-support services and products over the internet, but actually tricked consumers into purchasing expensive and unnecessary antivirus software or services. The Bureau alleges that Howard's and BrightSpeed's actions were unfair practices in violation of the Consumer Financial Protection Act of 2010 (CFPA) and deceptive telemarketing practices in violation of the TSR. The Bureau's complaint seeks injunctions against BrightSpeed and Howard, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. The case remains pending.

Consumer Financial Protection Bureau; Commonwealth of Massachusetts; The People of the of New York, by Letitia James, Attorney General of the State of New York; and Commonwealth of Virginia, *ex rel.* Mark R. Herring, Attorney General v. Nexus Services, Inc.; Libre by Nexus, Inc.; Michael Donovan; Richard Moore; and Evan Ajin (W.D. Va. 5:21-cv-00016). On February 22, 2021, the Bureau filed a lawsuit against Nexus Services, Inc. (Nexus Services), Libre by Nexus, Inc. (Libre), and their principals, Michael Donovan, Richard Moore, and Evan Ajin. Libre is a wholly owned subsidiary of Nexus Services, and both are non-banks with their principal places of business in Virginia. The Bureau alleges that Libre and its owners operated a scheme through which Libre offers to pay the immigration bonds to secure the release of consumers held in federal detention centers in exchange for large upfront fees and hefty monthly payments, and that Libre creates the impression that it has paid cash for consumers' bond, creating a debt that must be repaid to Libre through an upfront fee and subsequent monthly payments. The Bureau further alleges that Libre's

efforts to collect monthly payments include making false threats and threatening to re-detain or deport consumers for non-payment and that Libre and its owners conceal or misrepresent the true costs of its services. Specifically, the Bureau alleges that Libre and its owners engaged in deceptive and abusive acts or practices in violation of the CFPA, and that Nexus Services and Libre's owners provided substantial assistance to Libre's violations. The Bureau filed its complaint jointly with the Attorneys General of Virginia, Massachusetts, and New York. The Bureau seeks an injunction, damages or restitution to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. On March 1, 2021, the defendants filed a motion to dismiss the complaint. The case remains pending.

Bureau of Consumer Financial Protection v. 1st Alliance Lending, LLC; John Christopher DiIorio; Kevin Robert St. Lawrence; and Socrates Aramburu (D. Conn. 3:21-cv-00055). On January 15, 2021, the Bureau filed a lawsuit against 1st Alliance Lending, LLC, John Christopher DiIorio, Kevin Robert St. Lawrence, and Socrates Aramburu. 1st Alliance, based in Hartford, Connecticut, originated residential mortgages from 2004 to September 2019 and stopped operating in November 2019. DiIorio was its chief executive officer and he, St. Lawrence, and Aramburu were 1st Alliance's three managing executives. The Bureau's complaint alleges that 1st Alliance, with DiIorio's, St. Lawrence's, and Aramburu's knowledge and direction, engaged in various unlawful mortgage lending practices in violation of the Truth in Lending Act (TILA), the Fair Credit Reporting Act (FCRA), the Equal Credit Opportunity Act (ECOA), the Mortgage Acts and Practices-Advertising Rule (MAP Rule), and the CFPA. The Bureau's complaint seeks injunctions against the defendants, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. The case remains pending.

In the Matter of Omni Financial of Nevada, Inc., also doing business as Omni Financial and Omni Military Loans (2020-BCFP-0028) (not a credit union or depository institution). On December 30, 2020, the Bureau issued a consent order against Omni Financial of Nevada, Inc. (Omni). Omni, which has its principal place of business in Las Vegas, Nevada, and operates using the names Omni Financial and Omni Military Loans, specializes in originating installment loans to consumers affiliated with the military. It originates tens of thousands of loans each year, with individual loans typically ranging from \$500 to \$10,000. The Bureau found that Omni violated the Military Lending Act's (MLA) prohibition on requiring repayment of loans by allotment. The Bureau also found that Omni violated the Electronic Fund Transfer Act's (EFTA) prohibition against requiring that consumers preauthorize electronic-fund transfers as a condition of receiving credit. The Bureau further found that these violations of EFTA constituted violations of the CFPA. The consent order requires that Omni pay a \$2.175 million civil money penalty and imposes injunctive relief to stop ongoing violations and prevent future violations.

In the Matter of Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (2020-BCFP-0026) (not a credit union or depository institution). On December 22, 2020, the Bureau

issued a consent order against Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (collectively, Discover). Discover Bank, headquartered in Greenwood, Delaware, is an insured depository institution that provides and services private student loans. The Student Loan Corporation and Discover Products, Inc., are affiliates of Discover Bank, and also engage in student loan servicing. The Bureau previously issued a consent order against Discover in July 2015 (2015 Order). The Bureau's 2015 Order was based on, among other things, the Bureau's finding that Discover misstated the minimum amounts due on billing statements and tax information consumers needed to get federal income tax benefits. The Bureau found that Discover violated the 2015 Order's requirements in several ways. Discover misrepresented the minimum loan payments consumers owed, the amount of interest consumers paid, and other material information, such as interest rates, payments, and due dates. Discover also did not provide all of the consumer redress the 2015 Order required. The Bureau also found that Discover engaged in unfair acts and practices by withdrawing payments from consumers' accounts without valid authorization and by cancelling or not withdrawing payments without notifying consumers. This conduct violated the CFPA, EFTA, and Regulation E. The Bureau also found that Discover engaged in deceptive acts and practices in violation of the CFPA by misrepresenting minimum payments consumers owed and the amount of interest consumers paid. The consent order requires Discover to pay at least \$10 million in consumer redress and a \$25 million civil money penalty and contains requirements to prevent future violations.

In the Matter of Santander Consumer USA Inc. (2020-BCFP-0027) (not a credit union or depository institution). On December 22, 2020, the Bureau issued a consent order against Santander Consumer USA Inc. (Santander). Santander, a subsidiary of Banco Santander S.A., is a leading originator and servicer of nonprime auto loans and leases. Santander furnishes credit information on the auto loans it services by sending monthly data files to consumer reporting agencies (CRAs). The Bureau found that between January 2016 and August 2019 Santander violated the FCRA and Regulation V by furnishing consumer loan information to CRAs that it knew or reasonably should have known was inaccurate; failing to promptly update and correct information it furnished that it later determined was incomplete; failing to provide the date of first delinquency on certain delinquent or charged-off accounts; and failing to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information provided to CRAs. These violations of the FCRA and Regulation V constituted violations of the CFPA and could have negatively impacted consumers' credit scores and access to credit in many instances. The consent order requires Santander to take certain steps to prevent future violations and imposes a \$4,750,000 civil money penalty.

In the Matter of Envios de Valores La Nacional Corp. (2020-BCFP-0025) (not a credit union or depository institution). On December 21, 2020, the Bureau issued a consent order against Envios de Valores La Nacional (La Nacional). La Nacional provides remittance transfers to several

countries overseas through a network of branches and over 1,400 agents. La Nacional also has provided international bill pay services. The Bureau found that since the 2013 effective date of the Remittance Transfer Rule, La Nacional engaged in thousands of violations of the EFTA and the Remittance Transfer Rule by: failing to properly honor cancellation requests, failing to develop and maintain required policies and procedures for error resolution, failing to investigate and make error determinations, failing to provide consumers with written reports of its investigation findings, failing to refund certain fees and taxes, failing to treat international bill pay services as remittance transfers, failing to disclose the appropriate currency on prepayment disclosures and receipts, failing to use the term ‘transfer fees’ or a substantially similar term in certain disclosures, and issuing receipts that failed to disclose the date on which remittance transfers would be available for pick-up. The consent order requires La Nacional to adopt a compliance plan to ensure that its remittance transfer acts and practices comply with all applicable Federal consumer financial laws and the consent order. The order also requires La Nacional to pay a civil money penalty of \$750,000.

In the Matter of Seterus, Inc. and Kyanite Services, Inc., as the successor in interest to Seterus, Inc. (2020-BCFP-0024) (not a credit union or depository institution). On December 18, 2020, the Bureau issued a consent order against Seterus, Inc. (Seterus), a former mortgage servicer based in North Carolina, and Kyanite Services, Inc. (Kyanite), Seterus’s former parent company and its successor in interest. The consent order addresses widespread failures in Seterus’s handling and processing of struggling homeowners’ applications for loss mitigation options to avoid foreclosure. The Bureau found that Seterus, which used automated processes for handling loss mitigation applications, violated the CFPA’s prohibition of unfair acts and practices by systematically failing to accurately review, process, track, and communicate to borrowers information regarding their applications, and deceptive acts and practices by sending numerous borrowers acknowledgment notices regarding their applications that misrepresented the status of borrower documents and provided inaccurate due dates for submission of borrower documents. The Bureau also found that Seterus violated Regulation X, which implements the Real Estate Settlement Procedures Act (RESPA), by sending numerous acknowledgment notices that failed to state the additional documents and information borrowers needed to submit to complete their loss mitigation applications or failed to provide a reasonable due date for submission of borrower documents; failing to exercise reasonable diligence in obtaining documents and information necessary to complete borrowers’ loss mitigation applications; failing to properly evaluate borrowers who submitted complete loss mitigation applications for all loss mitigation options available to the borrower; and failing to treat certain applications as “facially complete” when required under Regulation X. These violations also constitute violations of the CFPA. The consent order requires Kyanite, as Seterus’s successor in interest, to pay \$4,932,525 in total redress to approximately 11,866 of the consumers to whom Seterus sent a defective acknowledgment notice. The consent

order also imposes a \$500,000 civil money penalty and includes injunctive relief that would apply in the event Kyanite engages in mortgage servicing operations.

Bureau of Consumer Financial Protection and the State of Arkansas *ex rel.* Leslie Rutledge, Attorney General v. Alder Holdings, LLC, (E.D. Ark. 4:20-cv-1445). On December 11, 2020, the Bureau and the Arkansas Attorney General filed a proposed stipulated final judgment and order against Alder Holdings, LLC (Alder). Alder is a Utah-based company that sells home-security and alarm systems, primarily door-to-door, throughout the country and has sold its products and services to over 115,000 customers. The complaint alleges that Alder, in extending credit to its customers for its home-alarm products and services, violated the FCRA and Regulation V by charging customers who had lower credit scores higher activation-fees, but failing to provide those customers with the required risk-based pricing notice. Arkansas also alleged that Alder violated the CFPA. If entered by the court, the settlement would require Alder to pay a \$600,000 civil money penalty, \$100,000 of which will be offset by the amount Alder paid to settle related litigation with the State of Arkansas. The settlement would also require Alder to provide proper notices under FCRA. The case remains pending.

Bureau of Consumer Financial Protection v. BounceBack, Inc., (W.D. Mo. 5:20-cv-06179). On December 9, 2020, the Bureau filed a lawsuit against BounceBack, Inc. BounceBack, based in Kansas City, Missouri, operates bad-check pretrial-diversion programs on behalf of more than 90 district attorneys' offices throughout the United States. The Bureau alleges that since at least 2015, in the course of administering these bad-check pretrial-diversion programs, BounceBack used district-attorney letterheads to threaten more than 19,000 consumers with prosecution if they did not pay the amount of the check, enroll and pay for a financial-education course, and pay various other fees. BounceBack did not reveal to consumers that BounceBack—and not district attorneys—sent the letters, or that district attorneys almost never prosecuted these cases, even when consumers ignored BounceBack's threats. In fact, in most cases, BounceBack did not refer cases for prosecution, even if the check writer failed to respond to its collection letter. BounceBack's letters also failed to include disclosures required under the Fair Debt Collections Practices Act (FDCPA). The Bureau alleges that BounceBack's conduct violated the FDCPA, was deceptive under both the FDCPA and the CFPA, and that its violations of the FDCPA constituted violations of the CFPA. The Bureau's complaint seeks injunctions against BounceBack, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. The case remains pending.

In the Matter of RAB Performance Recoveries, LLC (2020-BCFP-0023) (not a credit union or depository institution). On December 8, 2020, the Bureau issued a consent order against RAB Performance Recoveries, LLC (RAB). Through 2012, RAB, a New Jersey company, purchased and collected consumer debts from debt brokers, and through August 2014, it used collections law firms to obtain judgments against consumers. RAB has continued to collect on those judgments

against consumers as well as on a handful of payment agreements it obtained from debtors. The Bureau found that during the period that RAB was obtaining judgments against consumers, RAB threatened to sue, sued, and demanded payment from consumers in Connecticut, New Jersey, and Rhode Island even though RAB did not hold the licenses that those states required to sue to collect debts. Thus, RAB was not legally entitled to take the actions that it threatened to take against consumers in those states. The Bureau found that RAB misrepresented that it had a legally enforceable right to recover payments from consumers in these states through the judicial process in violation of the FDCPA and the CFPA. The consent order prohibits RAB from collecting on the judgments against, or payment agreements from, consumers it obtained in Connecticut, New Jersey, and Rhode Island when RAB did not hold a required debt-collection license in those states. It also requires RAB to take all necessary steps to vacate those judgments and suspend collection of those judgments and to notify consumers with payment agreements that they have been satisfied. The consent order also requires RAB to pay a \$204,000 civil money penalty.

Bureau of Consumer Financial Protection v. Nationstar Mortgage LLC, d/b/a Mr. Cooper (D.D.C. 1:20-cv-3550). On December 7, 2020, the Bureau filed a complaint and proposed stipulated judgment and order against Nationstar Mortgage, LLC, which does business as Mr. Cooper (Nationstar). The Bureau alleged that Nationstar violated multiple Federal consumer financial laws, causing substantial harm to the borrowers whose mortgage loans it serviced, including distressed homeowners. Nationstar is one of the nation's largest mortgage servicers and the largest non-bank mortgage servicer in the United States. The proposed judgment and order, which the court entered on December 8, 2020, requires Nationstar to pay approximately \$73 million in redress to more than 40,000 harmed borrowers. It also requires Nationstar to pay a \$1.5 million civil penalty to the Bureau. Under the court's order, Nationstar is required to set aside about \$15.6 million to pay borrowers it has not remediated prior to the order's effective date and to certify that it has already paid approximately \$57.5 million in redress to other borrowers affected by the conduct alleged in the complaint. Attorneys general from all 50 states and the District of Columbia and bank regulators from 53 jurisdictions covering 48 states and Puerto Rico, the Virgin Islands, and the District of Columbia settled with Nationstar the same day and their settlements are reflected in separate actions, concurrently filed in the United States District Court for the District of Columbia. The orders in the Bureau's and the States' actions have involved nearly \$85 million in recoveries for consumers to date and over \$6 million more in fees and penalties. They are also part of a larger government effort, which also includes assistance from the Special Inspector General for the Troubled Asset Relief Program and the United States Trustee Program, to address Nationstar's alleged unlawful mortgage loan servicing practices.

Bureau of Consumer Financial Protection v. LendUp Loans, LLC (N.D. Cal. 4:20-cv-08583). On December 4, 2020, the Bureau filed a lawsuit against LendUp Loans, LLC (LendUp). LendUp, which has its principal place of business in Oakland, California, is an online lender that offers

single-payment and installment loans to consumers. The Bureau alleged that LendUp violated the MLA in connection with its extensions of credit. The Bureau alleged that since October 2016, LendUp has made over 4,000 single-payment or installment loans to over 1,200 covered borrowers in violation of the MLA. The Bureau specifically alleged that LendUp's violations of the MLA include extending loans with a Military Annual Percentage Rate (MAPR) that exceeds the MLA's 36% cap, extending loans that require borrowers to submit to arbitration, and failing to make certain required loan disclosures. On January 20, 2021, the court entered a stipulated final judgment and order to resolve the lawsuit. The settlement requires LendUp to provide \$300,000 in redress to consumers and to pay a \$950,000 civil money penalty. The settlement also enjoins LendUp from committing future violations of the MLA and from collecting on, selling, or assigning any debts arising from loans that failed to comply with the MLA. It also requires LendUp to correct or update the information it provided to consumer reporting agencies about affected consumers.

Bureau of Consumer Financial Protection v. DMB Financial, LLC (D. Mass. 1:20-cv-12147). On December 1, 2020, the Bureau filed a lawsuit against DMB Financial, LLC (DMB). DMB, which has its principal place of business in Beverly, Massachusetts, offers to renegotiate, settle, or otherwise alter the terms of unsecured debts owed by consumers to creditors or debt collectors. As alleged in the Bureau's complaint, since its establishment in 2003, DMB claims to have successfully negotiated and settled over \$1 billion of consumer debt for over 30,000 consumers who have enrolled in its debt-settlement or debt-relief programs. The Bureau alleges that in connection with its debt-settlement and debt-relief services, DMB engaged in abusive and deceptive acts or practices in violation of the TSR and deceptive acts and practices in violation of the CFPA. The Bureau also alleges that DMB's alleged TSR violations also constitute violations of the CFPA. The Bureau's complaint seeks an injunction, as well as redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. As of the end of the reporting period, the case remains pending.

