CONSUMER FINANCIAL PROTECTION BUREAU | FALL 2024

Semi-Annual Report of the Consumer Financial Protection Bureau

Consumer Financial Protection Bureau

Message from Acting Director

This Report represents the work of the Consumer Financial Protection Bureau under the leadership of the former Director Chopra. As indicated throughout the Report, under his leadership, the Bureau regularly engaged in an overreach of its statutory mandates via punishment of disfavored industries. This overreach and weaponization of the government manifested especially clearly in burdensome regulations and guidance and in investigations and cases that the Bureau initiated.

Among the most shameful examples was a lawsuit against Townstone, a nonbank retail-mortgage creditor and broker based in Chicago, Illinois. Under the guise of enforcement of the Equal Credit Opportunity Act, the Bureau targeted Townstone based on an alleged shortfall of the number of applicants from minority areas as compared to other mortgage companies in Chicago. This was a purely statistical difference and based on an arbitrary scale CFPB devised and which it impermissibly equated to discrimination. The Bureau continued the prosecution of that business because the owner of Townstone made comments during his radio program about crime in Chicago that the Bureau lawyers found offensive. Under my leadership, we sought to expose these abuses and the Bureau's trampling on Americans' First Amendment rights.

Another example of the Bureau's weaponization against a disfavored industry was a politically motivated investigation into Credova Financial, LLC. Credova's use of innovative financial technology solutions to provide consumer financing to facilitate the exercise of Americans' Second Amendment rights made it a target for the Bureau. It was also one of numerous regulation-by-enforcement actions for which the CFPB under former Director Chopra became infamous. Under my leadership, that investigation was closed. These are egregious examples of companies being targeted for engaging in protected political speech and exercising their constitutional rights.

Under my leadership, the focus of the Bureau is on pressing threats to consumers, particularly those impacting servicemembers and their families, and veterans. The Bureau dedicates its resources to addressing actual fraud, where there are identifiable victims with material and measurable damages, rather than to matters based on the Bureau's perception that consumers made "wrong" choices. The Bureau under my leadership seeks to redress tangible harm by getting money back directly to consumers, rather than imposing penalties on companies to simply fill the Bureau's penalty fund.

In accordance with these priorities and to remedy the prior leadership's overreach, the Bureau has undertaken multiple remedial actions, such as withdrawing inappropriate regulations and guidance documents, terminating certain consent orders, and withdrawing or dismissing cases that never should have been brought.

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Overview

This report is required under Section 1016 of the Dodd-Frank Act[1]. Section 1016(c) of the Dodd-Frank Act enumerates nine elements for inclusion in the Consumer Financial Protection Bureau's (CFPB) semi-annual reports to Congress. This Semi-Annual Report meets this mandate, with the report sections aligning to each of the required elements. Initiatives described in this Semi-Annual Report occurred between **April 1, 2024, – September 30, 2024**, except where otherwise noted.

The Truth in Lending Act (TILA)[2] and the Electronic Fund Transfer Act (EFTA)[3] require the Bureau to make an annual report to Congress that includes a description of the administration of functions under TILA and EFTA, and an assessment of the extent to which compliance with TILA and EFTA has been achieved. In addition, the Credit Card Accountability Responsibility and Disclosure Act (CARD Act)[4] requires reporting on supervisory and enforcement activities with respect to compliance by credit card issuers with applicable federal consumer protection statutes and regulations.[5] This report also provides the information required by TILA, EFTA, and the CARD Act for the period **January 1, 2023–December 31, 2023**.[6]

The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act) requires the Bureau to submit an annual report to Congress on the effectiveness of the SAFE Act's provisions.[7] This report also provides the information required by the SAFE Act for 2024.

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[1] 12 U.S.C. § 5496.

[2] 15 U.S.C. § 1613.

[3] 15 U.S.C. § 1693(p).

[4] 15 U.S.C. § 1616(e).

[5] In 2012, the Federal Reserve Board (Board) and the CFPB agreed that responsibility for the reporting period required by the CARD Act passed to the CFPB under the terms of the Consumer Financial Protection Act of 2010.

[6] In order to facilitate reporting on an interagency basis, this TILA, EFTA, and CARD Act Report is based on the full calendar year of 2023. The TILA, EFTA, and CARD Act Report containing 2022 calendar year information can be found in the CFPB's 2022 Fall Semi-Annual Report to Congress, available at https://files.consumerfinance.gov/f/documents/cfpb_fall-2022-semi-annual-report_2023-06.pdf.

[7] 12 U.S.C. § 5115(a).

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

During the reporting period, the CFPB conducted research and reported on issues where consumers were faced with challenges shopping for or obtaining consumer financial products or services, including:

- *Data Spotlight: Trends in discount points amid rising interest rates*. In April 2024, the CFPB published a report that explored how a larger share of borrowers paid discount points, and the challenges associated with understanding the amount consumers pay for a mortgage. https://www.consumerfinance.gov/data-research/research-reports/data-spotlight-trends-in-discount-points-amid-rising-interest-rates/

- *Report: Price Complexity in Laboratory Markets*. In April 2024, the CFPB published a report that explored how price complexity may affect markets for consumer goods. https://www.consumerfinance.gov/data-research/research-reports/price-complexity-in-laboratory-markets/

- *Issue Spotlight: Credit Card Rewards*. In May 2024, the CFPB published a report regarding credit card reward programs, which promise consumers financial incentives for spending and are a central feature of most consumer credit cards. https://files.consumerfinance.gov/f/documents/cfpb_credit-card-rewards_issue-spotlight_2024-05.pdf

- *Issue Spotlight: Banking in Video Games and Virtual Worlds*. On April 4, 2024, the CFPB released a report examining the growing use and scale of gaming assets, such as in-game currency and virtual items, across the gaming industry. https://files.consumerfinance.gov/f/documents/cfpb_banking-in-video-games-and-virtual-worlds_2024-04.pdf

- *Report: Borrower Experiences with Mortgage Servicing During the COVID-19 Pandemic*. In June 2024, the CFPB published a report that explored evidence on the experiences of distressed mortgage borrowers trying to access loss mitigation programs. https://files.consumerfinance.gov/f/documents/cfpb_borrower-experiences-with-mortgage-servicing_2024-06.pdf

- *RFI Comment: CFPB Comment on Request for Information on Uses, Opportunities, and Risks of Artificial Intelligence in the Financial Services Sector*. On August 12, 2024, the CFPB responded to the Department of Treasury's Request for Information on artificial intelligence in the financial sector. https://www.consumerfinance.gov/about-us/newsroom/cfpb-comment-on-request-for-information-on-uses-opportunities-and-risks-of-artificial-intelligence-in-the-financial-services-sector/

2. List of 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

2.1 Significant rules and orders adopted by the CFPB

The CFPB adopted the following significant rules and orders[8] during the period of October 1, 2023 – September 30, 2024. Additional details are provided in the Federal Register links included below.

Final rules:

- *Final Rule: Fair Credit Reporting Act Disclosures* (November 2023). https://www.federalregister.gov/documents/2023/11/15/2023-25172/fair-credit-reporting-act-disclosures

- *Final Rule: Appraisals for Higher-Priced Mortgage Loans Exemption Threshold* (November 2023). https://www.federalregister.gov/documents/2023/11/29/2023-25047/appraisals-for-higher-priced-mortgage-loans-exemption-threshold

- *Final Rule: Truth in Lending (Regulation Z)* (November 2023). https://www.federalregister.gov/documents/2023/11/29/2023-25048/truth-in-lending-regulation-z

- *Final Rule: Consumer Leasing (Regulation M)* (November 2023). https://www.federalregister.gov/documents/2023/11/29/2023-25049/consumer-leasing-regulation-m

[8] A complete listing of the CFPB's rulemaking actions taken during this reporting period is available on the CFPB's website: https://www.consumerfinance.gov/rules-policy/.

- *Final Rule: Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold* (December 23). *https://www.federalregister.gov/documents/2023/12/21/2023-28076/truth-in-lending-act-regulation-z-adjustment-to-asset-size-exemption-threshold*

- *Final Rule: Home Mortgage Disclosure (Regulation C) Adjustment to Asset-Size Exemption Threshold* (December 2023). https://federalregister.gov/documents/2023/12/21/2023-28079/home-mortgage-disclosure-regulation-c-adjustment-to-asset-size-exemption-threshold

- *Final Rule. Civil Penalty Inflation Adjustments* (January 2024). https://www.federalregister.gov/documents/2024/01/11/2024-00456/civil-penalty-inflation-adjustments

- *Procedural Rule: Supervisory Appeals Process* (February 2024). *https://files.consumerfinance.gov/f/documents/cfpb_supervisory-appeals-process_2024-02.pdf*

- *Final Rule: Credit Card Penalty Fees (Regulation Z)* (March 2024). https://files.consumerfinance.gov/f/documents/cfpb_credit-card-penalty-fees_final-rule_2024-01.pdf. On April 15, 2025, this was vacated by the N.D. Texas ruling in the US Chamber of Commerce lawsuit. https://storage.courtlistener.com/recap/gov.uscourts.txnd.387342/gov.uscourts.txnd.387342.150.0_1.pdf

- *Final Rule: Procedures for Supervisory Designation Proceedings.* https://files.consumerfinance.gov/f/documents/cfpb_procedures-for-supervisory-designation-proceedings_2024-04.pdf. In May 2025, the CFPB proposed rescinding the amendments it adopted on April 29, 2022, November 21, 2022, and April 23, 2024, to the Procedures for Supervisory Designation Proceedings. https://www.federalregister.gov/documents/2025/05/14/2025-08347/procedures-for-supervisory-designation-proceedings

- *Final Rule: Required Rulemaking on Personal Financial Data Rights; Industry Standard-Setting* (June 2024). https://files.consumerfinance.gov/f/documents/cfpb_personal-financial-data-rights_final-rule_2024-06.pdf

- *Interim Final Rule: Small Business Lending Under the Equal Credit Opportunity Act (Regulation B); Extension of Compliance Dates* (July 2024).

https://files.consumerfinance.gov/f/documents/cfpb_sbl-compliance-dates_interim-final-rule_2024-06.pdf

- *Final Rule: Quality Control Standards for Automated Valuation Models* (August 2024). *https://files.consumerfinance.gov/f/documents/cfpb_automated-valuation-models_final-rule_2024-06.pdf*

The CFPB released the following significant proposed rules and pre-rule materials:

- *Proposed Rule: Required Rulemaking on Personal Financial Data Rights* (October 2023). https://files.consumerfinance.gov/f/documents/cfpb-1033-nprm-fr-notice_2023-10.pdf

  Proposed Rule: Fees for Instantaneously Declined Transactions (January 2024). https://files.consumerfinance.gov/f/documents/cfpb_fees-for-instantaneously-declined-transactions-nprm_2024-01.pdf. On January 14, 2025, this proposal was withdrawn. https://www.federalregister.gov/documents/2025/01/14/2024-31385/fees-for-instantaneously-declined-transactions-withdrawal-of-proposed-rule

- *Proposed Rule: Overdraft Lending: Very Large Financial Institutions* (February 2024). https://files.consumerfinance.gov/f/documents/cfpb_overdraft-credit-very-large-financial-institutions_proposed-rule_2024-01.pdf. On May 9, 2025, the rule was overturned by a Congressional Review Act resolution. https://www.congress.gov/119/plaws/publ10/PLAW-119publ10.pdf

- *Proposed Rule: Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)* (June 2024). https://files.consumerfinance.gov/f/documents/cfpb_fcra-med-debt-proposed-rule_2024-06.pdf. On July 11, 2025, this was vacated by the E.D. Texas ruling in the Cornerstone Credit Union League lawsuit. https://storage.courtlistener.com/recap/gov.uscourts.txed.235173/gov.uscourts.txed.235173.52.0_1.pdf

- *Proposed Rule: Streamlining Mortgage Servicing for Borrowers Experiencing Payment Difficulties; Regulation X* (July 2024). https://files.consumerfinance.gov/f/documents/cfpb_mortgage-servicing-nprm-proposed-rule_2024-07.pdf

- *Proposed Rule: Financial Data Transparency Act Joint Data Standards* (August 2024). https://files.consumerfinance.gov/f/documents/cfpb_financial-data-transparency-act-proposed-rule_2024-07.pdf

- *Proposed Rule: Remittance Transfers Under the Electronic Fund Transfer Act (Regulation E)* (September 2024). https://files.consumerfinance.gov/f/documents/cfpb_remittance-transfers-under_the-electronic-fund-transfer-act-reg-e-propose_GfplXsc.pdf

2.2 Significant initiatives conducted by the CFPB

2.2.1 Reports

- *Report: Annual Fair Lending Report to Congress* (June 2024). https://files.consumerfinance.gov/f/documents/cfpb_fair-lending-report_fy-2023.pdf

- Report: Financial Literacy Annual Report (August 2024). https://www.consumerfinance.gov/data-research/research-reports/2023-financial-literacy-annual-report/

- *Report: Contract for Deed Report* (August 2024). https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-stop-contract-for-deed-investors-from-setting-borrowers-up-to-fail/

- *Report: Fair Debt Collection Practices Act CFPB Annual Report 2023* (September 2024). https://files.consumerfinance.gov/f/documents/cfpb_fdcpa-2024-annual-report_2024-09.pdf

- *Report: Office of Servicemember Affairs Annual Report* (September 2024). https://files.consumerfinance.gov/f/documents/cfpb_osa-annual-report-cy2023_2024-09.pdf

2.2.2 Guidance

The CFPB issued the following guidance documents during the period of October 1, 2023 – September 30, 2024. During the tenure of then-Director Rohit Chopra, the CFPB routinely issued inappropriate agency guidance in the form of guidance documents, interpretive rules, advisory opinions, and policy statements to impose compliance burdens on regulated entities outside the strictures of notice-and-comment rulemaking against disfavored industries. Under the leadership of Acting Director Vought, the CFPB has withdrawn unnecessary and burdensome guidance documents in accordance with Executive Order 14219, *Ensuring Lawful Governance and Implementing the President's "Department of Government Efficiency" Deregulatory Initiative*.

- *Advisory Opinion: Consumer Information Requests to Large Banks and Credit Unions* (October 2023). https://files.consumerfinance.gov/f/documents/cfpb-1034c-advisory-opinion-2023_10.pdf. On May 12, 2025, this guidance was withdrawn.

- *Advisory Opinion: Fair Credit Reporting; File Disclosure* (January 2024). https://files.consumerfinance.gov/f/documents/cfpb_fair-credit-reporting-file-disclosure_2024-01.pdf . On May 12, 2025, the CFPB rescinded this advisory opinion.

- *Advisory Opinion: Fair Credit Reporting; Background Screening*(January 2024). https://files.consumerfinance.gov/f/documents/cfpb_fair-credi-reporting-background-screening_2024-01.pdf. On May 12, 2025, the Bureau rescinded this advisory opinion.

- *Interpretive Rule: Truth in Lending (Regulation Z); Use of Digital User Accounts to Access Buy Now, Pay Later Loans* (May 2024). https://files.consumerfinance.gov/f/documents/cfpb_bnpl-interpretive-rule_2024-05.pdf. On May 12, 2025, this was withdrawn.

- *Final Interagency Guidance: Interagency Guidance on Reconsiderations of Value of Residential Real Estate Valuations* (July 2024). https://public-inspection.federalregister.gov/2024-16200.pdf?1721911513

- *Advisory Opinion: Truth in Lending; Consumer Protections for Home Sales Financed Under Contracts for Deed* (August 2024). https://files.consumerfinance.gov/f/documents/cfpb_contract-for-deed_advisory-opinion_2024-08.pdf. On May 9, 2025, the Bureau rescinded this Advisory Opinion.

- *Consumer Financial Protection Circular 2024-05: Improper Overdraft Opt-in Practices* (September 2024). https://files.consumerfinance.gov/f/documents/cfpb_improper-overdraft-opt-in-practices-circular_2024-09.pdf. The CFPB withdrew this Circular in May 2025.