Bureau of Consumer Financial Protection v. FDATR, Inc., Dean Tucci, and Kenneth Wayne Halverson (N.D. Ill. 1:20-cv-06879). On November 20, 2020, the Bureau filed a lawsuit against FDATR, Inc., and its owners, Dean Tucci and Kenneth Wayne Halverson. FDATR was a corporation headquartered in Wood Dale, Illinois, that promised to provide student-loan debt-relief and credit-repair services to consumers nationwide. FDATR involuntarily dissolved in September 2020. Tucci and Halverson both owned and managed FDATR. The Bureau alleges that FDATR, Tucci, and Halverson violated the TSR by engaging in deceptive and abusive telemarketing acts or practices and the CFPA by engaging in deceptive acts or practices. The Bureau's complaint seeks an injunction, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. On February 25, 2021, the Bureau filed a notice of voluntary dismissal of Halverson, now deceased, and the court dismissed him from this action the next day. The case remains pending.

In the Matter of U.S. Equity Advantage, Inc. and Robert M. Steenbergh (2020-BCFP-0022) (not a credit union or depository institution). On November 20, 2020, the Bureau issued a consent order against U.S. Equity Advantage, Inc. (USEA) and its owner, Robert M. Steenbergh. Mr. Steenbergh is the founder, sole-owner, and chief executive officer of USEA, a nonbank located in Orlando, Florida. USEA and Steenbergh operate an auto loan payment program called AutoPayPlus that charges fees to deduct payments from consumers' bank accounts every two weeks and then forwards these payments every month to the consumers' lenders. The Bureau found that the company's disclosures and advertisements of its loan payment program contained misleading statements in violation of the CFPA's prohibition against deceptive acts or practices. The consent order imposes a judgment against them requiring payment of \$9,300,000, which amount is suspended based on USEA's and Steenbergh's demonstrated inability to pay upon their payment of \$900,000 and a \$1 civil money penalty to the Bureau. The consent order also contains requirements to prevent future violations.

In the Matter of Afni, Inc. (2020-BCFP-0021) (not a credit union or depository institution). On November 12, 2020, the Bureau issued a consent order against Afni, Inc. (Afni), a non-bank third-party debt collector based in Illinois that specializes in collecting telecommunications debt. In connection with its collection activities, Afni furnishes credit reporting information to CRAs about the consumers and the debts that are the subject of its business. The Bureau found that Afni violated the FCRA and its implementing rule, Regulation V, by furnishing information to CRAs that it knew or had reasonable cause to believe was inaccurate; failing to report to CRAs an appropriate date of first delinquency on certain accounts; failing to conduct reasonable investigations of disputes made by consumers both to Afni and to CRAs about furnished information or failing to conduct investigations of disputes made to Afni in a timely manner; failing to send required notices to consumers about the results of such investigations; and failing to establish, implement, and update its policies and procedures regarding its furnishing of consumer information to CRAs. The Bureau also determined, based on these violations of the FCRA and Regulation V, that Afni violated the CFPA. The consent order requires Afni to take certain steps to improve and ensure the accuracy of its furnishing and its policies and procedures relating to credit reporting and dispute investigation. It also imposes a \$500,000 civil money penalty.

Bureau of Consumer Financial Protection v. Driver Loan, LLC, and Angelo Jose Sarjeant (S.D. Fla. 1:20-cv-24550). On November 5, 2020, the Bureau filed a lawsuit against Driver Loan, LLC and its Chief Executive Officer, Angelo Jose Sarjeant, for violations of the CFPA. Driver Loan is a limited-liability company based in Doral, Florida that offers short-term, high-interest loans to consumers funded by deposits made by other consumers. The Bureau alleges that Driver Loan and Sarjeant engaged in deceptive acts or practices that violated the CFPA by misrepresenting the risks associated with the deposit product offered to consumers and by misrepresenting the annual percentage rates associated with extensions of credit it offered to other consumers. The Bureau

seeks an injunction against Driver Loan and Sarjeant to stop their alleged unlawful conduct, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. As of the end of the reporting period, the case remains pending.

Bureau of Consumer Financial Protection v. Performance SLC, LLC, Performance Settlement, LLC and Daniel Crenshaw (C.D. Cal. 8:20-cv-02132). On November 5, 2020, the Bureau filed a lawsuit against Performance SLC, LLC (PSLC), a California-based debt-relief business focused on federal student loan debt; Performance Settlement, LLC (PSettlement), a California-based debt-settlement company; and Daniel Crenshaw, the owner and CEO of the two companies. The Bureau alleges that PSLC and Crenshaw conducted a student-loan debt-relief business that charged thousands of consumers with federal student-loan debt approximately \$9.2 million in illegal upfront fees in violation of the TSR, to file paperwork on their behalf to apply for programs that were available to them for free from the United States Department of Education. PSLC also allegedly failed to provide disclosures mandated by the TSR to consumers it required to place funds in trust accounts. The Bureau also alleges that Crenshaw and PSettlement used deceptive sales tactics to sign consumers up for PSettlement's debt-relief services, in violation of the CFPA. Finally, the Bureau alleges that Crenshaw substantially assisted PSLC in requesting or receiving fees illegally and PSettlement in engaging in deceptive acts and practices. The complaint seeks redress to consumers, appropriate injunctive relief, and the imposition of civil money penalties against the defendants. The case remains pending.

In the Matter of SMART Payment Plan, LLC (2020-BCFP-0020) (not a credit union or depository institution). On November 2, 2020, the Bureau issued a consent order against SMART Payment Plan, LLC (SMART), a limited liability company with its principal place of business in Austin, Texas. SMART operates a loan payment program for auto loans called the SMART Plan that deducts payments from consumers' bank accounts every two weeks and then forwards these payments every month to the consumers' lenders. The Bureau found that SMART's disclosures of the terms for the SMART Plan contained misleading statements in violation of the CFPA's prohibition against deceptive acts or practices. The consent order imposes a judgment against SMART requiring it to pay \$7,500,000 in consumer redress. This amount is suspended based on SMART's demonstrated inability to pay upon its payment of \$1,500,000 by the end of the year and a \$1 civil money penalty to the Bureau. The consent order prohibits SMART from making any misrepresentations about its payment programs. It also requires SMART to account for the total costs for its payment programs, as well as the net savings or costs after deducting any fees, whenever SMART makes claims about savings or financial benefits.

In the Matter of Washington Federal Bank, N.A. (2020-BCFP-0019). On October 27, 2020, the Bureau issued a consent order against Washington Federal Bank, N.A., a federally insured, for-profit national bank headquartered in Seattle, Washington. The Bureau found that Washington Federal reported inaccurate data about its mortgage transactions for 2016 and 2017, in violation of

the Home Mortgage Disclosure Act (HMDA), its implementing regulation, Regulation C, and the CFPA. Washington Federal reported data under HMDA on over 7,000 mortgage applications in each of 2016 and 2017. The Bureau found that these data included significant errors with some samples having error rates as high as 40%. The order requires Washington Federal to pay a \$200,000 civil money penalty and develop and implement an effective compliance management system to prevent future violations.

In the Matter of Low VA Rates, LLC (2020-BCFP-0018) (not a credit union or depository institution). On October 26, 2020, the Bureau issued a consent order against Low VA Rates, LLC (Low VA Rates), a Utah-based mortgage lender and broker incorporated in Colorado and licensed in 48 states and the District of Columbia. Low VA Rates offers and provides mortgage loans guaranteed by the United States Department of Veterans Affairs (VA). Low VA Rates' principal means of advertising VA-guaranteed loans is through direct-mail campaigns sent primarily to United States military servicemembers, veterans, and their families. The Bureau found that Low VA Rates sent consumers mailers for VA-guaranteed mortgages that contained false, misleading, or inaccurate statements, in violation of the CFPA prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. Specifically, Low VA Rates sent consumers numerous advertisements for VA-guaranteed mortgages that, among other things, promoted mortgage products that were not actually available; failed to properly disclose rates and repayment terms; used misleading descriptions of rates; and used misleading representations regarding the savings or financial benefits available to consumers. The consent order requires Low VA Rates to pay a \$1,800,000 civil money penalty and imposes requirements to prevent future violations.

In the Matter of Nissan Motor Acceptance Corporation (2020-BCFP-0017) (not a credit union or depository institution). On October 13, 2020, the Bureau issued a consent order against Nissan Motor Acceptance Corporation (Nissan), an auto financing subsidiary of Nissan North America, Inc., which services auto loans and leases originated by Nissan and Infiniti dealerships nationwide. Nissan's servicing operations are headquartered in Irving, Texas. The Bureau found that Nissan and its agents: wrongfully repossessed vehicles; kept personal property in consumers' repossessed vehicles until consumers paid a storage fee; deprived consumers paying by phone of the ability to select payment options with significantly lower fees and, in its loan extension agreements, made a deceptive statement that appeared to limit consumers' bankruptcy protections. These actions violated the CFPA's prohibition against unfair and deceptive acts and practices. The consent order requires Nissan to provide up to \$1 million of cash redress to consumers subject to a wrongful repossession, credit any outstanding account charges associated with a wrongful repossession, and to pay a civil money penalty of \$4 million. It also imposes certain requirements to prevent future violations and remediate consumers whose vehicles are wrongfully repossessed going forward.

In the Matter of Lobel Financial Corporation (2020-BCFP-0016) (not a credit union or depository institution). On September 21, 2020, the Bureau issued a consent order against Lobel Financial

Corporation, an auto-loan servicer based in Anaheim, California. The Bureau found that Lobel engaged in unfair practices with respect to its Loss Damage Waiver (LDW) product, in violation of the CFPA. When a borrower has insufficient insurance, rather than force-placing collateral-protection insurance, Lobel places the LDW product, which is not itself insurance, on borrower accounts and charges a monthly premium. The LDW product provides that Lobel will pay for the cost of covered repairs and, in the event of a total vehicle loss, cancel the borrower's debt. The Bureau's investigation found that, since 2012, Lobel charged customers LDW premiums after they had become ten-days delinquent on their auto loans but did not provide them with LDW coverage. The Bureau also found that Lobel charged some customers LDW-related fees that Lobel had not disclosed in its LDW contract and that these practices were unfair under the CFPA. The order requires Lobel to pay \$1,345,224 in consumer redress to approximately 4,000 harmed consumers and a \$100,000 civil money penalty. The order also prohibits Lobel from failing to provide consumers with LDW coverage or similar products or services for which it has charged consumers or from charging consumers fees that are not authorized by its LDW contracts.

Bureau of Consumer Financial Protection v. PEAKS Trust 2009-1; Deutsche Bank National Trust Company, solely in its capacity as lender trustee of the PEAKS Trust 2009-1; Deutsche Bank Trust Company Delaware, solely in its capacity as owner trustee of PEAKS Trust 2009-1; Deutsche Bank Trust Company Americas, solely in its capacity as indenture trustee and collateral agent (S.D. Ind. 1:20-cv-2386). On September 15, 2020, the Bureau filed a proposed stipulated judgment against PEAKS Trust 2009-1, along with Deutsche Bank National Trust Company, Deutsche Bank Trust Company Delaware, and Deutsche Bank Trust Company Americas, in their capacity as trustees to PEAKS Trust 2009-1 (collectively, PEAKS). The Bureau alleged that PEAKS provided substantial assistance to ITT Educational Services, Inc. in engaging in unfair acts and practices in violation of the CFPA. PEAKS owned and managed private loans for students at ITT Technical Institute. PEAKS allegedly knew or was reckless in not knowing that many student borrowers did not understand the terms and conditions of those loans, could not afford them, or in some cases did not even know they had them. The stipulated judgment, which the court entered on October 1, 2020, requires PEAKS to stop collecting on all outstanding PEAKS loans, discharge all outstanding PEAKS loans, and ask all consumer reporting agencies to which PEAKS furnished information to delete information relating to PEAKS loans. The total amount of loan forgiveness is currently estimated to be \$330 million, which will be provided to all borrowers with outstanding principal balances on their PEAKS loans, approximately 35,000 consumers.

In the Matter of ClearPath Lending, Inc. (2020-BCFP-0015) (not a credit union or depository institution). On September 14, 2020, the Bureau issued a consent order against ClearPath Lending, Inc. (ClearPath), a California corporation that is licensed as a mortgage broker or lender in about 22 states. ClearPath offers and provides mortgage loans guaranteed by the VA. ClearPath's principal means of advertising VA-guaranteed loans is through direct-mail campaigns

sent primarily to United States military servicemembers and veterans. The Bureau found that ClearPath sent consumers mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order requires ClearPath to pay a \$625,000 civil money penalty and imposes requirements to prevent future violations.

Bureau of Consumer Financial Protection and the People of the State of New York, by Letitia James, Attorney General for the State of New York v. JPL Recovery Solutions, LLC; Check Security Associates, LLC (dba Warner Location Services and Orchard Payment Processing Systems); ROC Asset Solutions LLC (dba API Recovery Solutions); Regency One Capital LLC; Keystone Recovery Group, LLC; Christopher L. Di Re; Scott A. Croce; Brian J. Koziel; and Marc D. Gracie (W.D.N.Y. 1:20-cv-01217). On September 8, 2020, the Bureau, in partnership with the New York Attorney General, filed suit in the federal district court against a network of five different companies based outside of Buffalo, New York, two of their owners, and two of their managers, for their participation in a debt-collection operation using illegal methods to collect debts. The company defendants are: JPL Recovery Solutions, LLC; Regency One Capital LLC; ROC Asset Solutions LLC, which does business as API Recovery Solutions; Check Security Associates LLC, which does business as Warner Location Services and Orchard Payment Processing Systems; and Keystone Recovery Group. The individual defendants are Christopher Di Re and Scott Croce, who have held ownership interests in some or all of the defendant companies, and Brian Koziel and Marc Gracie, who are members of Keystone Recovery Group, and have acted as managers of some or all of the defendant companies. The complaint alleges that from at least 2015 through the present, the defendants have participated in a debt-collection operation that has used deceptive, harassing, and improper methods to induce consumers to make payments to them in violation of the FDCPA and the CFPA. The complaint seeks consumer redress, disgorgement of ill-gotten gains, civil money penalties, and appropriate injunctive relief against the defendants. The case remains pending.

Bureau of Consumer Financial Protection v. Encore Capital Group, Inc.; Midland Funding, LLC; Midland Credit Management, Inc.; and Asset Acceptance Capital Corp. (S.D. Cal. 3:20-cv-01750). On September 8, 2020, the Bureau filed suit in federal district court in the Southern District of California against Encore Capital Group, Inc., and its subsidiaries, Midland Funding, LLC; Midland Credit Management, Inc.; and Asset Acceptance Capital Corp. The companies are headquartered in San Diego, California and together comprise the largest debt collector and debt buyer in the United States, with annual revenue exceeding \$1 billion and annual net income exceeding \$75 million. Encore and its subsidiaries were subject to a 2015 consent order with the Bureau based on the Bureau's previous findings that they violated the CFPA, FDCPA, and the FCRA. The Bureau alleged that Encore and its subsidiaries had violated the terms of this consent order and again violated the FDCPA and CFPA. On October 16, 2020, the court entered a stipulated final judgment

and order that requires Encore and its subsidiaries to pay \$79,308.81 in redress to consumers and a \$15 million civil money penalty. The order also requires Encore and its subsidiaries to make various material disclosures to consumers, refrain from the collection of time-barred debt absent certain disclosures to consumers, and abide by certain conduct provisions in the 2015 consent order for five more years.

In the Matter of Accelerate Mortgage, LLC (2020-BCFP-0014) (not a credit union or depository institution). On September 2, 2020, the Bureau issued a consent order against Accelerate Mortgage, LLC (Accelerate), a Delaware limited liability corporation that is licensed as a mortgage broker and lender in about 31 states. Accelerate offers and provides mortgage loans guaranteed by the VA. Accelerate's principal means of advertising VA-guaranteed loans is through direct-mail campaigns sent primarily to United States military servicemembers and veterans. The Bureau found that Accelerate sent consumers more than one million mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order requires Accelerate to pay a \$225,000 civil money penalty and imposes requirements to prevent future violations.

In the Matter of Hypotec, Inc. (2020-BCFP-0012) (not a credit union or depository institution). On September 1, 2020, the Bureau issued a consent order against Hypotec, Inc., a Miami-based corporation that is licensed as a mortgage broker or lender in eight states. Hypotec offers and provides mortgage loans guaranteed by the VA. Hypotec advertises its VA-guaranteed loans to United States military servicemembers and veterans through direct-mail campaigns. The Bureau found that, since 2016, Hypotec disseminated advertisements that contained false, misleading, and inaccurate statements or that failed to include required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order against Hypotec requires Hypotec to pay a civil money penalty of \$50,000 and imposes requirements to prevent future violations.