2.2.3 Other initiatives

- *Joint Statement on Fair Lending and Credit Opportunities for Noncitizen Borrowers under the Equal Credit Opportunity Act* (October 2023). https://files.consumerfinance.gov/f/documents/cfpb-joint-statement-on-fair-lending-and-credit-opportunities-for-noncitizen-b_jA2oRDf.pdf

- *RFI: CFPB Launches Inquiry into Junk Fees in Mortgage Closing Costs* (May 2024). https://www.consumerfinance.gov/about-us/newsroom/cfpb-launches-inquiry-into-junk-fees-in-mortgage-closing-costs/

2.3 Plan of the CFPB for rules, orders, or other initiatives conducted by the CFPB

2.3.1 Rules and orders

Upcoming Period: October 1, 2024, – March 31, 2025

- *Final Rule: Truth in Lending (Regulation Z)* (October 2024). https://www.federalregister.gov/documents/2024/10/15/2024-23275/truth-in-lending-regulation-z

- *Final Rule: Consumer Leasing (Regulation M)* (October 2024). https://www.federalregister.gov/documents/2024/10/15/2024-23276/consumer-leasing-regulation-m

- *Final Rule: Appraisals for Higher-Priced Mortgage Loans Exemption Threshold* (October 2024). https://www.federalregister.gov/documents/2024/10/15/2024-23277/appraisals-for-higher-priced-mortgage-loans-exemption-threshold

- *Final Rule: Defining Larger Participants of a Market for General-Use Digital Consumer Payment Applications* (November 2024). https://files.consumerfinance.gov/f/documents/cfpb_final-rule_general-use-digital-consumer-payment-applications_2024-11.pdf. Congress has since made this rule ineffective by a joint resolution of disapproval under the Congressional Review Act. https://www.congress.gov/bill/119th-congress/senate-joint-resolution/28

- *Final Rule: Required Rulemaking on Personal Financial Data Rights* (November 2024). https://www.federalregister.gov/documents/2024/11/18/2024-25079/required-rulemaking-on-personal-financial-data-rights

- *Final Rule: Fair Credit Reporting Act Disclosures* (November 2024). https://www.federalregister.gov/documents/2024/11/29/2024-27695/fair-credit-reporting-act-disclosures

- *Final Rule: Truth in Lending (Regulation Z) Annual Threshold Adjustments (Credit Cards, HOEPA, and Qualified Mortgages*) (December 2024). https://www.federalregister.gov/documents/2024/12/02/2024-27553/truth-in-lending-regulation-z-annual-threshold-adjustments-credit-cards-hoepa-and-qualified

- *Final Rule: Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold* (December 2024). https://www.federalregister.gov/documents/2024/12/23/2024-30653/truth-in-lending-act-regulation-z-adjustment-to-asset-size-exemption-threshold

- *Final rule: Home Mortgage Disclosure (Regulation C) Adjustment to Asset-Size Exemption Threshold* (December 2024). https://www.federalregister.gov/documents/2024/12/27/2024-30652/home-mortgage-disclosure-regulation-c-adjustment-to

- *Final Rule: Overdraft Lending: Very Large Financial Institutions* (December 2024). https://www.federalregister.gov/documents/2024/12/30/2024-29699/overdraft-lending-very-large-financial-institutions

- *Proposed Rule: Protecting Americans From Harmful Data Broker Practices (Regulation V)* (December 2024). https://www.federalregister.gov/documents/2024/12/13/2024-28690/protecting-americans-from-harmful-data-broker-practices-regulation-v. On May 15, 2025, the CFPB withdrew this proposed rule. https://www.federalregister.gov/documents/2025/05/15/2025-08644/protecting-americans-from-harmful-data-broker-practices-regulation-v-withdrawal-of-proposed-rule

- *Advance Notice of Proposed Rulemaking: Fair Credit Reporting Act (Regulation V); Identity Theft and Coerced Debt* (December 2024). https://www.federalregister.gov/documents/2024/12/13/2024-29292/fair-credit-reporting-act-regulation-v-identity-theft-and-coerced-debt

- *Withdrawal of Proposed Rule: Fees for Instantaneously Declined Transactions* (January 2025). https://www.federalregister.gov/documents/2025/01/14/2024-31385/fees-for-instantaneously-declined-transactions-withdrawal-of-proposed-rule

- *Final Rule: Civil Penalty Inflation Adjustments* (January 2025). *https://www.federalregister.gov/documents/2025/01/08/2025-00167/civil-penalty-inflation-adjustments*

- *Final Rule: Residential Property Assessed Clean Energy Financing (Regulation Z)* (January 2025). https://www.federalregister.gov/documents/2025/01/10/2024-30628/residential-property-assessed-clean-energy-financing-regulation-z

- *Final Rule: Prohibition on Creditors and Consumer Reporting Agencies Concerning Medical Information (Regulation V)* (January 2025). https://www.federalregister.gov/documents/2025/01/14/2024-30824/prohibition-on-creditors-and-consumer-reporting-agencies-concerning-medical-information-regulation-v. On July 11, 2025, this was vacated by the E.D. Texas ruling in the Cornerstone Credit Union League lawsuit. https://storage.courtlistener.com/recap/gov.uscourts.txed.235173/gov.uscourts.txed.235173.52.0_1.pdf

- *Proposed Interpretive Rule: Electronic Fund Transfers Through Accounts Established Primarily for Personal, Family, or Household Purposes Using Emerging Payment Mechanisms* (January 2025). https://www.federalregister.gov/documents/2025/01/15/2025-00565/electronic-fund-transfers-through-accounts-established-primarily-for-personal-family-or-household

3. 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 October 1, 2023, through September 30, 2024, the CFPB received approximately 2,611,000 consumer complaints.[9] Consumers submitted approximately 98 percent of these complaints through the CFPB's website and 1 percent via telephone calls. Referrals from other state and federal agencies accounted for less than one percent of complaints.

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 below, credit or consumer reporting was the most complained about consumer financial product or service during the period, followed by debt collection.

[9] Complaint data in this report are current as of June 2, 2025. Percentages in this section of the report may not sum to 100 percent due to rounding. This analysis excludes multiple complaints submitted by a given consumer on the same issue and whistleblower tips. For more information on our complaint process refer to the Bureau's website at https://www.consumerfinance.gov/complaint/process.

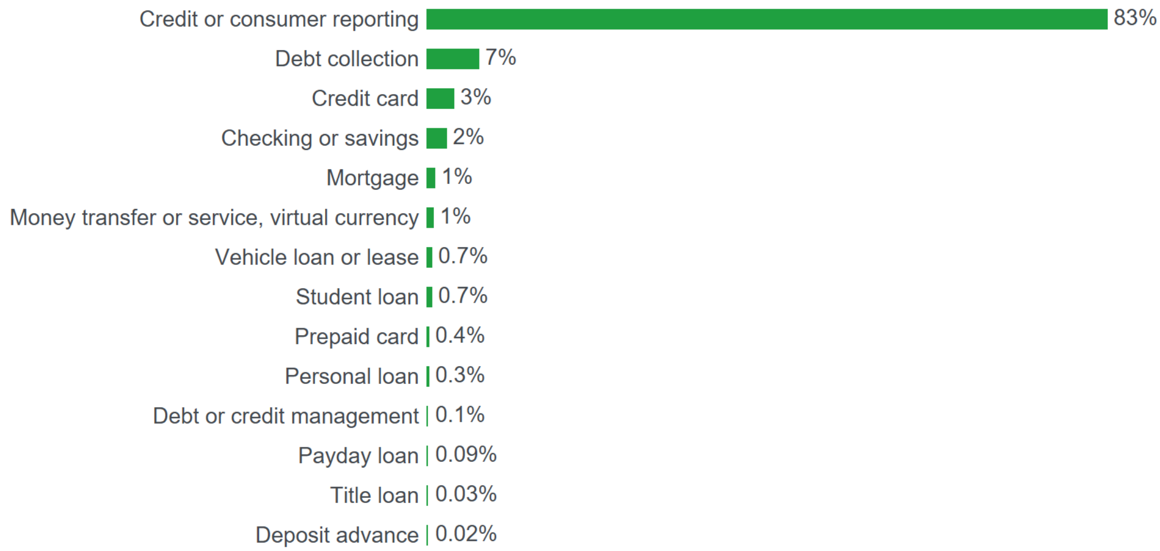

Figure 1: Complaint Volume by Financial Product or Service

The CFPB sent approximately 2,289,600 complaints received to companies for review and response.[10] Companies responded to approximately 99.4 percent of complaints that the CFPB sent to them for response during the period. 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 company's 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.

The CFPB's Office of Consumer Response analyzes consumer complaints, company responses, and consumer feedback to assess the accuracy, completeness, and timeliness of company responses. The Office of Consumer Response uses a variety of approaches to identify trends and possible consumer harm. Examples include:

[10] The CFPB referred 4 percent of the complaints it received to other regulatory agencies and found 8 percent to be not actionable. Complaints that are not actionable include incomplete submissions, withdrawn complaints, and complaints in which the CFPB discontinued processing because it had reason to believe that a submitter did not disclose its involvement in the complaint process. At the end of this period, 0.03 percent of complaints were pending with the consumer and 0.05 percent of complaints were pending with the CFPB.

- 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. For example, in May 2025, the CFPB also published the *Consumer Response Annual Report*, which is required by Section 1013(b)(3)(C) of the Dodd-Frank Act.[11] The CFPB also published complaint analyses in other mandatory and discretionary reports.

In addition to public reports, the CFPB makes complaint data available to the public in the Consumer Complaint Database (Database).[12] 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. Finally, the CFPB also shares consumer complaint information with prudential regulators, the Federal Trade Commission (FTC), other federal agencies, and state agencies.

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[11] *See* Consumer Fin. Prot. Bureau, *Consumer Response Annual Report* (May 2025), https://www.consumerfinance.gov/data-research/research-reports/2024-consumer-response-annual-report/.

[12] *See* Consumer Fin. Prot. Bureau, *Consumer Complaint Database*, https://www.consumerfinance.gov/data-research/consumer-complaints/.

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

The CFPB was a party in the following public enforcement actions from October 1, 2023, through September 30, 2024, which are listed in descending chronological order by filing date. Many of these enforcement actions during the tenure of then-Director Rohit Chopra constituted agency overreach and should never have been undertaken and represent weaponization of government against disfavored industries. Under the leadership of Acting Director Vought, the CFPB has terminated such consent orders and withdrew or dismissed multiple cases that should never have been brought.

- *Consumer Financial Protection Bureau v. Reliant Holdings, Inc., d/b/a Horizon Card Services, and Robert Kane* (W.D. Pa. No. 2:24-cv-01301) (not a credit union or depository institution). On September 13, 2024, the CFPB filed a lawsuit against Reliant Holdings, Inc. (Reliant), d/b/a Horizon Card Services and Robert Kane, its sole shareholder, owner, and chief executive officer, alleging that Reliant engaged in deceptive and abusive acts and practices in violation of the Consumer Financial Protection Act (CFPA). On April 23, 2025, the CFPB filed a notice voluntarily dismissing the action against the defendants with prejudice, which the court entered the same day.

- *In the Matter of TD Bank, N.A.* (2024-CFPB-0009). On September 11, 2024, the CFPB issued an order against TD Bank, N.A., a national bank headquartered in Cherry Hill, New Jersey. The CFPB found that over several years TD Bank repeatedly furnished to consumer reporting agencies information containing numerous systemic errors and that it knew of many of these inaccuracies for a year or more before fixing them. In addition, the CFPB found that, for years, TD Bank failed to conduct reasonable and timely investigations of consumer disputes, including sometimes by not conducting any investigation.

- *In the Matter of New Day Financial, LLC* (2024-CFPB-0008) (not a credit union or depository institution). On August 29, 2024, the CFPB issued an order against New Day Financial, LLC (NewDay USA), a nonbank direct mortgage lender headquartered in West Palm Beach, Florida, specializing in offering refinance mortgage loans guaranteed by the United States Department of Veterans Affairs. The CFPB found that NewDay USA engaged in deceptive acts and practices in violation of the CFPA.

- *In the Matter of Fay Servicing,* LLC (2024-CFPB-0007) (not a credit union or depository institution). On August 21, 2024, the CFPB issued an order against Fay Servicing, LLC, a residential mortgage servicer headquartered in Tampa, Florida. The order found that Fay Servicing violated an order previously issued by the CFPB in 2017, Regulation X, the Homeowners Protection Act, Regulation Z, and the CFPA. On July 1, 2025, pursuant to the Bureau's authority under 12 U.S.C. § 5563(b)(3), the Bureau terminated the order.

- *Consumer Financial Protection Bureau v. Acima Holdings, LLC, Acima Digital, LLC (f/k/a Acima Credit, LLC, d/b/a Acima Leasing), and Aaron* Allred (D. Utah No. 2:24-cv-00525) (not a credit union or depository institution). On July 26, 2024, the CFPB filed a lawsuit against Acima Holdings, LLC and Acima Digital, LLC (collectively, "Acima"), and Acima's founder and former CEO, Aaron Allred ("Allred"), alleging Acima violated the CFPA's prohibition against unfair, deceptive, and abusive acts and practices. On March 6, 2025, the CFPB filed a notice voluntarily dismissing the action with prejudice against all defendants. The dismissal was docketed on March 7, 2025.

- *In the Matter of Fifth Third Bank, N.A.* (2024-CFPB-0006). On July 9, 2024, the CFPB issued an order against Fifth Third Bank, N.A. (Fifth Third), a national bank that, among other things, offers and services motor vehicle loans to consumers directly and through a variety of vehicle dealers. The CFPB found that Fifth Third's placing duplicative and unnecessary force-placed insurance on motor vehicle loans; charging premiums for force-placed-insurance policies that had terminated; and failing to provide sufficient notice to consumers of increased monthly payments due to force-placed insurance was unfair in violation of the CFPA. The CFPB also found that Fifth Third made deceptive representations to borrowers about the time required to cancel force-placed-insurance policies and about the total amount due in right-to-cure letters, subjecting borrowers to delinquency-related fees.

- *In the Matter of Sutherland Global Services, Inc., Sutherland Mortgage Services, Inc., and Sutherland Government Solutions, Inc.* (2024-CFPB-0005) (not a credit union or depository institution). On June 18, 2024, the CFPB issued an order against Sutherland Global Services, Inc., Sutherland Mortgage Services, Inc., and Sutherland Government Solutions, Inc. (collectively, Sutherland). Sutherland ran a loan-servicing operation that serviced home equity conversion mortgages, or reverse mortgage loans, on behalf of the Department of Housing and Urban Development (HUD). The CFPB found that Sutherland sent borrowers repayment or "due and payable" letters that often falsely conveyed that their loans were in default and that the full amount of their loan was due. The CFPB also found that Sutherland failed to effectively service borrowers' reverse mortgages.

- *In the Matter of NOVAD Management Consulting, LLC* (2024-CFPB-0004) (not a credit union or depository institution). On June 18, 2024, the CFPB issued an order against NOVAD Management Consulting, LLC (NOVAD). NOVAD ran a loan-servicing operation that serviced home equity conversion mortgages, or reverse mortgage loans, on behalf of HUD. The CFPB found that NOVAD sent borrowers repayment or "due and payable" letters that often falsely conveyed that their loans were in default and that the full amount of their loan was due. The CFPB also found that NOVAD failed to effectively service borrowers' reverse mortgages.

- *Consumer Financial Protection Bureau v. Pennsylvania Higher Education Assistance Agency (PHEAA) dba American Education Services (AES)* (M.D. Pa. No. 1:24-cv-00896) (not a credit union or depository institution). On May 31, 2024, the CFPB filed a lawsuit against the Pennsylvania Higher Education Assistance Agency (PHEAA), a student loan servicer and guaranty agency headquartered in Harrisburg, Pennsylvania, alleging that PHEAA engaged in unfair, deceptive, and abusive acts or practices in violation of the CFPA. On February 27, 2025, the CFPB filed a notice of dismissal voluntarily dismissing the action against the defendant with prejudice, and the case was closed on March 4, 2025.