In the Matter of Service 1st Mortgage, Inc. (2020-BCFP-0013) (not a credit union or depository institution). On September 1, 2020, the Bureau issued a consent order against Service 1st Mortgage, Inc. (Service 1st), a Maryland-based corporation that is licensed as a mortgage broker or lender in about 12 states. Service 1st offers and provides mortgage loans guaranteed by the VA. Service 1st's principal means of advertising VA-guaranteed loans is through direct-mail campaigns sent primarily to United States military servicemembers and veterans. The Bureau found that since December 2015, Service 1st disseminated advertisements that contained false, misleading, and inaccurate statements or that failed to include required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order requires Service 1st to pay a \$230,000 civil money penalty and imposes requirements to prevent future violations.

In the Matter of Sigue Corporation, SGS Corporation, and GroupEx Corporation (2020-BCFP-0011) (not a credit union or depository institution). On August 31, 2020, the Bureau issued a consent order against Sigue Corporation and its subsidiaries, SGS Corporation and GroupEx Corporation, which are all headquartered in Sylmar, California and provide consumers with international money-transfer services, including remittance-transfer services. Sigue and its subsidiaries have a distribution network with over 200,000 send-and-receive locations, offices in 18 countries, and operations in all 50 states. Sigue and its subsidiaries provide remittance transfers to consumers using their retail branches and a network of agents, including convenience stores, supermarkets, and other retail establishments. The Bureau found that Sigue and its subsidiaries violated the EFTA and the Remittance Transfer Rule by failing to provide numerous required disclosures. In some cases involving money-transfer errors, consumers were entitled to notice that a fee refund was available, and Sigue, SGS, and GroupEX failed to notify consumers that they were entitled to refunds. The consent order requires Sigue and its subsidiaries to reserve about \$100,000 for redress to consumers and pay a \$300,000 civil money penalty. Sigue and its subsidiaries also must implement and maintain written policies and procedures and a compliance-management system that are designed to ensure compliance with the Remittance Transfer Rule.

In the Matter of Trans-Fast Remittance LLC, also doing business as New York Bay Remittance (2020-BCFP-0010) (not a credit union or depository institution). On August 31, 2020, the Bureau issued a consent order against Trans-Fast Remittance LLC (Trans-Fast). Trans-Fast, which, until June 2020, was a remittance transfer provider, is based in New York, New York and licensed in over 30 states. The Bureau found that Trans-Fast violated EFTA and the Remittance Transfer Rule by failing to adhere to error resolution requirements and properly respond to cancellation requests, failing to provide required refunds, failing to maintain required policies and procedures, and failing to provide required disclosures. The Bureau also found that Trans-Fast engaged in deceptive acts or practices in violation of the CFPA by making misleading statements in advertisements regarding the speed of its remittance transfers and making misleading statements in disclosures purporting to limit consumers' error resolution rights. If Trans-Fast resumes offering remittance transfers, the consent order requires it to adopt a compliance plan to ensure that its remittance transfer acts and practices comply with all applicable Federal consumer financial laws and the consent order. The order also requires Trans-Fast to pay a civil money penalty of \$1.6 million.

In the Matter of PHLoans.com, Inc. (2020-BCFP-0009) (not a credit union or depository institution). On August 26, 2020, the Bureau issued a consent order against PHLoans.com, Inc. (PHLoans), a California corporation that is licensed as a mortgage broker or lender in about 11 states. PHLoans offers and provides mortgage loans guaranteed by the VA. PHLoans's principal means of advertising VA-guaranteed loans is through direct-mail campaigns sent primarily to United States military servicemembers and veterans. The Bureau found that PHLoans sent

consumers millions of mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order requires PHLoans to pay a \$260,000 civil money penalty and imposes requirements to prevent future violations.

In the Matter of Go Direct Lenders, Inc. (2020-BCFP-0008) (not a credit union or depository institution). On August 21, 2020, the Bureau issued a consent order against Go Direct Lenders, Inc. (Go Direct), a California corporation that is licensed as a mortgage broker or lender in about 11 states. Go Direct offers and provides mortgage loans guaranteed by the VA. Go Direct's principal means of advertising VA-guaranteed loans is through direct-mail campaigns sent primarily to United States military servicemembers and veterans. The Bureau found that Go Direct sent consumers hundreds of thousands of mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order requires Go Direct to pay a \$150,000 civil money penalty and imposes requirements to prevent future violations.

In the Matter of TD Bank, N.A. (2020-BCFP-0007). On August 20, 2020, the Bureau issued a consent order against TD Bank, N.A., regarding its marketing and sale of its optional overdraft service: Debit Card Advance (DCA). TD Bank is headquartered in Cherry Hill, New Jersey, and operates about 1,250 locations throughout much of the eastern part of the country. The Bureau found that TD Bank's overdraft enrollment practices violated EFTA and Regulation E by charging consumers overdraft fees for ATM and one-time debit card transactions without obtaining their affirmative consent. The Bureau found that TD Bank violated the CFPA's prohibition against deceptive acts or practices by making misleading representations to consumers regarding DCA while offering that service to consumers in person, over the phone, and through mailed solicitations. The Bureau also found that TD Bank violated the CFPA's prohibition against abusive acts or practices by materially interfering with consumers' ability to understand the terms and conditions of DCA. The Bureau also found that TD Bank engaged in practices prohibited by FCRA and its implementing Regulation V. The order requires TD Bank to comply with the EFTA, FCRA, and CFPA, and orders TD Bank to pay an estimated \$97 million in restitution to certain consumers TD Bank enrolled in its DCA service and pay a \$25 million civil money penalty.

In the Matter of Sovereign Lending Group, Inc. (2020-BCFP-0005) (not a credit union or depository institution). On July 24, 2020, the Bureau issued a consent order against Sovereign Lending Group, Inc. (Sovereign), a California corporation that is licensed as a mortgage broker or lender in about 44 states and the District of Columbia. Sovereign offers and provides mortgage loans guaranteed by the VA. Sovereign's principal means of advertising is through direct-mail campaigns targeted primarily at United States military servicemembers and veterans. The Bureau

found that Sovereign sent consumers hundreds of thousands of mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order requires Sovereign to pay a \$460,000 civil money penalty and imposes requirements to prevent future violations.

In the Matter of Prime Choice Funding, Inc. (2020-BCFP-0006) (not a credit union or depository institution). On July 24, 2020, the Bureau issued a consent order against Prime Choice Funding, Inc. (Prime Choice), a California corporation that is licensed as a mortgage broker or lender in about 35 states and the District of Columbia. Prime Choice offers and provides mortgage loans guaranteed by the VA. Prime Choice's principal means of advertising VA-guaranteed loans is through direct-mail campaigns sent primarily to United States military servicemembers and veterans. The Bureau found that Prime Choice sent consumers millions of mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the CFPA's prohibition against deceptive acts and practices, the MAP Rule, and Regulation Z. The consent order requires Prime Choice to pay a \$645,000 civil money penalty and imposes requirements to prevent future violations.

Bureau of Consumer Financial Protection v. Townstone Financial, Inc. and Barry Sturner (N.D. Ill. 1:20-cv-04176). On July 15, 2020, the Bureau filed a lawsuit against Townstone Financial, Inc., a nonbank retail-mortgage creditor and broker based in Chicago. The Bureau alleges that Townstone violated the ECOA; its implementing regulation, Regulation B; and the CFPA. For years, Townstone drew almost no applications for properties in majority-African-American neighborhoods located in the Chicago-Naperville-Elgin Metropolitan Statistical Area (Chicago MSA) and few applications from African Americans throughout the Chicago MSA. The Bureau alleges that Townstone engaged in discriminatory acts or practices, including making statements during its weekly radio shows and podcasts through which it marketed its services, that discouraged prospective African-American applicants from applying for mortgage loans; discouraged prospective applicants living in African-American neighborhoods in the Chicago MSA from applying for mortgage loans; and discouraged prospective applicants living in other areas from applying for mortgage loans for properties located in African-American neighborhoods in the Chicago MSA. On November 25, 2020, the Bureau filed an amended complaint, which added as a defendant Barry Sturner, Townstone's cofounder, sole owner, and sole director, as the fraudulent transferee of more than \$2.4 million from Townstone. The Bureau's amended complaint seeks an injunction against Townstone, as well as damages, redress to consumers, the imposition of a civil money penalty, and other relief. The defendants filed a motion to dismiss the amended complaint on February 8, 2021. The case remains pending.

Bureau of Consumer Financial Protection v. GST Factoring, Inc.; Champion Marketing Solutions, LLC; Rick Graff; Gregory Trimarche; Scott Freda; Amanda Johanson; David Mize; Jacob

Slaughter; and Daniel Ruggiero (C.D. Cal. 8:20-cv-01239). On July 13, 2020, the Bureau filed a lawsuit against GST Factoring, Inc., which ran a student-loan debt-relief business in Texas, and two of its owners, Rick Graff and Gregory Trimarche, as well as Champion Marketing Solutions, LLC, a customer service and marketing company, and its owner, Scott Freda. The Bureau also filed suit against four attorneys, Amanda Johanson, Jacob Slaughter, David Mize, and Daniel Ruggiero. The Bureau alleged that the companies, their owners, and the attorneys were part of a nationwide student-loan debt-relief operation that charged thousands of consumers saddled with private student-loan debt approximately \$11.8 million in illegal upfront fees in violation of the TSR. Concurrent with the complaint, the Bureau and four of the defendants filed proposed stipulated final judgments and orders to resolve the claims against them, which the court entered on August 17, 2020. The orders collectively impose an approximate \$11.8 million monetary judgment against the settling defendants for consumer redress, full payment of which will be suspended upon the settling defendants paying a portion of the redress, given their demonstrated inability to pay the full amount of judgment in each order. Each settling defendant will also pay a \$1 civil money penalty to the Bureau. Trimarche is permanently banned from engaging in debt-relief services and from telemarketing consumer financial products or services. Mize, Slaughter, and Ruggiero are subject to permanent debt-relief bans. In December 2020, the court entered judgments against the remaining defendants. On December 3, 2020, the court entered a default judgment and order against GST Factoring, Inc. and Rick Graff. The order imposes a \$11,618,522 monetary judgment against them for consumer redress and imposes a \$15,000,000 penalty against each of them. The order also permanently bans them from engaging in debt-relief services and telemarketing consumer financial products or services. On December 15, 2020, the court entered a stipulated final judgment and order against Champion Marketing Solutions, LLC and Scott Freda. The order imposes a \$11,618,522 monetary judgment against them, full payment of which will be suspended upon their paying \$5,000, given their demonstrated inability to pay the full amount. Each will also pay a \$1 civil money penalty to the Bureau, and they are permanently banned from engaging in debt-relief services and from telemarketing consumer financial products or services. On December 15, 2020, the court also entered a default judgment and order against Amanda Johanson. The order permanently bans her from engaging in debt-relief services and imposes a \$4,992,606 monetary judgment against her for consumer redress and a \$5,000,000 penalty.

Bureau of Consumer Financial Protection v. Timemark Solutions, Inc., Timothy Lenihan, Sr., Mark Nagler, and Casey Gassaway (S.D. Fla. 9:20-cv-81057). On July 7, 2020, the Bureau filed a proposed stipulated judgment against Timemark, Inc., a company based in Deerfield Beach, Florida, that provides debt-relief services to consumers with federal student-loan debt, and against its owners and officers, Timothy Lenihan, Sr., Mark Nagler, and Casey Gassaway. The Bureau alleged that the defendants charged illegal advance fees in violation of the TSR to consumers who were seeking to renegotiate, settle, reduce, or alter the terms of their loans. The order, which the court entered on August 12, 2020, permanently bans defendants from providing debt-relief

services and imposes a judgment totaling approximately \$3.8 million in consumer redress and civil money penalties.

Bureau of Consumer Financial Protection v. My Loan Doctor LLC d/b/a Loan Doctor and Edgar Radjabli (S.D.N.Y. 1:20-cv-05159). On July 6, 2020, the Bureau filed a lawsuit against My Loan Doctor LLC, a Delaware financial-company operating in West Palm Beach, Florida and New York City and doing business as Loan Doctor (Loan Doctor), and its founder, Edgar Radjabli. The Bureau alleges that Loan Doctor and Radjabli made several false, misleading, and inaccurate marketing representations in advertising Loan Doctor’s “Healthcare Finance (HCF) Savings CD Account,” in violation of the CFPA’s prohibition against deceptive acts or practices. As alleged in the complaint, starting in August 2019, Loan Doctor took more than \$15 million from at least 400 consumers who opened and deposited money into Loan Doctor’s deceptively advertised product. The Bureau seeks redress for consumers, an injunction, and the imposition of civil money penalties. The defendants filed a motion to dismiss the complaint on December 16, 2020. The case remains pending.

In the Matter of Harbour Portfolio Advisors, LLC; National Asset Advisors, LLC; and National Asset Mortgage, LLC (2020-BCFP-0004) (not a credit union or depository institution). On June 23, 2020, the Bureau issued a consent order against Harbour Portfolio Advisors, LLC (Harbour); National Asset Advisors, LLC (NAA); and National Asset Mortgage, LLC (NAM), companies that worked together to issue contracts for deeds to consumers. Between 2012 and 2016, several thousand consumers initiated contracts for deeds with Harbour. The Bureau found that during this period, when consumers called NAA or NAM to complain about errors on their consumer reports relating to their financing with Harbour, they were sometimes told that they had to file a dispute with the consumer-reporting agency. These representations were inaccurate and constituted deceptive acts and practices in violation of the CFPA. The Bureau also found that NAM lacked adequate policies and procedures to protect the accuracy and integrity of information furnished to consumer-reporting agencies, in violation of Regulation V. Under the settlement, Harbour must pay a \$25,000 civil money penalty, and NAA and NAM must jointly pay a \$10,000 civil money penalty. The companies are also required to not misrepresent, expressly or impliedly, or assist others in misrepresenting how consumers can resolve errors in their consumer reports or any other material fact concerning their consumer reports.

In the Matter of Main Street Personal Finance, Inc., ACAC, Inc. d/b/a Approved Cash Advance, and Quik Lend, Inc. (2020-BCFP-0003) (not a credit union or depository institution). On June 2, 2020, the Bureau issued a consent order against Main Street Personal Finance, Inc., and its subsidiaries—ACAC, Inc., which conducts business under the name Approved Cash Advance, and Quik Lend, Inc. (collectively, Approved Cash). The companies, which are based in Cleveland, Tennessee, offer payday and auto-title loans and own and operate 156 stores in eight different states: Alabama, Louisiana, Michigan, Mississippi, Oklahoma, South Carolina, Tennessee, and

Virginia. The Bureau found that Approved Cash provided deceptive finance charge disclosures in violation of the CFPB and TILA by failing to refund overpayments on its loans, and violated the CFPB by engaging in unfair debt collections practices. The consent order imposes a judgment against Approved Cash of approximately \$3.5 million in redress, which amount is suspended upon its payment of \$2 million of that judgment and \$1 civil money penalty to the Bureau based on Approved Cash's demonstrated inability to pay. The consent order also prohibits Approved Cash from misrepresenting finance charges in its auto-title pledge transactions, requires it to ensure that consumers with credit balances over \$1 are refunded timely, and prohibits it from engaging in the unlawful debt collections practices in which it was engaging.

Bureau of Consumer Financial Protection and the Commonwealth of Massachusetts *ex rel.* Maura Healey, Attorney General v. Commonwealth Equity Group, LLC (d/b/a Key Credit Repair); Nikitas Tsoukales (a/k/a Nikitas Tsoukalis) (D. Mass. 1:20-cv-10991). On May 22, 2020, the Bureau and Commonwealth of Massachusetts Attorney General Maura Healey jointly filed a lawsuit against Commonwealth Equity Group, LLC, which does business as Key Credit Repair, and Nikitas Tsoukales (also known as Nikitas Tsoukalis), Key Credit Repair's president and owner. An amended complaint was filed on September 16, 2020. As the amended complaint alleges, from 2016 through 2019 alone, Key Credit Repair enrolled nearly 40,000 consumers nationwide, and since 2011, it collected at least \$23 million in fees from consumers. The Bureau alleges that in their telemarketing of credit-repair services, the defendants violated the CFPB's prohibition against deceptive acts or practices and the TSR's prohibitions against deceptive and abusive telemarketing acts or practices. Massachusetts also alleges violations of Massachusetts laws. The amended complaint seeks redress to consumers, an injunction, and the imposition of civil money penalties. The defendants filed a motion to dismiss the amended complaint on September 30, 2020. The motion to dismiss and case remain pending.