- *In the Matter of Western Benefits Group, LLC* (2024-CFPB-0003) (not a credit union or depository institution). On May 20, 2024, the CFPB issued an order against Western Benefits Group, LLC, a telemarketer and seller of student-loan debt-relief services, headquartered in Pleasanton, California. The CFPB found that Western Benefits Group violated the Telemarketing Sales Rule (TSR) by charging advance fees for student-loan debt-relief services. The CFPB also found that Western Benefits Group violated the CFPA and the TSR by using deceptive acts or practices in the marketing and sale of its services.

- *Consumer Financial Protection Bureau v. SoLo Funds, Inc.* (C.D. Cal. No. 2:24-cv-04108) (not a credit union or depository institution). On May 17, 2024, the CFPB filed a lawsuit against SoLo Funds, Inc. (SoLo), a fintech company that operates a nationwide website and mobile-application based peer-to-peer lending platform through which consumers can obtain small-dollar, short-term loans. The CFPB alleged that SoLo engaged in unfair, deceptive, and abusive acts or practices in violation of the CFPA and violated the Fair Credit Reporting Act (FCRA). On February 21, 2025, pursuant to a stipulated dismissal, the matter was voluntarily dismissed with prejudice.

- *In the Matter of Chime Financial, Inc.* (2024-CFPB-0002) (not a credit union or depository institution). On May 7, 2024, the CFPB issued an order against Chime Financial, Inc. (Chime), a financial-technology company that designed and services consumer banking accounts for two separate Federal Deposit Insurance Corporation (FDIC)-insured "partner banks." The CFPB found that Chime failed to refund consumers' balances within 14 days in thousands of instances, including thousands of instances when Chime failed to issue consumer refunds within 90 days.

- *Consumer Financial Protection Bureau v. Pennsylvania Higher Education Assistance Agency, The National Collegiate Master Student Loan Trust I, The NCSLT 2003-1, The NCSLT 2004-1, The NCSLT 2004-2, The NCSLT 2005-1, The NCSLT 20052, The NCSLT 2005-3, The NCSLT 2006-1, The NCSLT 2006-2, The NCSLT 2006-3, The NCSLT 2006-4, The NCSLT 2007-1, The NCSLT 20072, The NCSLT 2007-3, and The NCSLT 2007-4* (M.D. Pa. File No. 1:24-cv-00756) (not a credit union or depository institution). On May 6, 2024, the CFPB filed a complaint and two proposed stipulated final judgments to resolve the CFPB's claims against the National Collegiate Student Loan Trusts (the Trusts) and the Pennsylvania Higher Education Assistance Agency d/b/a American Education Services (PHEAA), respectively. PHEAA is a student loan servicer and has been the primary servicer for loans held by the Trusts since at least 2006. The CFPB alleged that the Trusts and PHEAA violated the CFPA's prohibition on unfair and deceptive acts and practices. Since the end of the reporting period, the district court entered the stipulated judgments, a third party appealed, PHEAA and the Trusts paid civil money penalties pursuant to the judgments, the parties agreed to jointly move the district court to modify the judgments, and the district court entered a modified judgment, which narrowed the prospective and injunctive provisions of the judgments, retaining only certain redress obligations related to borrower requests for Servicemembers Civil Relief Act protections.

- *In the Matter of BloomTech Inc., d/b/a Bloom Institute of Technology, BloomTech, f/k/a Lambda, Inc.; and Austen Allred* (2024-CFPB-0001) (not a credit union or depository institution). On April 17, 2024, the CFPB issued an order against BloomTech, Inc., a for-profit vocational school that is also known as the Bloom Institute of Technology and was formerly known as the Lambda School, and Austen Allred, the company's founder and CEO. The CFPB found that BloomTech and Allred violated the CFPA's prohibition of deceptive and abusive acts or practices. The CFPB also found that BloomTech violated the Truth in Lending Act (TILA) and its implementing regulation, Regulation Z; and that BloomTech violated the Holder Rule.

- *Consumer Financial Protection Bureau, New York, Colorado, Delaware, Illinois, Minnesota, North Carolina, and Wisconsin v. StratFS, LLC (f/k/a Strategic Financial Solutions, LLC), Strategic Client Support, LLC (f/k/a Pioneer Client Support, LLC), Strategic CS, LLC, Strategic FS Buffalo, LLC, Strategic NYC, LLC, BCF Capital, LLC, T Fin, LLC, Strategic Consulting, LLC, Versara Lending, LLC, Strategic Family, Inc., Anchor Client Services, LLC (now known as CS 1 PAAS Services, LLC), Bedrock Client Services, LLC, Boulder Client Services, LLC, Canyon Client Services, LLC, Carolina Client Services, LLC, Great Lakes Client Services, LLC, Guidestone Client Services, LLC, Harbor Client Services, LLC, Heartland Client Services, LLC, Monarch Client Services, LLC (now known as CS 2 PAAS Services, LLC), Newport Client Services, LLC, Northstar Client Services, LLC, Option 1 Client Services, LLC, Pioneer Client Servicing, LLC, Rockwell Client Services, LLC, Royal Client Services, LLC, Stonepoint Client*

Services, LLC, Summit Client Services, LLC (now known as CS 3 PAAS Services, LLC), Whitestone Client Services, LLC, Ryan Sasson, Jason Blust, Daniel Blumkin, Albert Ian Behar, Twist Financial, LLC, Duke Enterprises, LLC, Blaise Investments, LLC, and Unidentified John Does 1-50 (W.D.N.Y. No. 1:24-cv-00040) (not a credit union or depository institution). On January 10, 2024, the CFPB and seven state attorneys general – New York, Colorado, Delaware, Illinois, Minnesota, North Carolina, and Wisconsin – filed a complaint and sought a temporary restraining order and preliminary injunction against StratFS, LLC f/k/a Strategic Financial Solutions, LLC, as well as its holding company Strategic Family, Inc.; various of its subsidiaries; and as individuals: SFS Chief Executive Officer Ryan Sasson and Jason Blust. The complaint also named the following relief defendants: Daniel Blumkin; Albert Ian Behar; Strategic ESOP; Strategic ESOT, Twist Financial, LLC; Duke Enterprises, LLC; Blaise Investments, LLC; The Blust Family Irrevocable Trust through Donald J. Holmgren, Trustee; Jaclyn Blust; Lit Def Strategies, LLC; and Relialit, LLC. SFS is a debt-relief company with offices in Buffalo and Manhattan, New York. The CFPB alleged that since at least January 2016, SFS and the individual defendants have operated a debt-relief scheme that collects illegal advance fees from vulnerable consumers through a web of interrelated companies they have created, including law firms, that serve as a facade for SFS's debt-relief operation.

- *Consumer Financial Protection Bureau and United States of America v. Colony Ridge Development, LLC; Colony Ridge BV, LLC; Colony Ridge Land, LLC; and Loan Originator Services, LLC* (S.D. Tex. No. 4:23-cv-04729) (not a credit union or depository institution). On December 20, 2023, the CFPB, together with the United States Department of Justice (DOJ), filed a complaint against land development companies Colony Ridge Development, LLC and Colony Ridge BV, LLC, affiliate mortgage company Colony Ridge Land, LLC (collectively, the Colony Ridge defendants), and loan origination company Loan Originator Services, LLC (LOS). The CFPB and DOJ alleged that defendants violated the Equal Credit Opportunity Act (ECOA) by targeting Hispanic consumers with a predatory loan product. The CFPB separately alleged that the Colony Ridge defendants violated the CFPA; that Colony Ridge Development and Colony Ridge BV violated the Interstate Land Sales Full Disclosure Act (ILSA); and that the defendants violated the CFPA by virtue of their violations of ECOA and ILSA, respectively. DOJ further alleged defendants' conduct violated the Fair Housing Act (FHA).

- *In the Matter of U.S. Bank National Association* (2023-CFPB-0019). On December 19, 2023, the CFPB issued an order against U.S. Bank in connection with its administration of prepaid debit cards that held unemployment insurance benefits, alleging that U.S. Bank engaged in unfair acts or practices in violation of the CFPA. On September 22, 2025, pursuant to the CFPB's authority under 12 U.S.C. § 5563(b)(3) and under Paragraph 92 of the order, the CFPB terminated the order and waived any alleged non-compliance therewith.

- *In the Matter of Commonwealth Financial Systems, Inc.* (2023-CFPB-0018) (not a credit union or depository institution). On December 15, 2023, the CFPB issued an order against Commonwealth Financial Systems, Inc. (Commonwealth), a Pennsylvania-based third-party debt collection company that collects past-due medical debts and furnishes information about consumers to CRAs. The CFPB found that Commonwealth violated FCRA and its implementing Regulation V. The CFPB also found that Commonwealth violated the Fair Debt Collection Practices Act (FDCPA).

- *In the Matter of Atlantic Union Bank* (2023-CFPB-0017). On December 7, 2023, the CFPB issued an order against Atlantic Union Bank, a regional bank headquartered in Richmond, Virginia. The CFPB found that the bank violated Regulation E because, as part of its in-branch, checking account-opening process, its employees requested that new customers orally provide their enrollment decision before providing them with an adequate written notice describing the overdraft service. The CFPB also found that Atlantic Union Bank engaged in unlawful deception in violation of the CFPA, and the Bank's actions with respect to consumers who called and opted in by phone also violated Regulation E.

- *In the Matter of Bank of America, N.A.* (2023-CFPB-0016). On November 28, 2023, the CFPB issued an order against Bank of America, N.A., which is a national bank headquartered in Charlotte, North Carolina with branches and ATMs located in 38 states and the District of Columbia. The CFPB found that Bank of America violated the Home Mortgage Disclosure Act (HMDA) and Regulation C. On June 5, 2025, pursuant to the Bureau's authority under 12 U.S.C. § 5563(b)(3) and under Paragraph 72 of the order, the CFPB terminated the order.

- *In the Matter of Toyota Motor Credit Corporation* (2023-CFPB-0015) (not a credit union or depository institution). On November 20, 2023, the CFPB issued an order against Toyota Motor Credit Corporation (Toyota Motor Credit), which is the United States-based auto-financing arm of Toyota Motor Corporation and one of the largest indirect auto lenders in the country. The CFPB found that Toyota Motor Credit engaged in unfair and abusive acts and practices in violation of the CFPA and violated FCRA. Pursuant to its authority under 12 U.S.C. § 5563(b)(3), on May 12, 2025, the CFPB terminated this consent order and waived any alleged non-compliance therewith.

- *In the Matter of Enova International, Inc.* (2023-CFPB-0014) (not a credit union or depository institution). On November 15, 2023, the CFPB issued an order against Enova International, Inc., a publicly traded online small-dollar lender, headquartered in Chicago, Illinois, that markets, provides, and services loans under the brand names CashNetUSA (CNU) and NetCredit. The CFPB found that Enova violated the CFPA's prohibition on unfair acts and practices. On September 2, 2025, pursuant to the Bureau's authority under 12 U.S.C. § 5563(b)(3) and under Paragraph 120 of the order, the Bureau terminated the order.

- *In the Matter of Citibank, N.A.* (2023-CFPB-0013). On November 8, 2023, the CFPB issued an order against Citibank, N.A., which is a national bank headquartered in New York City, New York. The CFPB found that Citibank violated ECOA and its implementing Regulation B. On October 16, 2025, pursuant to the CFPB's authority under 12 U.S.C. § 5563(b)(3) and under Paragraph 74 of the order, the CFPB terminated the order and waived any alleged non-compliance therewith.

- *In the Matter of Chime, Inc. d/b/a Sendwave* (2023-CFPB-0012) (not a credit union or depository institution). On October 17, 2023, the CFPB issued an order against Chime, Inc. doing business as Sendwave, a nonbank remittance transfer provider headquartered in Boston, Massachusetts. The CFPB found that Sendwave violated the CFPA's prohibition on deceptive acts and practices by misrepresenting to consumers the speed and cost of its remittance transfers. The CFPB also found that Sendwave violated Electronic Fund Transfer Act (EFTA) and its implementing Regulation E, including Subpart B, known as the Remittance Transfer Rule.

- *Federal Trade Commission, and Consumer Financial Protection Bureau v. TransUnion Rental Screening Solutions, Inc. and Trans Union LLC* (D. Colo. No. 1:23-cv-02659) (not a credit union or depository institution). On October 12, 2023, the CFPB and the Federal Trade Commission (FTC) filed a joint complaint and stipulated order against TransUnion Rental Screening Solutions, Inc., a Delaware corporation with its principal place of business in Greenwood Village, Colorado, and its parent company, Trans Union LLC, a Delaware company with its principal place of business in Chicago, Illinois (collectively, TransUnion Rental Screening). The complaint alleged that TransUnion Rental Screening violated FCRA.

- *In the Matter of TransUnion, Trans Union LLC, and TransUnion Interactive, Inc.* (2023-CFPB-0011) (not a credit union or depository institution). On October 12, 2023, the CFPB issued an order against TransUnion and two of its subsidiaries, TransUnion LLC, and TransUnion Interactive, Inc. (collectively, TransUnion), which are headquartered in Chicago, Illinois. TransUnion LLC is one of the three nationwide consumer reporting agencies. The CFPB found that TransUnion, from as early as 2003, failed to timely place or remove security freezes and locks on the credit reports of tens of thousands of consumers who requested them. The CFPB found that TransUnion's failure to place or remove security freezes in a timely manner violated FCRA, and TransUnion's failure to place or remove both security freezes and locks in a timely manner was unfair in violation of the CFPA. Further, the CFPB found that TransUnion engaged in deceptive acts and practices.

- *Consumer Financial Protection Bureau v. Freedom Mortgage Corporation* (S.D. Fla. No. 9:23-cv-81373) (not a credit union or depository institution). On October 10, 2023, the CFPB filed a lawsuit against Freedom Mortgage Corporation (Freedom), a residential mortgage loan originator and servicer headquartered in Boca Raton, Florida. In 2020, Freedom reported HMDA data on over 700,000 loans and applications and originated nearly 400,000 HMDA-reportable loans. In 2019, the CFPB issued an order against Freedom finding that it intentionally misreported certain HMDA data fields from at least 2014 to 2017 (2019 Order). The CFPB's 2023 complaint alleged that the mortgage loan data for 2020 that Freedom submitted pursuant to HMDA contained widespread errors across multiple data fields, in violation of HMDA and its implementing Regulation C.

- *Consumer Financial Protection Bureau v. Heights Finance Holding Co. f/k/a Southern Management Corporation; Covington Credit of Alabama, Inc.; Southern Finance of Tennessee, Inc.; Covington Credit of Georgia, Inc.; Southern Finance of South Carolina, Inc.; Covington Credit of Texas, Inc.; Covington Credit, Inc.; and Quick Credit Corporatio*n (D.S.C. No. 6:23-cv-04177). On August 22, 2023, the CFPB filed a lawsuit against Heights Finance Holding Co. f/k/a Southern Management Corporation as well as its wholly owned, state-licensed subsidiaries: Covington Credit of Alabama, Inc.; Southern Finance of Tennessee, Inc.; Covington Credit of Georgia, Inc.; Southern Finance of South Carolina, Inc.; Covington Credit of Texas, Inc.; Covington Credit, Inc.; and Quick Credit Corporation (collectively Southern). The CFPB alleged that Southern violated the CFPA's prohibition on deceptive and abusive acts and practices. On February 27, 2025, pursuant to a joint stipulated dismissal, the matter was voluntarily dismissed against all defendants with prejudice, and the case was closed.

- *Consumer Financial Protection Bureau v. USASF Servicing, LLC* (N.D. Ga. No. 1:23-cv-03433). On August 2, 2023, the CFPB filed a lawsuit against USASF Servicing, LLC, an auto-loan servicer headquartered in Lawrenceville, Georgia. The CFPB alleged that USASF engaged in unfair acts and practices in violation of the CFPA.