In the Matter of Specialized Loan Servicing, LLC (2020-BCFP-0002) (not a credit union or depository institution). On May 11, 2020, the Bureau issued a consent order against Specialized Loan Servicing, LLC (SLS), a mortgage-loan servicer in Colorado. As of February 29, 2020, SLS serviced a portfolio of mortgage loans worth about \$112.69 billion. The Bureau's investigation found that since January 2014, SLS violated RESPA, its implementing regulation, Regulation X, and the CFPB by taking prohibited foreclosure actions against mortgage borrowers who were entitled to protection from foreclosure, and by failing to send or to timely send evaluation notices to mortgage borrowers who were entitled to them. In some cases, SLS obtained foreclosure judgments and conducted foreclosure sales on borrowers' homes when Regulation X would have entitled the borrowers to protection from foreclosure had SLS complied with that rule. The consent order requires SLS to pay \$775,000 in monetary relief to consumers, waive \$500,000 in borrower deficiencies, pay a \$250,000 civil money penalty, and implement procedures to ensure compliance with RESPA and Regulation X.

In the Matter of Cottonwood Financial Ltd., d/b/a Cash Store (2020-BCFP-0001) (not a credit union or depository institution). On April 1, 2020, the Bureau issued a consent order against Cottonwood Financial, Ltd., which does business under the name Cash Store. Cash Store is based in Irving, Texas and owns and operates roughly 340 retail lending outlets in Idaho, Illinois, Michigan, New Mexico, Texas, Utah, and Wisconsin. The Bureau found that in the course of marketing, servicing, and collecting on high-interest payday, auto-title, and unsecured consumer-installment loans, Cash Store violated the CFPA, FCRA, and TILA. The consent order requires Cash Store to pay \$286,675.64 in consumer redress and a civil money penalty of \$1,100,000. The consent order also prohibits Cash Store from certain collection practices and requires it to ensure that its employees respond accurately when asked about its loans' fees.

Bureau of Consumer Financial Protection v. Fifth Third Bank, National Association (N.D. Ill. 1:20-cv-01683), transferred to (S.D. Ohio 1:21-cv-00262). On March 9, 2020, the Bureau filed a lawsuit against Fifth Third Bank, National Association (Fifth Third). The Bureau alleges that for several years Fifth Third, without consumers' knowledge or consent: opened deposit and credit card accounts in consumers' names; transferred funds from consumers' existing accounts to new, improperly opened accounts; enrolled consumers in unauthorized online-banking services; and activated unauthorized lines of credit on consumers' accounts. The Bureau alleges that Fifth Third violated the CFPA's prohibition against unfair and abusive acts or practices as well as the TILA and the Truth in Savings Act and their implementing regulations. The Bureau seeks an injunction to stop Fifth Third's unlawful conduct, redress for affected consumers, and the imposition of a civil money penalty. On February 12, 2021, the court granted Fifth Third's motion to transfer the case to the Southern District of Ohio. The case remains pending.

Bureau of Consumer Financial Protection; South Carolina Department of Consumer Affairs; and the State of Arkansas *ex rel.* Leslie Rutledge, Attorney General v. Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC (D.S.C. 6:20-cv-00786). On February 20, 2020, the Bureau, the South Carolina Department of Consumer Affairs (South Carolina), and Arkansas Attorney General Leslie Rutledge filed a lawsuit in federal district court in the District of South Carolina against Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC. The Bureau alleged that the defendants worked with a series of companies that brokered contracts offering high-interest credit to consumers, primarily disabled veterans, and violated the CFPA's prohibition against deceptive acts or practices and against providing substantial assistance to deceptive and unfair acts or practices of others. The Bureau specifically alleged that the defendants committed deceptive acts or practices by collecting on the contracts brokered by the companies, including by filing suit when consumers failed to make payments, and representing, expressly or impliedly, that consumers are legally obligated to make payments in accordance with the terms of their contracts when, in fact, the contracts are void from inception and consumers are not obligated to make payments. On January 21, 2021, the court entered a stipulated final judgment and order imposing

a judgment for equitable monetary relief against the defendants in the amount of \$725,000 for consumer redress. It also permanently bans the defendants, among other things, from brokering sales or assignments of pensions and disability benefits and from collecting on any of these contracts.

Bureau of Consumer Financial Protection v. Citizens Bank, N.A. (D.R.I. No. 1:20-cv-00044). On January 30, 2020, the Bureau filed a lawsuit in federal court in the District of Rhode Island against Citizens Bank, N.A. (Citizens), alleging violations of TILA and its implementing Regulation Z, including TILA provisions passed under the Fair Credit Billing Act (FCBA) and the CARD Act. The Bureau alleges that Citizens systematically violated TILA and Regulation Z by failing to properly manage and respond to consumers' credit card disputes and fraud claims. The Bureau also alleges that Citizens violated TILA and Regulation Z by not providing credit counseling referrals to consumers as required by law. The Bureau seeks, among other remedies, an injunction against Citizens and the imposition of civil money penalties. The Court denied Citizens' motion to dismiss and ordered the parties to participate in a mediation session with a Magistrate Judge. The case remains pending.

Bureau of Consumer Financial Protection v. Monster Loans, Lend Tech Loans, and Associated Student Loan Debt-Relief Companies (C.D. Cal. 8:20-cv-00043). On January 9, 2020, the Bureau filed a lawsuit in federal court in the Central District of California against Chou Team Realty, LLC f/k/a Chou Team Realty, Inc., d/b/a MonsterLoans, d/b/a Monster Loans; Lend Tech Loans, Inc.; Docu Prep Center, Inc., d/b/a DocuPrep Center, d/b/a Certified Document Center; Document Preparation Services, LP, d/b/a DocuPrep Center, d/b/a Certified Document Center; Certified Doc Prep, Inc.; Certified Doc Prep Services, LP; Assure Direct Services, Inc.; Assure Direct Services, LP; Direct Document Solutions, Inc.; Direct Document Solutions, LP; Secure Preparation Services, Inc.; Secure Preparation Services, LP; Docs Done Right, Inc.; Docs Done Right, LP; Bilal Abdelfattah a/k/a Belal Abdelfattah a/k/a Bill Abdel; Robert Hoose; Eduardo "Ed" Martinez; Jawad Nesheiwat; Frank Anthony Sebreros; David Sklar; Thomas "Tom" Chou; Sean Cowell; Kenneth Lawson; Cre8labs, Inc.; XO Media, LLC; and TDK Enterprises, LLC. The Bureau alleges that many of the Defendants violated the Fair Credit Reporting Act (FCRA) by wrongfully obtaining consumer report information and that, in connection with the marketing and sale of student loan debt relief products and services, certain defendants charged unlawful advance fees and engaged in deceptive acts and practices. The Bureau also alleges that certain entities and individuals are liable as Relief Defendants because they received profits resulting from the illegal conduct. The Bureau seeks an injunction against defendants, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties.

On May 14, 2020, the Bureau, and Chou Team Realty, LLC, Thomas Chou, TDK Enterprises, LLC, Cre8labs, Inc., and Sean Cowell filed a stipulated final judgment, which the court entered the same day and which resolved the Bureau's claims against those defendants and relief defendants. The

judgment imposes an \$18 million redress judgment against Monster Loans, bans Monster Loans, Chou, and Cowell from the debt-relief industry, and imposes a total \$450,001 civil money penalty against them. On July 7, 2020, the court entered a stipulated final judgment between the Bureau and Robert Hoose, which resolves the Bureau's claims against him. The judgment imposes a \$7 million redress judgment against Hoose, bans him from the debt-relief industry, and imposes a \$1 civil money penalty against him. On October 19, 2020, the Court approved a stipulated final judgment between the Bureau and Relief Defendants Kenneth Lawson and XO Media, LLC, which resolves the Bureau's claim against them. The judgment imposes a \$200,000 redress judgment against Lawson and XO Media, LLC. In March 2020, one of the defendants filed a motion to dismiss for failure to join a necessary party, which the court denied in June 2020. In July 2020, that same defendant moved to dismiss, or for judgment on the pleadings, on jurisdictional grounds. The court denied that motion in August 2020. In July 2020, the Bureau moved for leave to file a second amended complaint adding claims against certain defendants. The court granted that motion in August 2020, and the Bureau filed an amended complaint. In March 2021, the Bureau filed applications for default judgment against defendants Docu Prep Center, Inc., d/b/a DocuPrep Center, d/b/a Certified Document Center; Document Preparation Services, LP, d/b/a DocuPrep Center, d/b/a Certified Document Center; Certified Doc Prep, Inc.; Certified Doc Prep Services, LP; Assure Direct Services, Inc.; Assure Direct Services, LP; Direct Document Solutions, Inc.; Direct Document Solutions, LP; Secure Preparation Services, Inc.; Secure Preparation Services, LP; and Bilal Abdelfattah a/k/a Belal Abdelfattah a/k/a Bill Abdel. Also in March 2021, the Bureau and defendants David Sklar and Lend Tech Loans, Inc. filed a stipulated final judgment to resolve the Bureau's claims against those defendants. The case remains pending against the remaining defendants.

Bureau of Consumer Financial Protection; State of Minnesota, by its Attorney General, Keith Ellison; State of North Carolina, *ex rel.* Joshua H. Stein, Attorney General; and The People of the State of California, Michael N. Feuer, Los Angeles City Attorney v. Consumer Advocacy Center Inc., d/b/a Premier Student Loan Center; True Count Staffing Inc., d/b/a SL Account Management; Prime Consulting LLC, d/b/a Financial Preparation Services; Albert Kim, a/k/a Albert King; Kaine Wen, a/k/a Wenting Kaine Dai, Wen Ting Dai, and Kaine Wen Dai; and Tuong Nguyen, a/k/a Tom Nelson (C.D. Cal. 8:19-cv-01998-JVS-JDE). On October 21, 2019, the Bureau filed a complaint and sought a temporary restraining order and preliminary injunction in federal court in the Central District of California against Consumer Advocacy Center Inc., d/b/a Premier Student Loan Center (Premier); True Count Staffing Inc., d/b/a SL Account Management (True Count); Prime Consulting LLC, d/b/a Financial Preparation Services (Prime); Albert Kim; Kaine Wen; and Tuong Nguyen. The Bureau alleges the debt relief companies operate as a common enterprise and have engaged in deceptive practices and charged unlawful advance fees in connection with the marketing and sale of student loan debt relief services to consumers. The Bureau also alleges the individuals substantially assisted the student loan debt relief companies. The complaint also

names several relief defendants and seeks disgorgement of those relief defendants' ill-gotten gains. The court granted the request for the temporary restraining order on October 21, 2019. The court entered a stipulated preliminary injunction on November 15, 2019.

The Bureau filed an amended complaint on February 24, 2020. The Bureau's amended complaint seeks an injunction against defendants, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. The amended complaint also names several additional defendants and relief defendants. On August 26, 2020, the court entered a corrected, amended stipulated final judgment as to defendants Prime and Horizon Consultants LLC (Horizon). The order imposes a judgment of \$95,057,757 against Prime to provide redress to consumers. Horizon is jointly and severally liable for \$12,942,045 of this amount. Full payment of these amounts is suspended based on Prime's and Horizon's demonstrated inability to pay following, among other things, their turnover of assets and their payment of a \$1 civil money penalty to the Bureau. The order also bans Prime and Horizon from telemarketing or offering or providing debt relief services. On August 28, 2020, the court entered a stipulated final judgment and order as to defendant Tuong Nguyen and relief defendant TN Accounting Inc. The order imposes a judgment of \$95,057,757 against Nguyen to provide redress to consumers. Relief defendant TN Accounting is jointly and severally liable for \$444,563 of this amount. Full payment of these amounts is suspended based on their demonstrated inability to pay following, among other things, Nguyen and TN Accounting's turnover of assets and Nelson's payment of a \$1 civil money penalty to the Bureau. The order also bans Nguyen from telemarketing or offering or providing debt relief services. On September 8, 2020, the court entered a stipulated final judgment as to relief defendants Hold the Door, Corp. and Mice and Men LLC. The order imposes a judgment of \$1,638,687 against relief defendant Hold the Door and \$5,041,069 against relief defendant Mice and Men to provide redress to consumers. Full payment of these amounts will be suspended based on their demonstrated inability to pay following their turnover of assets. On December 15, 2020, the court entered a default judgment against First Priority LLC and True Count Staffing Inc. The order imposes a judgment of \$55,360,817.14 and \$165,848.05 against True Count and First Priority, respectively, to provide redress to consumers. The order also requires True Count to pay a \$30 million penalty, of which \$29,850,000 is payable to the Bureau. It also requires First Priority to pay \$3.75 million in penalties, of which \$2,470,000 is payable to the Bureau. The order also bans the defaulted defendants from telemarketing or offering or providing debt relief services. The case remains pending against the remaining defendants. The case remains pending against the remaining defendants.

Bureau of Consumer Financial Protection, and South Carolina Department of Consumer Affairs v. Katharine Snyder, Performance Arbitrage Company, Inc., and Life Funding Options, Inc. (D.S.C. 6:19-cv-02794-DCC). On October 1, 2019, the Bureau and the South Carolina Department of Consumer Affairs (South Carolina) filed a lawsuit in federal district court in the District of South

Carolina against Katharine Snyder, Performance Arbitrage Company, Inc., and Life Funding Options, Inc. The companies, owned and operated by Snyder, were brokers of contracts offering high-interest credit to veterans, many of whom are disabled, and to other consumers. The Bureau alleged that the companies and their owner violated the CFPA's prohibition against deceptive acts or practices. The Bureau and South Carolina specifically alleged that Snyder and her companies misrepresented to consumers that the contracts the companies broker are valid and enforceable when, in fact, the contracts are void under federal and state law; misrepresented to consumers that the product is a sale of payments and not a high-interest credit offer; and failed to inform consumers of the products' interest rates. The Bureau's investigation was conducted in partnership with South Carolina. In May 2020, Snyder was discharged from bankruptcy in the U.S. Bankruptcy Court of the Eastern District of Texas. On November 12, 2020, the federal district court in the District of South Carolina approved a stipulated final judgment resolving the claims against Snyder and her companies. The judgment permanently bans Snyder and her companies from collecting money from affected consumers and from providing any other consumer-financial products or services. The judgment requires Snyder to pay a civil money penalty of \$500 to the Bureau and \$500 to South Carolina.

Bureau of Consumer Financial Protection v. FCO Holding, Inc., Fair Collections & Outsourcing, Inc., Fair Collections & Outsourcing of New England, Inc., FCO Worldwide, Inc., and Michael E. Sobota (D. Md. No. 8:19-cv-02817-GJH). On September 25, 2019, the Bureau filed a complaint in federal court against Maryland-based debt collectors FCO Holding, Inc. and its subsidiaries, Fair Collections & Outsourcing, Inc., Fair Collections & Outsourcing of New England, Inc., and FCO Worldwide, Inc. The Bureau also named Michael E. Sobota, the chief executive officer, president, director, and owner of FCO Holding, Inc. as a defendant. The Bureau alleges that FCO violated the FCRA and Regulation V by failing to maintain reasonable policies and procedures regarding the accuracy and integrity of the information it furnishes, including the handling of consumer disputes, failing to conduct reasonable investigations of certain consumer disputes, and furnishing information that was alleged to have been the result of identity theft before it made any determination of whether the information was accurate. The Bureau also alleges that FCO and Michael Sobota violated the FDCPA when FCO represented that consumers owed certain debts when, in fact, FCO did not have a reasonable basis to assert that the consumers owed those debts. The Bureau seeks an injunction, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. On November 20, 2019, the defendants filed a motion to dismiss the complaint and/or stay the proceedings, which the court denied on November 30, 2020. The case remains pending.

Bureau of Consumer Financial Protection v. Certified Forensic Loan Auditors, LLC, Andrew Lehman, and Michael Carrigan (C.D. Cal. No. 2:19-cv-07722). On September 6, 2019, the Bureau filed a complaint in federal court in the Central District of California against Certified Forensic

Loan Auditors, LLC (CFLA), Andrew Lehman (Lehman), and Michael Carrigan (Carrigan). CFLA is a foreclosure relief services company incorporated in California and Texas and headquartered near Houston, Texas. Lehman is CFLA's president and CEO, and Carrigan was the company's sole auditor. The complaint, which the Bureau amended in November 2019, alleged that CFLA and Lehman engaged in deceptive and abusive acts and practices in violation of the CFPA and charged unlawful advance fees in connection with the marketing and sale of financial advisory and mortgage assistance relief services to consumers in violation of Regulation O and the CFPA. The amended complaint further alleged that Carrigan provided substantial assistance to CFLA and Lehman. Concurrent with the filing of the initial complaint, the Bureau and Carrigan filed a proposed stipulated final judgment and order to resolve the Bureau's claim against Carrigan, which the court entered on October 29, 2019. It bans Carrigan from providing mortgage assistance relief services or consumer financial products and services and imposes a \$493,000 civil money penalty, all but \$5,000 of which is suspended based on his limited ability to pay more based on sworn financial statements. On July 20, 2020, the court entered a stipulated final judgment resolving the Bureau's claims against the remaining defendants, CFLA and Lehman. Under the order, CFLA and Lehman are permanently banned from providing mortgage assistance relief services or financial advisory services. The order imposes a suspended judgment against CFLA and Lehman for redress of \$3 million and imposes a civil money penalty of \$40,000.

Bureau of Consumer Financial Protection v. Forster & Garbus, LLP (E.D.N.Y. No. 2:19-cv-02928). On May 17, 2019, the Bureau filed a complaint in the federal district court in the Eastern District of New York against Forster & Garbus, LLP, a New York debt-collection law firm. The Bureau alleges that Forster & Garbus violated the FDCPA by representing to consumers that attorneys were behind its lawsuits when, in fact, attorneys were not meaningfully involved in preparing or filing them. The Bureau also alleges that Forster & Garbus violated the CFPA's prohibition against deceptive acts and practices by making such representations to consumers through its lawsuits. The Bureau seeks an injunction against Forster & Garbus, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. After holding an initial status conference on September 23, 2019, the court stayed discovery. The case remains pending.

Bureau of Consumer Financial Protection v. Progrexion Marketing, Inc.; PGX Holdings, Inc.; Progrexion Teleservices, Inc.; eFolks, LLC; CreditRepair.com, Inc.; John C. Heath, Attorney at Law, PLLC, d/b/a/ Lexington Law (D. Utah No. 2:19-cv-00298). On May 2, 2019, the Bureau filed a complaint against PGX Holdings, Inc. and its subsidiaries (collectively, Progrexion) and against John C. Heath, Attorney at Law PLLC, which does business as Lexington Law, in the federal district court. The Bureau alleges the defendants violated the TSR by requesting and receiving payment of prohibited upfront fees for their credit repair services. The Bureau also alleges that Progrexion and its subsidiaries violated the TSR and the CFPA by making deceptive

representations in its marketing, or by substantially assisting others in doing so. The Bureau seeks an injunction, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. Defendants filed a motion to dismiss on July 19, 2019, which the court denied on February 18, 2020. The case remains pending.

Bureau of Consumer Financial Protection v. Future Income Payments, LLC, et al. (C.D. Cal. No. 8:18-cv-01654). On September 13, 2018, the Bureau filed a complaint against Future Income Payments, LLC, Scott Kohn, and several related entities. The Bureau alleged that defendants represented to consumers that their pension-advance products were not loans, were not subject to interest rates, and were comparable in cost to, or cheaper than, credit-card debt when, in actuality, the pension-advance products were loans, and were subject to interest rates that were substantially higher than credit-card interest rates. The Bureau also alleged that the defendants failed to disclose a measure of the cost of credit, expressed as a yearly rate, for its loans. Among other relief, the Bureau sought compensation for harmed consumers, civil money penalties, and injunctive relief. The defendants waived service of the Bureau's complaint but failed to answer or otherwise respond to it. The Bureau obtained a clerk's entry of default in December 2018, and in August 2019, the Bureau moved for entry of default judgment against all defendants, appointment of a receiver, and to transfer the action to the District of South Carolina. On October 17, 2019, the court transferred the matter to the District of South Carolina. On February 22, 2021, the court entered a default judgment against all defendants and appointed a receiver. The default judgment imposes a permanent injunction, including a permanent ban on advertising, marketing, promoting, offering for sale, or selling any pension-advance products, and requires defendants to pay over \$436 million in consumer restitution and a \$65,481,736 penalty. The receiver's work is ongoing.

Consumer Financial Protection Bureau v. The National Collegiate Master Student Loan Trust, et al. (D. Del. No. 17-cv-1323). On September 18, 2017, the Bureau filed a complaint and proposed consent judgment against several National Collegiate Student Loan Trusts (collectively, "NCSLT"). The Bureau alleges that NCSLT brought debt collection lawsuits for private student loan debt that the companies could not prove was owed or was too old to sue over; that they filed false and misleading affidavits or provided false and misleading testimony; and that they falsely claimed that affidavits were sworn before a notary. Soon after the Bureau's filing, several entities moved to intervene to object to the proposed consent judgment. The judge granted the intervention motions and allowed the parties to engage in discovery. On May 31, 2020, the Court denied the Bureau's motion to approve the proposed consent judgment filed with the original complaint. The Bureau filed for entry of default against the NCSLT and several of the intervenors filed motions to dismiss. On March 26, 2021, the Court denied the Bureau's motion for default judgment, granted intervenors' motion to dismiss, and gave the Bureau leave to file an amended complaint. The case remains pending.

Consumer Financial Protection Bureau v. Ocwen Financial Corporation, Ocwen Mortgage Servicing, Inc., Ocwen Loan Servicing, LLC, and PHH Mortgage Corporation (S.D. Fla. No. 17-cv-80495). On April 20, 2017, the Bureau filed a complaint against mortgage loan servicer Ocwen Financial Corporation and its subsidiaries. The Bureau alleges that they used inaccurate and incomplete information to service loans, misrepresented to borrowers that their loans had certain amounts due, illegally foreclosed on homeowners that were performing on agreements on loss mitigation options, failed to adequately investigate and respond to borrower complaints, and engaged in other conduct in violation of the CFPA, TILA, FDCPA, RESPA, and Homeowners Protection Act (HPA). On June 23, 2017, Ocwen moved to dismiss. On September 5, 2019 the Court ruled on the motion to dismiss, rejecting the majority of Ocwen's arguments but requiring the Bureau to re-plead its allegations, which the Bureau did. The case was consolidated with a related case against Ocwen brought by the Office of the Attorney General and Office of Financial Regulation for the State of Florida, and the Florida plaintiffs settled their claims against Ocwen. On March 4, 2021, the court entered an order granting in part and reserving in part the defendants' Motion for Summary Judgment as to Counts 1-9 of the Bureau's First Amended Complaint, based on *res judicata*, and denying defendants' Motion as to Count 10. The court also reserved judgment in part and denied in part the Bureau's Motion for Summary Judgment. As of the end of the reporting period, the case remains pending in the district court.

Consumer Financial Protection Bureau v. RD Legal Funding, LLC, RD Legal Finance, LLC, and RD Legal Funding Partners, LP, and Roni Dersovitz (S.D.N.Y. No. 1:17-cv-0890). On February 7, 2017, the Bureau and the New York Attorney General filed a complaint against RD Legal Funding, LLC, two related entities, and the companies' founder and owner, Roni Dersovitz. The Bureau alleges that they made misrepresentations to potential borrowers and engaged in abusive practices in connection with cash advances on settlement payouts from victim-compensation funds and lawsuit settlements. The lawsuit seeks monetary relief, disgorgement, and civil money penalties. On May 15, 2017, the defendants filed a motion to dismiss the Bureau's complaint, which the Bureau opposed. On June 21, 2018, the court issued an opinion concluding that the defendants are subject to the CFPA's prohibitions and that the complaint properly pleaded claims against all of them. The court held, however that the removal provision that applied to the Bureau's Director violated the constitutional separation of powers and could not be severed from the remainder of Title X of the Dodd-Frank Act. Based on that conclusion, the court ultimately dismissed the entire case. The United States Court of Appeals for the Second Circuit vacated the district court's judgment and remanded the case for further proceedings. On March 12, 2021, the defendants filed a motion to dismiss. The case remains pending in the district court.

Consumer Financial Protection Bureau v. Navient Corporation, Navient Solutions, Inc., and Pioneer Credit Recovery, Inc. (M.D. Pa. No. 17-cv-0101). On January 18, 2017, the Bureau filed a complaint against Navient Corporation and its subsidiaries, Navient Solutions, Inc., and Pioneer

Credit Recovery, Inc. The Bureau alleges that Navient Solutions and Navient Corporation steered borrowers toward repayment plans that resulted in borrowers paying more than other options; misreported to credit reporting agencies that severely and permanently disabled borrowers who had loans discharged under a federal program had defaulted on the loans when they had not; deceived private student loan borrowers about requirements to release their co-signer from the loan; and repeatedly incorrectly applied or misallocated borrower payments to their accounts. The Bureau also alleges that Pioneer and Navient Corporation misled borrowers about the effect of rehabilitation on their credit reports and the collection fees that would be forgiven in the federal loan rehabilitation program. The Bureau seeks consumer redress and injunctive relief. On March 24, 2017, Navient moved to dismiss the complaint. On August 4, 2017, the court denied Navient's motion. On May 19, 2020, the Bureau and all three defendants moved for summary judgment and these motions are pending. On July 10, 2020, Navient filed a motion for judgment on the pleadings, which the court denied on January 13, 2021. On January 21, 2021, Navient filed a motion requesting that the court certify for interlocutory appeal its January 13, 2021 order denying its motion for judgment on the pleadings and stay the action pending resolution of the appeal. The court granted Navient's motion on February 26, 2021, certifying for interlocutory appeal its January 13, 2021 order and staying the action pending a determination by the Third Circuit whether it will permit the interlocutory appeal, and if so, the resolution of the appeal. On March 8, 2021, Navient filed a petition to the Third Circuit for permission to pursue the interlocutory appeal. On March 19, 2021, the Bureau filed its answer to Navient's petition. As of the end of the reporting period, the petition is pending.

Consumer Financial Protection Bureau v. Access Funding, LLC, Access Holding, LLC, Reliance Funding, LLC, Lee Jundanian, Raffi Boghosian, Michael Borkowski, and Charles Smith (D. Md. No. 1:16-cv-3759). On November 21, 2016, the Bureau filed a complaint against Access Funding, LLC, Access Holding, LLC, Reliance Funding, LLC, three of the companies' principals—Lee Jundanian, Raffi Boghosian, and Michael Borkowski—and a Maryland attorney, Charles Smith. The Bureau alleges that they deceptively induced individuals to enter into settlement funding agreements, in which the individuals agreed to receive an immediate lump sum payment in exchange for significantly higher future settlement payments. The Bureau also alleges that the companies and their principals steered consumers to receive "independent advice" from Smith, who was paid directly by Access Funding and indicated to consumers that the transactions required very little scrutiny. The Bureau further alleges that Access Funding advanced money to some consumers and represented to those consumers that the advances obligated them to go forward with transactions even if they realized that the transactions were not in their best interests. On September 13, 2017, the court granted defendants' motions to dismiss counts I–IV, arising out of Smith's conduct, on the grounds that he had attorney-client relationships with the consumers in question. The court denied the defendants' motions to dismiss the Bureau's claim relating to the advances Access Funding offered consumers. The court granted the Bureau's motion to file an

amended complaint alleging Smith did not have attorney-client relationships with the consumers in question. Defendants again filed motions to dismiss, which the court denied. The defendants filed a motion for partial summary judgment, which the court denied on January 18, 2019. On May 24, 2019, the Bureau moved to modify the scheduling order and for leave to file a second amended complaint, which the court denied on November 26, 2019. On December 26, 2019, the court stayed the case pending the Supreme Court's decision in *Seila Law LLC v. Consumer Financial Protection Bureau*, No. 19-7 (cert. granted Oct. 18, 2019). On July 29, 2020, the court issued a scheduling order under which litigation in the case resumed. The Bureau moved for partial summary judgment on September 4, 2020, and the defendants filed a motion to dismiss and cross-motions for summary judgment on September 25, 2020. The case remains pending.

Consumer Financial Protection Bureau v. All American Check Cashing, Inc., Mid-State Finance, Inc., and Michael E. Gray (S.D. Miss. No. 16-cv-0356). On May 11, 2016, the Bureau filed a complaint against two companies, All American Check Cashing, Inc. and Mid-State Finance, Inc., which offer check-cashing services and payday loans, and their president and sole owner, Michael Gray. The Bureau alleges that All American tried to keep consumers from learning how much they would be charged to cash a check and used deceptive tactics to stop consumers from backing out of transactions. The Bureau also alleges that All American made deceptive statements about the benefits of its high-cost payday loans and failed to provide refunds after consumers made overpayments on their loans. The Bureau's lawsuit seeks injunctive relief, restitution, and the imposition of a civil money penalty. On July 15, 2016, the court denied defendants' motion for a more definite statement. The defendants moved for judgment on the pleadings on May 24, 2017, and the Bureau moved for summary judgment on August 4, 2017. The court has not yet ruled on the Bureau's summary judgment motion. On March 21, 2018, the court denied the defendants' motion for judgment on the pleadings, and on March 26, 2018, the defendants moved to certify that denial for interlocutory appeal. The next day, the court granted the defendants' motion in part, holding that interlocutory appeal was justified with respect to defendants' constitutional challenge to the Bureau's statutory structure. On April 24, 2018, the court of appeals granted the defendants' petition for permission to appeal the district court's interlocutory order. The district court action has been stayed pending the appeal. On March 3, 2020, the Fifth Circuit affirmed the district court's denial of All American's motion for judgment on the pleadings. On March 20, 2020 the court of appeals, *sua sponte*, vacated the panel's decision and decided to rehear the matter *en banc*. On September 8, 2020, the court placed the case in abeyance pending a decision by the Supreme Court in *Collins v. Mnuchin*, which is now captioned, *Collins v. Yellen*, No. 19-422.

In the Matter of Integrity Advance, LLC and James R. Carnes (File No. 2015-CFPB-0029) (not a credit union or depository institution). On November 18, 2015, the Bureau filed a notice of charges against an online lender, Integrity Advance, LLC, and its CEO, James R. Carnes. The Bureau alleges that they deceived consumers about the cost of short-term loans and that the company's

contracts did not disclose the costs consumers would pay under the default terms of the contracts. The Bureau also alleges that the company unfairly used remotely created checks to debit consumers' bank accounts even after the consumers revoked authorization for automatic withdrawals. The Bureau is seeking injunctive relief, restitution, and the imposition of a civil money penalty. On September 27, 2016, the Administrative Law Judge issued a Recommended Decision finding liability and recommending injunctive and monetary relief. The Recommended Decision was appealed to the Director, but further activity on that appeal was held in abeyance pending a decision in *PHH Corp. v. CFPB*, No. 15-1177 (D.C. Cir.), and, subsequently, pending a decision in *Lucia v. SEC*, No. 17-0130 (S. Ct.). Subsequent to the Supreme Court's ruling in *Lucia* that suggested that the Administrative Law Judge that presided over the proceedings in this case may have been improperly appointed, the Director remanded the case for a new hearing and recommended decision by the Bureau's Administrative Law Judge. On March 26, 2020, Respondents moved to amend their answer, to reopen the record, and to dismiss the notice of charges. The Administrative Law Judge denied these motions on April 24, 2020. In response to cross motions for summary disposition, on August 4, 2020, the Administrative Law Judge issued a Recommended Decision finding in the Bureau's favor on all counts. Respondents noticed an appeal to the Director and filed their opening appeal brief on September 3, 2020. On January 11, 2021, the Director affirmed and reversed in part the Recommended Decision. She affirmed the ALJ's conclusion that Integrity Advance violated TILA and EFTA and that both respondents violated the CFPA. With respect to the appropriate remedy, she concluded that Integrity Advance and James Carnes were jointly and severally liable for more than \$38 million in restitution and imposed a \$7.5 million civil money penalty against Integrity Advance and \$5 million penalty against Carnes. The Director did not order restitution for conduct that pre-dated July 21, 2011, which is the Bureau's designated transfer date. On February 10, 2021, Integrity Advance filed a petition for review in the 10th Circuit. The case remains pending.

Consumer Financial Protection Bureau v. Global Financial Support, Inc., d/b/a Student Financial Resource Center, d/b/a College Financial Advisory; and Armond Aria a/k/a Armond Amir Aria, individually, and as owner and CEO of Global Financial Support, Inc. (S.D. Cal. No. 15-cv-2440). On October 29, 2015, the Bureau filed a complaint against Global Financial Support, Inc., which operates under the names Student Financial Resource Center and College Financial Advisory, and Armond Aria. The Bureau alleges that Global Financial Support, Inc., issued marketing letters instructing students to fill out a form and pay a fee in exchange for the company conducting extensive searches to target or match them with individualized financial aid opportunities. The Bureau also alleges that consumers who paid the fee received nothing or a generic booklet that failed to provide individualized advice. The Bureau also alleges that the defendants misrepresented their affiliation with government and university financial aid offices and pressured consumers to enroll through deceptive statements. A stay was entered by the court on May 17, 2016, pending an ongoing criminal proceeding involving one of the defendants. The court lifted

the stay on May 27, 2019. On August 24, 2020, the Bureau moved for default judgment against the corporate defendants and for summary judgment against the individual defendant. On January 25, 2021, the court granted the Bureau's motions and ordered the defendants to provide \$4.7 million in restitution to harmed consumers, pay a \$10 million civil money penalty, and imposed a permanent injunction. On March 26, 2021, the court denied the individual defendant's Motion for Reconsideration of its Summary Judgment Order and on March 29, 2021, the court denied the individual defendant's Motion for Stay of the Order. The case remains pending.