- *Consumer Financial Protection Bureau v. Snap Finance LLC, Snap RTO LLC, Snap Second Look LLC, Snap U.S. Holdings LLC, Snap Finance Holdings LLC* (D. Utah No. 2:23-cv-00462). On July 19, 2023, the CFPB filed a lawsuit against Snap Finance LLC, Snap RTO LLC, Snap Second Look LLC, Snap U.S. Holdings LLC, and Snap Finance Holdings LLC (collectively, Snap), a group of interrelated companies headquartered in

West Valley, Utah. The CFPB alleged that Snap violated the CFPA's prohibition on unfair acts and practices, the TILA, EFTA, and FCRA. On May 27, 2025, the CFPB filed a notice voluntarily dismissing the action against all defendants with prejudice, which the court docketed, and terminated the case.

- *State of Washington; State of Oregon; California Department of Financial Protection and Innovation; State of Delaware; State of Minnesota; State of Illinois; State of South Carolina; State of North Carolina ex rel. Attorney General Joshua H. Stein; Commonwealth of Massachusetts; Commonwealth of Virginia; State of Wisconsin; and Consumer Financial Protection Bureau v. Prehired, LLC, Prehired Recruiting, LLC, and Prehired Accelerator, LLC* (Bankr. Del. No. 22-11007). On July 13, 2023, the CFPB and several state partners filed a complaint in an adversary proceeding against Prehired, LLC, Prehired Recruiting, LLC, and Prehired Accelerator, LLC. Prehired has its principal place of business in Delaware and, prior to filing bankruptcy, operated a private, for-profit vocational training program for software sales representatives. The complaint alleged that Prehired deceptively represented that its income share loans were not loans; deceptively represented that consumers would pay nothing until they had a job making at least $60,000 a year; and failed to disclose key financing terms required by TILA and Regulation Z. The complaint also alleged that Prehired Recruiting engaged in unfair acts and practices. The complaint further alleged that Prehired Recruiting and Prehired Accelerator violated the FDCPA and the CFPA.

- *Consumer Financial Protection Bureau v. James R. Carnes; Melissa C. Carnes; James R. Carnes, as Co-Trustee of the James R. Carnes Revocable Trust dated February 10, 2010; Melissa C. Carnes, as Co-Trustee of the James R. Carnes Revocable Trust dated February 10, 2010; James R. Carnes, as Co-Trustee of the Melissa C. Carnes Revocable Trust dated February 10, 2010; and Melissa C. Carnes, as Co-Trustee of the Melissa C. Carnes Revocable Trust dated February 10, 2010* (D. Kan. No. 2:23-cv-02151). On April 5, 2023, the CFPB filed a lawsuit against James R. Carnes and his wife, Melissa C. Carnes, both individually and in their roles as co-trustees of two trusts. The CFPB's complaint alleged that James Carnes engaged in multiple fraudulent transactions in violation of the FDCPA to remove assets and conceal them from the CFPB.

- *Consumer Financial Protection Bureau and the People of the State of New York, by Letitia James, the Attorney General of the State of New York v. Credit Acceptance Corporation (S.D.N.Y. No. 1:23-cv-00038).* On January 4, 2023, the CFPB and New York Attorney General Letitia James filed a joint lawsuit against Credit Acceptance Corporation, an indirect auto lender that funds and services car loans for subprime and deep-subprime consumers. The joint complaint alleged that Credit Acceptance violated the CFPA's prohibition on deceptive and abusive acts and practices. On April 24, 2025, the CFPB filed a motion to withdraw as plaintiff in the case, which the court granted on April 29, 2025.

- *Consumer Financial Protection Bureau v. ACTIVE Network, LLC (E.D. Tex. No. 4:22-cv-00898).* On October 18, 2022, the CFPB filed a lawsuit against ACTIVE Network, LLC, a payment processor owned by Global Payments, Inc., with its headquarters in Plano, Texas, alleging that ACTIVE engaged in deceptive and abusive acts and practices in violation of the CFPA. On April 30, 2025, the parties filed a joint stipulation voluntarily dismissing the matter against ACTIVE with prejudice. The court administratively closed the case on May 5, 2025.

- *Consumer Financial Protection Bureau v. MoneyLion Technologies Inc.; ML Plus, LLC; MoneyLion of Alabama LLC; MoneyLion of Arizona LLC; MoneyLion of California LLC; MoneyLion of Colorado LLC; MoneyLion of Connecticut LLC; MoneyLion of Delaware LLC; MoneyLion of Florida LLC; MoneyLion of Georgia LLC; MoneyLion of Idaho LLC; MoneyLion of Illinois LLC; MoneyLion of Indiana LLC; MoneyLion of Kansas LLC; MoneyLion of Kentucky LLC; MoneyLion of Louisiana LLC; MoneyLion of Maryland LLC; MoneyLion of Michigan LLC; MoneyLion of Minnesota LLC; MoneyLion of Mississippi LLC; MoneyLion of Missouri LLC; MoneyLion of Nevada LLC; MoneyLion of New Jersey LLC; MoneyLion of New Mexico LLC; MoneyLion of New York LLC; MoneyLion of North Carolina LLC; MoneyLion of North Dakota LLC; MoneyLion of Ohio LLC; MoneyLion of Oklahoma LLC; MoneyLion of Oregon LLC; MoneyLion of South Carolina LLC; MoneyLion of South Dakota LLC; MoneyLion of Tennessee LLC; MoneyLion of Texas LLC; MoneyLion of Utah LLC; MoneyLion of Virginia LLC; MoneyLion of Washington LLC; MoneyLion of Wisconsin LLC; and MoneyLion of Wyoming LLC* (S.D.N.Y. No. 1:22-cv-08308). On September 29, 2022, the CFPB filed a lawsuit against MoneyLion Technologies Inc. (MoneyLion), ML Plus, LLC, and 37 MoneyLion lending subsidiaries. The Military Lending Act (MLA) contains a number of protections for active duty servicemembers and their dependents, defined as "covered borrowers." The CFPB alleged that MoneyLion and its lending subsidiaries violated the MLA. The CFPB also alleged that MoneyLion, its lending subsidiaries, and ML Plus engaged in deceptive acts or practices in violation of the CFPA. The CFPB further alleged that MoneyLion and ML Plus engaged in unfair, deceptive, and abusive acts and practices. On November 21, 2025, the CFPB and all defendants jointly filed a proposed stipulated final judgment and order to resolve the CFPB's claims, which the court entered on November 24, 2025. The stipulated final judgment and order, among other things, requires the defendants to pay $1.75 million in consumer redress.

- *Consumer Financial Protection Bureau v. Populus Financial Group, Inc., d/b/a ACE Cash Express, Inc.* (N.D. Tex. No. 3:22-cv-01494). On July 12, 2022, the CFPB filed a lawsuit against Populus Financial Group, Inc., which does business as ACE Cash Express, Inc. (ACE), alleging that ACE engaged in unfair, abusive, and deceptive acts or practices in violation of the CFPA. On April 30, 2025, the CFPB voluntarily dismissed the action against the defendants with prejudice, and the court administratively closed the case.

- *Consumer Financial Protection Bureau and the People of the State of New York by Letitia James, Attorney General for the State of New York v. MoneyGram International, Inc. and MoneyGram Payment Systems, Inc.* (S.D.N.Y. 1:22-cv-03256). On April 21, 2022, the CFPB filed a lawsuit jointly with the Attorney General of New York against MoneyGram International, Inc. and MoneyGram Payment Systems, Inc. (collectively, MoneyGram), nonbank remittance transfer providers. The CFPB alleged that MoneyGram violated the Remittance Transfer Rule and Regulation E. On April 7, 2025, the CFPB filed a consent motion to withdraw as a plaintiff, which the court granted on April 8, 2025.

- *Consumer Financial Protection Bureau v. TransUnion, TransUnion, LLC, TransUnion Interactive, Inc., and John T. Danaher* (N.D. Ill. No. 1:22-cv-01880). On April 12, 2022, the CFPB filed a lawsuit against TransUnion, parent company of one of the three nationwide consumer reporting agencies, and two of its subsidiaries, TransUnion, LLC, and TransUnion Interactive, Inc. (collectively, the TransUnion Companies), which are headquartered in Chicago, Illinois, as well as former executive John Danaher. The CFPB alleged that the TransUnion Companies engaged in deceptive acts and practices in violation of the CFPA. On February 28, 2025, pursuant to a stipulated dismissal, the matter was voluntarily dismissed against all defendants with prejudice. The dismissal was docketed on March 21, 2025.