Consumer Financial Protection Bureau v. Nationwide Biweekly Administration, Inc., et al. (N.D. Cal. No. 3:15-cv-2106). On May 11, 2015, the Bureau filed a complaint against Nationwide Biweekly Administration, Inc., Loan Payment Administration LLC, and Daniel S. Lipsky. The Bureau alleged that they engaged in abusive and deceptive acts and practices in violation of the CFPB and the TSR regarding a mortgage payment product known as the "Interest Minimizer Program," or IM Program. The Bureau alleged that the defendants misrepresented their affiliation with consumers' mortgage lenders; the amount of interest savings consumers would realize, and when consumers would achieve savings on the IM Program, consumers' ability to attain the purported savings on their own or through a low- or no-cost option offered by the consumers' servicer; and fees for the program. The Bureau sought a permanent injunction, consumer redress, and civil money penalties. A trial was held beginning on April 24, 2017, and on September 8, 2017, the court issued an opinion and order finding that the defendants had engaged in deceptive and abusive conduct in violation of the CFPB and TSR. The court imposed a \$7.93 million civil money penalty but denied the Bureau's request for restitution and disgorgement. On November 9, 2017, the court reduced the previous order to a judgment that included a permanent injunction forbidding defendants from engaging in specified acts or practices. The court denied defendants' post-trial motions on March 12, 2018, and both parties have filed a notice of appeal. On January 23, 2020, the United States Court of Appeals for the Ninth Circuit held the parties' appeals in abeyance pending the Supreme Court's decision in *Seila Law LLC v. Consumer Financial Protection Bureau*, No. 19-7 (cert. granted Oct. 18, 2019). In September 2020, the Ninth Circuit scheduled oral argument for November 18, 2020 and ordered supplemental briefing regarding the sufficiency of a ratification the Bureau filed after the Supreme Court's decision in *Seila Law LLC*. The Ninth Circuit held oral argument on November 18, 2020 and, the following day, vacated submission of the case pending the court's resolution of *Seila Law LLC*, which the Supreme Court had remanded to the Ninth Circuit. On December 29, 2020 the Ninth Circuit issued its opinion in *Seila Law LLC*, and on January 12, 2021 the court continued its vacatur of submission of the case pending the Ninth Circuit's decision in *CFPB v. CashCall, Inc.* (No. 18-55407).

Consumer Financial Protection Bureau v. Universal Debt & Payment Solutions, LLC, et al. (N.D. Ga. No. 15-cv-0859). On March 26, 2015, the Bureau filed a complaint against a group of seven debt collection agencies, six individual debt collectors, four payment processors, and a telephone

marketing service provider alleging unlawful conduct related to a phantom debt collection operation. Phantom debt is debt consumers do not actually owe or debt that is not payable to those attempting to collect it. The Bureau alleges that the individuals, acting through a network of corporate entities, used threats and harassment to collect “phantom” debt from consumers. The Bureau alleges the defendants violated the FDCPA and the CFPA’s prohibition on unfair and deceptive acts and practices and provided substantial assistance to unfair or deceptive conduct. The Bureau is seeking permanent injunctive relief, restitution, and the imposition of a civil money penalty. On April 7, 2015, the Bureau obtained a preliminary injunction against the debt collectors that froze their assets and enjoined their unlawful conduct. On September 1, 2015, the court denied the defendants’ motion to dismiss. On August 25, 2017, the court dismissed the Bureau’s claims against the payment processors as a discovery sanction against the Bureau. On November 15, 2017, the Bureau, and two remaining defendants moved for summary judgment. On March 21, 2019, the court granted the Bureau’s motion for summary judgment on all its claims against five of the debt collector defendants, and one of its claims against two other debt collector defendants. The court denied the Bureau’s motion for summary judgment on its other claims against the latter two debt collector defendants and denied those two defendants’ motion for summary judgment against the Bureau. The court has not ruled on the Bureau’s requested relief. On August 21, 2019, the court entered a stipulated final judgment and order as to two debt collector defendants. Among other things, the August 21, 2019 stipulated judgment ordered the settling defendants to transfer all of the funds in their various bank accounts in partial satisfaction of a judgment of equitable monetary relief and damages in the amount of \$633,710, which was partially suspended based on inability to pay, permanently banned them from engaging in debt collection activities, and prohibited them from making certain misrepresentations. On November 15, 2019, the court entered a stipulated final judgment and order as to another debt collector defendant. Among other things, the November 15, 2019 stipulated judgment imposed a suspended judgment of equitable monetary relief and damages in the amount of \$5,261,484, ordered the settling defendant to pay a \$1 civil penalty, permanently banned him from engaging in debt collection activities, and prohibited him from making certain misrepresentations. The suspension of the judgment and the \$1 civil penalty are based on the settling defendant’s inability to pay. On February 19, 2020, the court granted the Bureau’s motion for contempt against three debt collector defendants for violating the court’s preliminary injunction, ordered one of the defendants to pay \$100,000 into the court’s registry as a sanction, and appointed a receiver to take control of various companies owned by those defendants in order to preserve asserts for consumer redress. The receiver’s work is ongoing, and the case remains pending.

Consumer Financial Protection Bureau v. The Mortgage Law Group, LLP, d/b/a The Law Firm of Macey, Aleman & Searns; Consumer First Legal Group, LLC; Thomas G. Macey; Jeffrey J. Aleman; Jason E. Searns; and Harold E. Stafford (W.D. Wis. No. 3:14-cv-0513). On July 22, 2014, the Bureau filed a complaint against The Mortgage Law Group, LLP (TMLG), the Consumer First Legal

Group, LLC (CFLG), and attorneys Thomas Macey, Jeffrey Aleman, Jason Searns, and Harold Stafford. The Bureau brought suit alleging that the defendants violated Regulation O, formerly known as the Mortgage Assistance Relief Services Rule, by taking payments from consumers for mortgage modifications before the consumers signed a mortgage modification agreement from their lender, by failing to make required disclosures, by directing consumers not to contact lenders, and by making deceptive statements to consumers when providing mortgage assistance relief services. A trial was held in April 2017. On June 21, 2017, the district court entered a stipulated judgment against the bankruptcy estate of TMLG, which sought Chapter 7 bankruptcy. The court enjoined TMLG from operating and ordered TMLG to pay \$18,331,737 in redress and \$20,815,000 in civil money penalties. On May 29, 2018, the Bureau filed an unopposed motion to increase the redress amount ordered by the court to \$18,716,725.78, based on newly discovered information about additional advance fees paid by consumers. The amended stipulated judgment against TMLG increasing redress to \$18,716,725.78 was issued by the court on November 11, 2018. On November 15, 2018, the court issued an opinion and order ruling that defendants CFLG, Macey, Aleman, Searns, and Stafford violated Regulation O by taking upfront fees and by failing to make required disclosures, and that some of the defendants also violated Regulation O by directing consumers not to contact their lenders and by making deceptive statements. The court directed that the parties submit briefs addressing what damages, injunctive relief, and civil money penalties, if any, should be awarded. On November 4, 2019, the court issued an opinion and order against defendants CFLG, Macey, Aleman, Searns, and Stafford, imposing a total of \$21,709,022 in restitution (\$18.7 million of which TMLG is also jointly and severally liable for) and \$37,294,250 in civil money penalties. CFLG, Macey, Aleman, and Searns were permanently enjoined from marketing, selling, providing, or assisting others in selling or providing any mortgage-assistance-relief or debt-relief products or services. Stafford was enjoined from marketing, selling, providing, or assisting others in selling or providing mortgage-assistance-relief services for five years. CFLG, Macey, Aleman, Searns, and Stafford filed an appeal with the Seventh Circuit on December 4, 2019, which remains pending.

Consumer Financial Protection Bureau v. CashCall, Inc., et al. (C.D. Cal. No. 15-cv-7522). On December 16, 2013, the Bureau filed a complaint against online lender CashCall Inc., its owner, a subsidiary, and an affiliate. The Bureau alleged that they violated the CFPA's prohibition against unfair, deceptive, and abusive acts and practices by collecting and attempting to collect consumer-installment loans that were void or partially nullified because they violated either state caps on interest rates or state licensing requirements for lenders. The Bureau alleges that CashCall serviced loans it made in the name of an entity, Western Sky, which was located on the Cheyenne River Sioux Tribe's land. On August 31, 2016, the court granted the Bureau's motion for partial summary judgment, concluding that CashCall was the true lender on the Western Sky loans. Based in part on that finding, the court concluded that the choice-of-law provision in the loan agreements was not enforceable, found that the law of the borrowers' states applied, and that the loans were

void. Because the loans were void, the court found that the defendants engaged in deceptive acts or practices by demanding and collecting payment on debts that consumers did not owe. A trial was held from October 17 to 18, 2017, on the issue of appropriate relief. On January 19, 2018, the court issued findings of fact and conclusions of law imposing a \$10.28 million civil money penalty but denying the Bureau's request for restitution and an injunction. The case is now on appeal to the U.S. Court of Appeals for the Ninth Circuit. Oral argument was heard on September 9, 2019. After the Supreme Court decided *Seila Law* and the Ninth Circuit decided that case on remand, the court in this case invited supplemental briefing, which concluded in April 2021. The case remains pending.

6. Actions taken regarding rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions

The Bureau's *Supervisory Highlights* publications provide general information about the Bureau's supervisory activities at banks and nonbanks without identifying specific companies. The Bureau published two issues of *Supervisory Highlights* between April 1, 2020, through March 31, 2021.¹⁷⁴

All public enforcement actions are listed in Section 5.2 of this Report. Those actions taken with respect to covered persons which are not credit unions or depository institutions are noted within the summary of the action.

¹⁷⁴ Winter 2020, https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-21_2020-02.pdf; COVID-19 Prioritized Assessments Special Edition, https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-23_2021-01.pdf

7. Assessment of significant actions by State attorneys general or State regulators relating to Federal consumer financial law¹⁷⁵

For purposes of the Section 1016(c)(7) reporting requirement, the Bureau determined that any actions asserting claims pursuant to Section 1042 of the Dodd-Frank Act are “significant.” The Bureau is aware of the following State actions asserting Dodd-Frank Act claims that were initiated during the April 1, 2020 through March 31, 2021 reporting period.

Consumer Financial Protection Bureau; Commonwealth of Massachusetts; The People of the State of New York, by Letitia James, Attorney General of the State of New York; and Commonwealth of Virginia, *ex rel.* Mark R. Herring, Attorney General v. Nexus Services, Inc.; Libre by Nexus, Inc.; Michael Donovan; Richard Moore; and Evan Ajin (W.D. Va. 5:21-cv-00016). On February 22, 2021, the Bureau and the Attorneys General of Virginia, Massachusetts, and New York filed a lawsuit in the United States District Court for the Western District of Virginia against Nexus Services, Inc. (Nexus Services), Libre by Nexus, Inc. (Libre), and their principals, Michael Donovan, Richard Moore, and Evan Ajin. The Bureau and states allege that Libre and its owners operated a scheme through which Libre offers to pay the immigration bonds to secure the release of consumers held in federal detention centers in exchange for large upfront fees and hefty monthly payments, while concealing or misrepresenting the true costs of its services. Specifically, the Bureau and states allege that Libre and its owners engaged in deceptive and abusive acts or practices in violation of the CFPA, and that Nexus Services and Libre’s owners provided substantial assistance to Libre’s violations. The Bureau and states seek an injunction, damages or restitution to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. On March 1, 2021, the defendants filed a motion to dismiss the complaint. The case remains pending.

State of Alabama et al., v. Nationstar Mortgage LLC d/b/a Mr. Cooper (D.D.C. 1:20-cv-03551). On December 7, 2020, all fifty states and the District of Columbia filed a complaint and proposed

¹⁷⁵ State action summaries are current as of March 31, 2021, and do not include activities that occurred after the reporting period.

stipulated judgment against Nationstar Mortgage LLC d/b/a Mr. Cooper in the U.S. District Court for the District of Columbia. The complaint alleged that the defendant violated the CFPA in the course of servicing mortgage loans. The action was part of a coordinated effort between the Bureau, which also filed a complaint, attorneys general, and state bank regulators. On December 8, 2020, the court entered orders and stipulated judgments in connection with the Bureau's and states' actions. The orders in the Bureau's and the states' actions have involved nearly \$85 million in recoveries for consumers to date and over \$6 million more in fees and penalties.

Bureau of Consumer Financial Protection and the People of the State of New York, by Letitia James, Attorney General for the State of New York v. JPL Recovery Solutions, LLC; Check Security Associates, LLC (dba Warner Location Services and Orchard Payment Processing Systems); ROC Asset Solutions LLC (dba API Recovery Solutions); Regency One Capital LLC; Keystone Recovery Group, LLC; Christopher L. Di Re; Scott A. Croce; Brian J. Koziel; and Marc D. Gracie (W.D.N.Y. 1:20-cv-01217). On September 8, 2020, the Bureau, in partnership with the New York Attorney General, filed suit in the federal district court against a network of five different companies based outside of Buffalo, New York, two of their owners, and two of their managers, for their participation in a debt-collection operation using illegal methods to collect debts. The company defendants are: JPL Recovery Solutions, LLC; Regency One Capital LLC; ROC Asset Solutions LLC, which does business as API Recovery Solutions; Check Security Associates LLC, which does business as Warner Location Services and Orchard Payment Processing Systems; and Keystone Recovery Group. The individual defendants are Christopher Di Re and Scott Croce, who have held ownership interests in some or all of the defendant companies, and Brian Koziel and Marc Gracie, who are members of Keystone Recovery Group, and have acted as managers of some or all of the defendant companies. The complaint alleges that from at least 2015 through the present, the defendants have participated in a debt-collection operation that has used deceptive, harassing, and improper methods to induce consumers to make payments to them in violation of the FDCPA and the CFPA. The complaint seeks consumer redress, disgorgement of ill-gotten gains, civil money penalties, and appropriate injunctive relief against the defendants. The case remains pending.

Bureau of Consumer Financial Protection and the Commonwealth of Massachusetts ex rel. Maura Healey, Attorney General v. Commonwealth Equity Group, LLC (d/b/a Key Credit Repair); Nikitas Tsoukales (a/k/a Nikitas Tsoukalis) (D. Mass. 1:20-cv-10991). On May 22, 2020, the Bureau and Commonwealth of Massachusetts Attorney General Maura Healey jointly filed a lawsuit against Commonwealth Equity Group, LLC, which does business as Key Credit Repair, and Nikitas Tsoukales (also known as Nikitas Tsoukalis), Key Credit Repair's president and owner. An amended complaint was filed on September 16, 2020. As the amended complaint alleges, from 2016 through 2019 alone, Key Credit Repair enrolled nearly 40,000 consumers nationwide, and since 2011, it collected at least \$23 million in fees from consumers. The Bureau and Commonwealth allege that in their telemarketing of credit-repair services, the defendants violated

the CFPB's prohibition against deceptive acts or practices and the TSR's prohibitions against deceptive and abusive telemarketing acts or practices. Massachusetts also alleges violations of Massachusetts laws. The amended complaint seeks redress to consumers, an injunction, and the imposition of civil money penalties. The defendants filed a motion to dismiss the amended complaint on September 30, 2020. The motion to dismiss and case remain pending.

8. Analysis of the efforts of the Bureau to fulfill the fair lending mission of the Bureau

This Semi-Annual Report update is focused on highlights from the Bureau's fair lending enforcement¹⁷⁶ and rulemaking¹⁷⁷ activities from April 1, 2020, through March 31, 2021, and continued efforts to fulfill the fair lending mission of the Bureau through supervision, interagency coordination, and outreach, from September 1, 2020, through March 31, 2021.¹⁷⁸

8.1 Fair lending supervision

The Bureau's Fair Lending Supervision program assesses compliance with Federal fair lending consumer financial laws and regulations at banks and nonbanks over which the Bureau has supervisory authority. As a result of the Bureau's efforts to fulfill its fair lending mission in this reporting period, the Bureau initiated twelve supervisory activities onsite at financial services institutions under the Bureau's jurisdiction to determine compliance with federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities, including the ECOA and HMDA.¹⁷⁹

For supervisory communications issued by Supervision during the reporting period, the most frequently identified issues related to the Bureau's Prioritized Assessments. Through Prioritized Assessments, the Bureau expanded its supervisory approach to cover a greater number of institutions than its typical examination schedule allows, gain a greater understanding of industry responses to pandemic-related challenges, and help ensure that entities are attentive to practices that may result in consumer harm. Certain Prioritized Assessments evaluated fair lending risks in the small business lending market. The supervisory observations resulting from these Prioritized Assessments were that in implementing the Paycheck Protection Program (PPP), multiple lenders adopted a policy that restricted access to PPP loans beyond the eligibility requirements of the

¹⁷⁶ Dodd-Frank Act § 1016(c)(5).

¹⁷⁷ Dodd-Frank Act § 1016(c)(3). The Bureau's fair lending rulemaking activity pertaining to HMDA and Regulation C is discussed above in Section 3.

¹⁷⁸ Dodd-Frank Act § 1016(c)(8).

¹⁷⁹ In the current reporting period, Supervision initiated more than the two fair lending supervisory activities onsite initiated during the prior reporting period and reflected in the Fall 2020 Semi-Annual Report.

program (an “overlay”). Specifically, several small business lenders restricted access by limiting eligibility for PPP loans to existing customers. Examiners determined that an overlay restricting access to PPP loans for small businesses that do not have an existing relationship with the institution, while neutral on its face, may have a disproportionate negative impact on a prohibited basis and run a risk of violating the ECOA and Regulation B.

In the current reporting period, the Bureau issued fewer matters requiring attention (MRAs) or memoranda of understanding (MOUs) than in the prior period. MRAs and MOUs direct entities to take corrective actions and are monitored by the Bureau through follow-up supervisory events. Regarding Prioritized Assessment observations, examiners encouraged the small business lenders to consider the fair lending risks associated with participation in the PPP, in further implementation of the PPP, and in any new lending program and to evaluate and address any risks.

During this reporting period, Supervision began to develop additional fair lending supervision strategic priorities, informed by the Acting Director’s priority to advance equity using all of the tools Congress gave it. As a result of this prioritization process, the Bureau plans to focus additional fair lending supervision efforts on various product lines, especially mortgage origination and small business lending.

8.2 Fair lending enforcement¹⁸⁰

The Bureau has the statutory authority to bring actions to enforce the requirements of HMDA and ECOA. In this regard, the Bureau has the authority to engage in research, conduct investigations, file administrative complaints, hold hearings, and adjudicate claims through the Bureau’s administrative enforcement process. The Bureau also has independent litigating authority and can file cases in federal or state court alleging violations of fair lending laws under the Bureau’s jurisdiction. Like other federal agencies responsible for enforcing ECOA, the Bureau is required to refer matters to the U.S. Department of Justice (DOJ) when it has reason to believe that a creditor has engaged in a pattern or practice of lending discrimination.¹⁸¹

During the reporting period, the Bureau filed three fair lending public enforcement actions: Bureau of Consumer Financial Protection v. Townstone Financial, Inc. (N.D. Ill. 1:20-cv-04176), In re Washington Federal Bank, N.A., CFPB No. 2020-BCFP-0019, and Bureau of Consumer Financial Protection v. 1st Alliance Lending, LLC; John Christopher DiIorio; Kevin Robert St. Lawrence; and

¹⁸⁰ Section 1016(c)(5) of the Dodd-Frank Act requires the Bureau to include in the semi-annual report public enforcement actions the Bureau was a party to during the preceding year, which is April 1, 2020, through March 31, 2021, for this report.

¹⁸¹ See 15 U.S.C. § 1691e(h).

Socrates Aramburu (D. Conn. 3:21-cv-00055).¹⁸² In addition, during this reporting period,¹⁸³ the Bureau referred three matters to the DOJ about discrimination pursuant to Section 706(g) of the ECOA. The referrals involved redlining in mortgage origination based on race and national origin, discrimination in mortgage origination based on receipt of public assistance income, and pricing discrimination in mortgage origination based on race and sex.

During the reporting period, the Bureau also continued to enforce federal fair lending laws, including ECOA and HMDA. The Bureau has a number of ongoing and newly opened fair lending investigations of institutions.

8.3 Fair lending outreach

The Bureau is committed to hearing from and communicating directly with stakeholders in a variety of ways. The Bureau regularly engages in outreach with stakeholders, including consumer advocates, civil rights organizations, industry, academia and other government agencies to: (1) educate them about fair lending compliance and access to credit issues and (2) hear their views on the Bureau's work to inform policy decisions.

Outreach is accomplished through channels such as publishing proposed rules and interpretive rules, compliance bulletins, policy statements targeted to industry, requests for information, press releases, blog posts, podcasts, videos, brochures, website updates, and reports regarding fair lending issues; delivering speeches, webinars, and presentations addressing fair lending and access to credit issues; and participating in smaller meetings and discussions with external stakeholders, including federal and state regulators and agencies. During the reporting period, Bureau staff participated in 52 fair lending related outreach events. In these events, staff worked directly with stakeholders to share and receive information on fair lending priorities and emerging issues. The Bureau also heard feedback on fair lending issues and how innovation, if implemented in a manner that addresses potential consumer protection risks, could promote fair, equitable, and nondiscriminatory access to credit. Some examples of the topics covered include: the impacts of the COVID-19 pandemic on the economy, racial and economic equity issues, fair lending supervision and enforcement priorities, innovations in lending, HMDA and Regulation C, ECOA and Regulation B, small business lending, access to credit for Limited English Proficient (LEP) consumers, providing adverse action notices when using machine learning models, and the use of alternative data in credit underwriting.

¹⁸² See *supra* Section 5.2.

¹⁸³ April 1, 2020, through March 31, 2021.

During the reporting period, the Bureau published seven blog posts related to fair lending and access to credit issues. These blog posts included a request for public comments to inform Bureau guidance on serving LEP consumers;¹⁸⁴ a blog announcing the publication of the Statement Regarding the Provision of Financial Products and Services to Consumers with Limited English Proficiency;¹⁸⁵ and a blog announcing the Bureau's first tech sprint on improving electronically-delivered adverse action notices to consumers.¹⁸⁶ During the reporting period, the Bureau issued two press releases related to fair lending. The first press release announced the issuance of an interpretive rule on Special Purpose Credit Programs¹⁸⁷ and the second press release announced an interpretive rule clarifying that discrimination on the basis of sexual orientation and gender identity is illegal.¹⁸⁸

8.3.1 Special Purpose Credit Program Interpretive rule

In December 2020, the Bureau issued an interpretive rule related to special purpose credit programs. The rule addressed regulatory uncertainty surrounding the promotion of equitable access to credit for historically economically disadvantaged groups and communities.¹⁸⁹ This interpretive rule followed the Bureau's issuance of an RFI on ECOA and Regulation B, where the Bureau sought public comment on, among other things, special purpose credit programs. Through extensive stakeholder feedback and comments received in response to the RFI, the Bureau learned that stakeholders were interested in additional guidance to help them develop compliant special purpose credit programs. As detailed in the interpretive rule, ECOA and Regulation B prohibits

¹⁸⁴ Elena Babinecz and Frank Vespa-Papaleo, Consumer Fin. Prot. Bureau, Bureau seeks formal comments to inform forthcoming guidance on serving LEP consumers (Nov. 16, 2020), <https://www.consumerfinance.gov/aboutus/blog/bureau-seeks-formal-comments-to-inform-forthcoming-guidance-serving-lep-consumers/>

¹⁸⁵ Kathleen L. Kraninger, Consumer Fin. Prot. Bureau, Bureau takes additional steps to foster an inclusive financial system, <https://www.consumerfinance.gov/about-us/blog/bureau-takes-additional-steps-to-foster-an-inclusive-financial-system/> (Jan. 13, 2021)

¹⁸⁶ Albert Chang, Tim Lambert, and Jennifer Lassiter, Consumer Fin. Prot. Bureau, CFPB's first tech sprint on October 5-9, 2020: Help improve consumer adverse action notices (Sept. 1, 2020), <https://www.consumerfinance.gov/about-us/blog/cfpb-tech-sprint-october-2020-consumer-adverse-action-notices/>

¹⁸⁷ Consumer Fin. Prot. Bureau, Consumer Financial Protection Bureau Issues Advisory Opinion to Help Expand Fair, Equitable, and Nondiscriminatory Access to Credit, <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/> (Dec. 21, 2020)

¹⁸⁸ Consumer Fin. Prot. Bureau, CFPB Clarifies That Discrimination by Lenders on the Basis of Sexual Orientation and Gender Identity Is Illegal, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-clarifies-discrimination-by-lenders-on-basis-of-sexual-orientation-and-gender-identity-is-illegal/> (Mar. 9, 2021)

¹⁸⁹ Consumer Fin. Prot. Bureau, Consumer Financial Protection Bureau Issues Advisory Opinion to Help Expand Fair, Equitable, and Nondiscriminatory Access to Credit (Dec. 21, 2020), <https://www.consumerfinance.gov/aboutus/newsroom/consumer-financial-protection-bureau-issues-advisory-opinion-to-help-expand-fair-equitable-and-nondiscriminatory-access-to-credit/>

discrimination on certain prohibited bases in any aspect of a credit transaction; however, the statute and regulation clarify that it is not discriminatory for for-profit organizations to provide special purpose credit programs designed to meet special social needs.

The Bureau does not consider or determine whether individual programs qualify for special purpose credit status. Instead, the creditor offering the special purpose credit program must determine the status of its program. Regulation B provides creditors with general guidance for developing special purpose credit programs that are compliant with ECOA. To guide this determination and to address regulatory uncertainty, the Bureau issued the interpretive rule with the hope that more creditors will offer special purpose credit programs and increase access to credit to underserved groups. Specifically, the Bureau clarified the content that a for-profit organization must include in a written plan that establishes and administers a special purpose credit program under Regulation B. The interpretive rule also clarified the type of research and data that may be appropriate to inform a for-profit organization's determination that a special purpose credit program would benefit a certain class of people.

8.3.2 Limited English Proficiency (LEP) Statement

On January 13, 2021, the Bureau issued the Statement Regarding the Provision of Financial Products and Services to Consumers with Limited English Proficiency to encourage financial institutions to better serve LEP consumers in languages other than English (the Statement).¹⁹⁰ It was accompanied by a blog post.¹⁹¹ The Statement provides guidance on how financial institutions can increase access to credit in non-English languages in a manner that is beneficial to consumers, while taking steps to ensure financial institutions' actions are compliant with the Equal Credit Opportunity Act (ECOA), Dodd-Frank Act prohibitions against engaging in any unfair, deceptive, or abusive act or practice (UDAAP), and other applicable laws.

The Bureau has received feedback from a variety of stakeholders over the past several years, including through the July 2020 ECOA RFI (see section 8.3.1 above), requesting that the Bureau provide additional guidance to institutions seeking to serve LEP consumers while maintaining compliance with applicable laws. In developing and issuing the Statement, the Bureau considered information gathered from those engagements and from a variety of sources, including input

¹⁹⁰ [Statement Regarding the Provision of Financial Products and Services to Consumers with Limited English Proficiency](#) Consumer Financial Protection Bureau ([consumerfinance.gov](https://www.consumerfinance.gov))

¹⁹¹ Kathleen L. Kraninger, Consumer Fin. Prot. Bureau, Bureau takes additional steps to foster an inclusive financial system, <https://www.consumerfinance.gov/about-us/blog/bureau-takes-additional-steps-to-foster-an-inclusive-financial-system/> (Jan. 13, 2021)

received through comments to rulemakings and various RFIs on access to credit for LEP consumers, particularly the ECOA RFI that was issued on July 28, 2020.

The Statement provides principles to inform and guide financial institutions in their decision making related to serving LEP consumers, including encouraging institutions to better serve LEP consumers and highlighting that financial institutions may wish to consider extending credit pursuant to a legally compliant special purpose credit program (SPCP) to increase access to credit for certain underserved LEP consumers. The Statement also provides key considerations and guidelines institutions can use to develop compliance solutions for providing products and services to LEP consumers in languages other than English. Additionally, the Statement confirms that institutions collecting the language preference of an applicant or borrower in a credit transaction do not violate ECOA or Regulation B's prohibition on requests for information about national origin.

The effective and responsible integration of LEP consumers into the financial marketplace has the potential to create positive benefits for consumers and the financial services industry alike. Financial institutions play an important role in building a more inclusive financial system and presenting opportunities for LEP consumers to build their financial capabilities.

8.3.3 E-Disclosure Tech Sprint

The Bureau held its first Tech Sprint on October 5-9, 2020. The Tech Sprint, held virtually due to COVID 19 pandemic, focused on electronically delivered adverse action notices that serve statutory purposes under ECOA and the Fair Credit Reporting Act (FCRA).¹⁹² The event challenged participants to develop innovative approaches to electronically delivered ways to notify consumers of, and inform them about, adverse credit actions. Teams were asked to show how their proposed solution could improve on current adverse action notices to better realize three core goals:

1. Accuracy — using accurate information to take adverse action;
2. Anti-discrimination — preventing illegal discrimination in credit decisions; and
3. Education — helping consumers fare better in future credit applications.

Participants were informed that innovations could include any aspect, or potential aspect, of adverse action communication. The Tech Sprint attracted numerous expressions of interest, and more than 80 participants which formed 13 “sprint teams.” Participants represented a wide variety of stakeholders including large financial institutions, community and consumer organizations,

¹⁹² Consumer Fin. Prot. Bureau, CFPB Announces Tech Sprints To Empower Consumers, Reduce Regulatory Burden (Jun. 29, 2020), <https://www.consumerfinance.gov/about-us/newsroom/tech-sprints>

FinTechs, research organizations, and academia. On the final day of the Tech Sprint, the teams presented their proposed solutions to a panel of evaluators. The solutions developed by the sprint teams were creative and varied. Some of the proposed solutions included providing more detailed information on what role each denial reason played in the credit decision; identifying how the denied applicant might obtain a credit approval in the future by, for example, raising the credit score to a certain level, decreasing credit inquiries to a certain number, or requesting a different loan term or amount; delivering additional information or educational content with the electronic notice to the consumer to assist them in making more informed financial decisions; and proposing methodologies for identifying principal reasons for adverse action when algorithms—including, potentially, algorithms that make use of artificial intelligence—are used in the credit decision. Following the conclusion of the Tech Sprint, some of the participants informed the Bureau that they would work to incorporate their innovations into their delivery of adverse action notices or would consider working with the Bureau to further develop their ideas. The creative solutions presented will also help better inform the Bureau’s policy making.

8.3.4 HMDA Tech Sprint

On March 22-26, 2021 the Bureau held its second Tech Sprint which focused on improvements to submitting and publishing HMDA data.¹⁹³ More than 100 participants from community groups, financial institutions, compliance software developers, academia, government, and the tech sector formed 17 teams and worked throughout the sprint week on two tracks. One track focused on furthering development of HMDA data publication capabilities and data products, and the other track focused on improving the process of submitting HMDA data to the Bureau.

On the data publication track, several teams worked to develop consumer-facing tools using HMDA data. The teams proposed a variety of solutions. One proposed tool would allow consumers to enter, for example, zip code, credit score, loan purpose, and loan type to compare lenders on by interest rate, fees, and other measures from available HMDA data. Another proposed solution would enable consumers to compare mortgage rate quotes they received with quotes other consumers had received and sent to a central database, and when combined with HMDA data, could identify potential “lending deserts.” Another team proposed a tool that would track customers’ feedback through a survey and use a scoring algorithm to identify the aggregate consumer sentiment.

Other teams worked on proposed solutions to improve the user experience with HMDA data. For example, one of the proposed solutions was a HMDA data analytics and visualization dashboard,

¹⁹³ <https://www.consumerfinance.gov/rules-policy/innovation/cfbp-tech-sprints/home-mortgage-disclosure-act-tech-sprint/>.

while another team's solution included implementing plain-language revisions and documentation, closing gaps between tools and application programming interface (API) usage, and highlighting starting points for typical HMDA use cases. Another team proposed a single line of code to combine specific HMDA parameters, including states, years, borrower race, action taken, and lending institution to increase the accessibility of HMDA data and make it easier for users to download and analyze. Other solutions proposed included a variety of disclosure options for credit scores that are currently not disclosed to the public, including state-level aggregations for certain loan types and applicants, disclosure in bins or ranges, and aggregate disclosure by geography using graphs or maps.

Some teams focused on HMDA data analytics to solve issues and barriers to learning through HMDA data. These ideas included a proposed platform that used artificial intelligence/machine learning to identify the potential disparities in the action taken on an application by predicting the outcome of submissions using a peer group. Another group proposed a Rural Reporting Reliability Index to capture the scale of the HMDA data unreported for rural areas as a result of current HMDA coverage parameters by linking to other databases. Another solution included a tool intended to help public sector officials to direct public investment or subsidies in a way to stimulate private sector lending and investment in neighborhoods in need of credit and capital. The team did this by combining, at the census tract level, HMDA data with data on two HUD programs, the Home Investments program and the Community Development Block Grant program.

On the data submission track, teams presented several ideas to improve the submission of HMDA data to the Bureau. These ideas included exploring methods to speed up processing time of submitted data, especially for lenders reporting large loan/application registers (LARs); techniques to ensure the integrity of the data submitted and to avoid data errors; methods to create a customized submission experience for lenders; a method to check HMDA data collected by the lender against credit bureau data before the LAR is submitted; and exploring the use of LAR data in a blockchain involving the Bureau.

Other teams focused on the use or improvement of APIs in the submission process. These proposed improvements included a machine-learning based API dashboard proposal that assists consumers in shopping for a mortgage and exploring an API developer's portal with searching, archiving, management, and reporting functionality to enhance the existing CFPB APIs.

Each team's proposed solutions are able to be viewed on the Bureau's tech sprint landing page at: <https://www.consumerfinance.gov/rules-policy/innovation/cfpb-tech-sprints/>.

8.4 Fair lending coordination

The Bureau's fair lending activity involves regular coordination with other federal and state regulatory and enforcement partners. During the reporting period, the Bureau coordinated its fair lending regulatory, supervisory, and enforcement activities with those of other federal agencies and state regulators to promote consistent, efficient, and effective enforcement of federal fair lending laws. Interagency engagement occurs in numerous ways, including through several interagency organizations. This interagency engagement seeks to address current and emerging fair lending risks.

The Bureau, along with the FTC, HUD, FDIC, FRB, NCUA, OCC, DOJ, and FHFA, constitute the Interagency Task Force on Fair Lending. The Bureau chaired the Task Force from 2018-2020, which meets regularly to discuss fair lending enforcement efforts, share current methods of conducting supervisory and enforcement fair lending activities, and coordinate fair lending policies. In January of 2021, the FDIC became Chair of the Interagency Task Force on Fair Lending.

The Bureau also participates in the Interagency Working Group on Fair Lending Enforcement, a standing working group of federal agencies—with the DOJ, HUD, and FTC—that meets regularly to discuss issues relating to fair lending enforcement. The agencies use these meetings to also discuss fair lending developments and trends, methodologies for evaluating fair lending risks and violations, and coordination of fair lending enforcement efforts.

The Bureau is also a member of the FFIEC's Appraisal Subcommittee (ASC) that provides federal oversight of state appraiser and appraisal management company regulatory programs, and a monitoring framework for the Appraisal Foundation and the Federal Financial Institutions Regulatory Agencies in their roles to protect federal financial and public policy interests in real estate appraisals utilized in federally related transactions. The ASC is considering its authorities and ability to promote fairness and equity, and prevent bias, in appraisals.¹⁹⁴

Through the Federal Financial Institutions Examination Council (FFIEC) the Bureau has robust engagements with other partner agencies that focus on fair lending issues. For example, throughout the reporting period, the Bureau has chaired the HMDA/Community Reinvestment Act (CRA) Data Collection Subcommittee, a subcommittee of the FFIEC Task Force on Consumer Compliance. This subcommittee oversees FFIEC projects and programs involving HMDA data collection and dissemination, the preparation of the annual FFIEC budget for processing services,

¹⁹⁴ The Appraisal Subcommittee includes the FFIEC agencies, HUD, and the FHFA.

and the development and implementation of other related HMDA processing projects as directed by the Task Force.

In addition to these established interagency organizations, Bureau personnel meet regularly with DOJ, HUD, FTC, state Attorneys General, and the prudential regulators to coordinate the Bureau's fair lending work.

Also, in October 2020, the Bureau signed a Memorandum of Understanding (MOU) with the FTC, HUD, FDIC, FRB, NCUA, OCC, DOJ, and FHFA—representing Federal agencies that, in addition to the Bureau, conduct fair lending analyses. The MOU allows economists from the agencies to voluntarily share confidential information with respect to analytical methodologies used to understand and assess compliance with fair lending laws.¹⁹⁵

¹⁹⁵ For more information on the MOU, see Director Kraninger's Remarks During "Current Priorities in Consumer Financial Protection Seminar" At Harvard Kennedy School (Oct. 29, 2020), <https://www.consumerfinance.gov/about-us/newsroom/director-kraningers-remarks-current-priorities-seminarharvard-kennedy-school/>.

9. Analysis of the efforts of the Bureau to increase workforce and contracting diversity consistent with the procedures established by the Office of Minority and Women Inclusion (OMWI).

During the reporting period, CFPB continued its work to advance diversity and inclusion under the mandates of Section 342 of the Dodd-Frank Act.

The Bureau published its FY 2020 Annual Report of OMWI activities to Congress on March 31, 2021.¹⁹⁶

The Bureau continued to execute the objectives and strategies outlined in the Diversity and Inclusion Strategic Plan Update FY 2019–2022¹⁹⁷ which complements the Bureau’s overall Strategic Plan FY 2018–2022.¹⁹⁸

Specifically, Objective 3.2 of the Bureau’s Strategic Plan commits the Bureau to “maintain a talented, diverse, inclusive and engaged workforce.” The plan requires the Bureau to achieve this objective with specific strategies, which are:

- Establish and maintain human capital policies and programs to help the Agency effectively and efficiently manage a talented, diverse, and inclusive workforce.

¹⁹⁶ <https://www.consumerfinance.gov/data-research/research-reports/fy-2020-office-minority-and-women-inclusion-annual-report-congress/>

¹⁹⁷ <https://www.consumerfinance.gov/data-research/research-reports/cfpb-diversity-and-inclusion-strategic-plan-update-2019-2022/>

¹⁹⁸ <https://www.consumerfinance.gov/about-us/budget-strategy/strategic-plan/>

- Offer learning and development opportunities that foster a climate of professional growth and continuous improvement.
- Develop human capital processes, tools, and technologies that continue to support the maturation of the Bureau and the effectiveness of human resource operations.
- Build a positive work environment that engages employees and enables them to continue doing their best work.
- Maintain comprehensive equal employment opportunity compliance and diversity and inclusion programs, including those focused on minority and women inclusion.

9.1 Increasing workforce diversity

As of March 2021, an analysis of the Bureau's current workforce reveals the following key points:

- Women represent 50.0 percent of the Bureau's workforce in 2021¹⁹⁹ no change from 2020.²⁰⁰
- Minorities (Hispanic, Black, Asian, Native Hawaiian/Other Pacific Islander, American Indian/Alaska Native, and employees of two or more races) represent 42.3 percent of the Bureau workforce in 2021 with a 2.1 percent increase from FY 2020.
- As of March 31, 2021, 15.0 percent of Bureau employees on permanent appointments identified as individuals with a disability. Of the permanent workforce, 3.1 percent of employees identified as individuals with a targeted disability. As a result, the Bureau continues to exceed the 12 percent workforce goals for employees with disabilities and two percent workforce goals for employees with targeted disabilities in both salary categories as required in the Equal Employment Opportunity Commission's (EEOC) Section 501 regulation 4.

The Bureau engages in the following activities to increase workforce diversity:

- Staffing:

¹⁹⁹ October 1, 2020 – March 31, 2021 April 1, 2020-September 30.

²⁰⁰ October 1, 2019- March 31, 2020

- The Bureau continues to enhance diversity by recruiting, hiring, and retaining highly qualified individuals from diverse backgrounds to fill positions at the Bureau.
 - The Bureau had 86 new hires which included 43 (50.0 percent) women and 47 (39.2 percent) minorities.
 - The Bureau also utilized other professional development programs, and recruitment efforts directed to reach veterans and applicants with disabilities to assist in the Bureau's workforce needs.
- Workforce engagement:
 - To promote an inclusive work environment, the Bureau focuses on strong engagement with employees and utilizes an integrated approach of education, training, and engagement programs that ensures diversity and inclusion and non-discrimination concepts are part of the learning curriculum and work environment. Employee resource groups, cultural education programs, and diversity and inclusion training are key components of this effort.
 - In January 2021, Acting Director David Uejio set racial and economic equity as one of the Bureau's two main priorities. The Acting Director launched the Racial and Economic Equity (REE) taskforce, which was comprised of leaders from across the Bureau's divisions and offices with experience, knowledge, and expertise in racial and economic equity and roles at the Bureau in which they have insight and influence on Bureau activities, initiatives, and programs, to carry out that work. The Taskforce proposed a framework for the Bureau to advance REE goals and recommended measures to track the progress of those goals. The REE Taskforce also developed a REE definition to guide the Bureau's work in this area. Additionally, the Bureau has launched a REE webpage on [www.consumerfinance.gov](https://www.consumerfinance.gov/about-us/racial-equity/?_gl=1*17egcm*_ga*NiM4OTE1NzczLiE2MTU1NiUxNDM*_ga_DBYJL3oCHS*MTYyNDM4MDAwNS4yMC4xLjE2MjQzODAwMTluMA).²⁰¹

²⁰¹ https://www.consumerfinance.gov/about-us/racial-equity/?_gl=1*17egcm*_ga*NiM4OTE1NzczLiE2MTU1NiUxNDM*_ga_DBYJL3oCHS*MTYyNDM4MDAwNS4yMC4xLjE2MjQzODAwMTluMA

9.2 Increasing contracting diversity

In addition to the mandates in Section 342(b)(2)(B) of the Dodd-Frank Act, Section 2.4 of the Bureau's Diversity and Inclusion Strategic Plan describes the efforts the Bureau takes to increase contracting opportunities for diverse businesses including Minority-owned and Women-owned Businesses (MWOBs). The Bureau's OMWI and Procurement offices collectively work to increase procurement opportunities for participation by MWOBs.

9.2.1 Outreach to contractors

The Bureau promotes opportunities for the participation of small and large MWOBs by:

- Actively engaging Bureau business units with MWOB contractors throughout the acquisition cycle.
- OMWI and Office of Procurement held technical assistance events virtually due to COVID-19 restrictions. Attendance remained consistent at around 100 registrants and 55 attendees per session. These events include the provision of expert advice directly from CFPB procurement and program office professionals. To date, FY21 focused events aim to align Bureau upcoming needs to vendor capabilities in data analytics, management consulting, and legal support services. With the launch of the Bureau's first dynamic Supplier Diversity Registry, OMWI aims to provide event participants and other interested vendors year-round engagement opportunities in its market research process, including status updates to forecasted requirements, advance notice of procurement industry days and email news updates of partner agency events and activities.
- Regularly participating in national supplier diversity conferences, such as the virtual Annual Government Procurement Conference in October 2020, that help to foster business partnerships among the federal government, its U.S. prime contractors, and Minority- and Women-owned Businesses. As a result of these efforts, 28.9 percent of \$89 million in contracts that the Bureau awarded or obligated during the reporting period went to MWOBs. The following table represents the total amount of dollars spent and disbursed to MWOBs as a result of contract billing.

TABLE 3: DOLLARS SPENT TOWARD MINORITY-OWNED AND WOMEN-OWNED BUSINESSES

Dollars Spent	Percent of Total	MWOB Category
\$11,609,217	15.5%	Women Owned
\$1,146,029	1.5%	Black/African American
\$1,968,608	2.6%	American Indian/Alaskan Native
\$12,225,925	16.3%	Asian/Pacific Islander American
\$1,591,483	2.1%	Hispanic American

9.3 Diversity within the Bureau contractors' workforces

In the fiscal year 2020, the Bureau collected Good Faith Effort (GFE) compliance data from a sample of contractors and used the insights gained from the analysis of that data to modify the Bureau's GFE compliance process. The OMWI reviewed and updated the GFE contract clause and its related procedures, developed criteria to measure and assess contractors' GFE efforts, and created a new standard operating procedure to document the GFE assessment process. As a result of this process, OMWI has increased communication with contractors to maximize technical assistance throughout the process. OMWI has modified its GFE compliance process to engage in communication and education before considering any of the penalties allowed under the statute for failure to make a GFE. The Bureau also updated documentation requirements so that contractors can now submit documentation demonstrating their efforts to address the six GFE evaluation criteria the Bureau is using: 1) Diversity Strategy; 2) Diversity Policies; 3) Recruitment; 4) Succession Planning; 5) Outreach; and 6) Supplier – Subcontractor Diversity.

9.4 Assessing diversity of regulated entities

Per Section 342 (b) (2) (c) of the Dodd-Frank Act, the Bureau developed a process to assess the diversity policies and practices of the entities the Bureau regulates. The Bureau continues its multi-pronged assessment strategy. The Bureau formally launched the Inclusivity online portal to make it easier for financial institutions to submit their diversity and inclusion self-assessments. OMWI's online portal facilitates entity submissions. As of December 4, 2020, 23 financial institutions submitted assessments despite delays caused by the pandemic communication

strategy, using direct outreach to financial institutions and working with industry trade associations to help engage financial institutions in the diversity and inclusion self-assessment process. OMWI sent a data call to approximately 1,300 institutions and invited them to submit a diversity self-assessment. To supplement the data collected through the self-assessment process, the Bureau conducted its own research on the publicly available diversity and inclusion information of financial institutions, by industry segment, and shared that information with trade groups. This information provided insight into how institutions were publicly reporting on their diversity and inclusion initiatives. The Bureau will continue its outreach to increase awareness and to encourage voluntary submission of the Diversity and Inclusion self-assessment.

APPENDIX A: ADDENDUM

2020 Annual Report to Congress on the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act)

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) mandates a nationwide licensing system and registry for residential mortgage loan originators. It requires that State licensing and registration and federal registration of residential mortgage loan originators (MLOs) be accomplished through the same online system, known as the Nationwide Mortgage Licensing System and Registry (NMLS&R). The NMLS&R is owned and operated by the State Regulatory Registry LLC (SRR), a wholly owned subsidiary of the Conference of State Bank Supervisors (CSBS). The statutory purposes of the SAFE Act generally include increasing uniformity, reducing regulatory burden, enhancing consumer protection, and reducing fraud.

In July 2011, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) transferred to the Bureau rulemaking authority, and other authorities, of the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the National Credit Union Administration, the Federal Deposit Insurance Corporation, and the Secretary of the Department of Housing and Urban Development for the SAFE Act. With this transfer, the Bureau assumed the (1) responsibility for developing and maintaining the federal registration system; (2) supervisory and enforcement authority for SAFE Act compliance for applicable entities under the Bureau's jurisdiction; (3) back-up and related authority relating to SAFE Act standards for MLO licensing systems at the state level; and (4) certain rulemaking authority. It also transferred to the Bureau the requirement to submit an annual report to Congress on the effectiveness of the SAFE Act's provisions. This section of the Bureau's Spring Semi-Annual Report constitutes the annual

SAFE Act report for 2020.

While administering the SAFE Act during 2020, the Bureau worked closely with SRR/CSBS to facilitate sharing MLO information between state and federal regulators through the NMLS&R. Officials from the Bureau and SRR/CSBS met regularly to discuss issues related to the operation of the NMLS&R, resolve issues, and discuss requirements and policies related to the administration and functions of the NMLS&R. The Bureau reviewed, and approved as applicable, NMLS&R record adjustment requests to correct inaccurate information on federal registrant accounts. It also responded to Freedom of Information Act (FOIA) requests that pertained to federally registered MLOs. As of December 31, 2020, there were approximately 399,876 federally registered MLOs in the NMLS&R.

In February 2020, Bureau staff attended the twelfth annual NMLS User Conference and Training that provided information and training on the NMLS&R's state licensing and federal registry system related processes. The event was open to regulatory and industry system users, education providers, consultants, and others interested in attending, so it also provided an opportunity for Bureau staff to meet the other participants, build relationships, and share contact information.

The Bureau continues to answer SAFE Act-related questions through its regulations guidance function and provides different forms of guidance and compliance resources on its website. In 2020, the Bureau received approximately 25 inquiries concerning the SAFE Act through its "Submit a regulation inquiry" feature accessible on the Bureau's website. Most of the inquiries sought information about MLO licensing and registration requirements. The Bureau also maintains a SAFE Act Inquiries e-mail box to manage operational questions about the SAFE Act. The Bureau received approximately 100 emails in 2020, many of which pertained to the registration of MLOs and the use of the NMLS&R. The Bureau also continues to work with SRR/CSBS officials with inquiries associated to the use of the system.

While the Bureau has not conducted a formal assessment of the SAFE Act, our interactions with SRR/CSBS and the public indicate that the system is meeting expectations and provides a comprehensive licensing and supervisory database. During 2020, all of the required states, territories, and D.C. regulators (state regulators) continued to use the NMLS&R for licensing their MLOs, as is mandated by the SAFE Act and Regulation H. The NMLS&R continues to collect and maintain the information required by the SAFE Act, Regulation H, and Regulation G. Additionally, an online consumer portal is available at no charge to consumers to provide employment and publicly adjudicated disciplinary and enforcement history for MLOs consistent with the statutory objectives of the SAFE Act.

All bank and non-bank mortgage origination exams conducted by the Bureau in 2020 included a review for compliance with the SAFE Act. Examiners tested for accurate licensing and registration as well as related policies and procedures.

During 2020, SRR/CSBS continued to engage the Bureau on issues regarding the NMLS&R and the modernization of the NMLS&R. The modernization entails rebuilding the NMLS&R on a more modern platform in order to improve its operations, enhance the user experience, and strengthen supervision. The Bureau continues to provide its feedback and position on current and proposed functions relating to the federal registration process for MLOs in the NMLS&R to SRR/CSBS.