- *Consumer Financial Protection Bureau v. Craig Manseth, Jacob Adamo, Darren Turco, United Debt Holding LLC, JTM Capital Management, LLC, UHG, LLC, UHG I LLC (also known as United Holding Group), and UHG II LLC (collectively holding themselves out as United Holding Group, United Holding Group, LLC, and United Holdings Group, LLC)* (W.D.N.Y. 1:22-cv-29). On January 10, 2022, the CFPB filed a lawsuit against several individual debt collectors and buyers, and their companies. As set forth in the February 23, 2022 amended complaint, the CFPB alleged that the defendants, located in Colorado and New York, purchased defaulted consumer debt worth tens of millions of dollars and then collected on those debts using third-party agents who engaged in illegal debt-collection tactics, in violation of the CFPA and the FDCPA.

- *Consumer Financial Protection Bureau v. FirstCash, Inc., and Cash America West, Inc.* (N.D. Tex. 4:21-cv-01251). On November 12, 2021, the CFPB filed a lawsuit against FirstCash, Inc. and Cash America West, Inc. On June 21, 2022, the CFPB filed an amended complaint to add defendants FCFS AL, Inc., Cash America East, Inc., Cash America Inc. of Alaska, Georgia Cash America, Inc., FCFS IN, Inc., FCFS TN, Inc., FCFS OH, Inc., FCFS KY, Inc., Cash America, Inc. of Louisiana, FCFS MO, Inc., Cash America of Missouri, Inc., Cash America, Inc. of North Carolina, FCFS NC, Inc., FCFS OK, Inc., FCFS SC, Inc., Pawn TX, Inc., Cash America Pawn L.P., and Cash America Advance, Inc. (with Cash America West, referred to as the FirstCash Subsidiaries). The CFPB alleged that FirstCash and the FirstCash Subsidiaries made pawn loans to active duty servicemembers and their dependents that violated the MLA. On July 11, 2025, the CFPB and all defendants jointly filed a proposed stipulated final judgment and order to resolve the CFPB's claims, which the court entered the same day. The order requires defendants to fully redress all affected consumers, pay a civil money penalty of $4,000,000 to the CFPB, and comply with the MLA and either offer an MLA-compliant loan product to servicemembers and their families or comply with a regulatory safe harbor meant to screen for MLA-protected borrowers.

- *Consumer Financial Protection Bureau v. Daniel A. Rosen, Inc., d/b/a Credit Repair Cloud, and Daniel Rosen* (C.D. Cal. 2:21-cv-07492). On September 20, 2021, the CFPB filed a lawsuit against Credit Repair Cloud – a Los Angeles, California, company that since at least 2013 has provided an "all-in-one solution" for people to start their own credit-repair businesses – and its owner and CEO, Daniel Rosen. The CFPB alleged that Credit Repair Cloud and Daniel Rosen violated the TSR by providing substantial assistance to credit repair businesses that violated the TSR's advance-fee prohibition. The CFPB further alleged that Mr. Rosen and Credit Repair Cloud knew or consciously avoided knowing that these credit repair businesses were telemarketing their services and charging consumers unlawful advance fees. The CFPB also alleged that by violating the TSR, Credit Repair Cloud and Daniel Rosen violated the CFPA.

- *Consumer Financial Protection Bureau and the People of the State of New York, by Letitia James, Attorney General for the State of New York v. Douglas MacKinnon, Amy MacKinnon, Mary-Kate MacKinnon, and Matthew MacKinnon* (W.D.N.Y. 1:21-cv-00537). On April 22, 2021, the CFPB filed a lawsuit jointly with the Attorney General of New York against Douglas MacKinnon, who operated a debt-collection enterprise, and Amy MacKinnon, Mary-Kate MacKinnon, and Matthew MacKinnon, relatives of Douglas MacKinnon. The complaint alleged that defendants fraudulently conveyed a house with the intent to hinder collection efforts by creditors, including the CFPB and the State of

New York, in violation of the Federal Debt Collection Procedures Act of 1990 and New York state law.

- *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 CFPB 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 CFPB also named as a relief defendant FNZA Marketing, LLC (FNZA), a California company nominally owned by Noh and controlled by Gilani. The CFPB alleged that Student Loan Pro conducted a student-loan debt-relief business from 2015 through 2019 that violated the TSR.

- *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 CFPB 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 CFPB alleged that Libre and its owners operated a scheme through which Libre offers to pay 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' bonds, creating a debt that must be repaid to Libre through an upfront fee and subsequent monthly payments. The CFPB further alleged 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.

- *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 CFPB 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 CFPB's complaint, which was amended on April 1, 2021, alleged that 1st Alliance violated TILA, FCRA, ECOA, and the Mortgage Acts and Practices Advertising Rule (MAP Rule) and that 1st Alliance, DiIorio, St. Lawrence, and Aramburu engaged in unfair and deceptive practices under the CFPA. On February 28, 2025, pursuant to a stipulated dismissal, which was docketed the same day, the court voluntarily dismissed the matter against all defendants with prejudice.

- *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 CFPB 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 CFPB alleged that FDATR, Tucci, and Halverson violated the TSR as well as the CFPA.

- *Bureau of Consumer Financial Protection v. Townstone Financial, Inc. and Barry Sturner* (N.D. Ill. 1:20-cv-04176). On July 15, 2020, the CFPB filed a lawsuit against Townstone Financial, Inc., a nonbank retail-mortgage creditor and broker based in Chicago. The CFPB alleged that Townstone violated ECOA; its implementing regulation, Regulation B; and the CFPA. On March 26, 2025, the CFPB filed a joint Rule 60(b)(6) Motion for Relief from and Vacatur of the Stipulated Final Judgment and Order, on the grounds that the Bureau discovered within its internal case files indications that the Bureau commenced and continued its investigation and litigation without a substantial predicate of actionable facts and targeted co-defendants Townstone and Townstone President and CEO, Barry Sturner, based on constitutionally protected speech. The court denied the CFPB's motion to vacate on June 12, 2025.

- *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 CFPB and Commonwealth of Massachusetts Attorney General 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. As alleged in the amended complaint filed on September 16, 2020, Key Credit Repair marketed and sold credit-repair services, including through telemarketing, to consumers nationwide since 2008. The amended complaint alleged that defendants charged consumers fees for purported credit-repair services before achieving any durable results in violation of the TSR and, concomitantly, the CFPA. On December 17, 2025, the parties filed a proposed stipulated final judgment and order as to relief, which the court entered on December 18, 2025. It bans defendants from engaging in credit-repair and debt-relief services for 25 years; requires defendants to pay $20,000 in partial satisfaction of a redress judgment, which includes $36,229,618 for fees charged to consumers since 2013, that is suspended based on defendants' limited ability to pay; and requires defendants to pay a $1 civil money penalty, which enables the Bureau to access the civil penalty fund for purposes of redressing harmed consumers.

- *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 CFPB filed a lawsuit against Fifth Third Bank, National Association (Fifth Third). The CFPB alleged that Fifth Third engaged in unfair and abusive acts or practices in violation of the CFPA and violated FCRA, TILA, the Truth in Savings Act (TISA), and their implementing regulations.

- *Bureau of Consumer Financial Protection, et al. v. Consumer Advocacy Center Inc., d/b/a Premier Student Loan Center, et al.* (C.D. Cal. 8:19-cv-01998). On October 21, 2019, the CFPB and states of Minnesota, North Carolina, and California filed a complaint against related debt-relief companies Premier, True Count, and Prime, and associated individuals. The CFPB alleged the companies operate as a common enterprise, have engaged in deceptive practices, and charged unlawful advance fees in connection with the marketing and sale of student loan debt relief services. The CFPB also alleged the individuals substantially assisted the student loan debt relief companies.

- *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 CFPB filed a complaint and proposed consent judgment against several National Collegiate Student Loan Trusts (collectively, "NCSLT"), alleging that NCSLT engaged in deceptive and unfair acts and practices in violation of the CFPA. On April 25, 2025, the parties filed a joint stipulation voluntarily dismissing the action against all defendants with prejudice.

- *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 CFPB filed a complaint against Navient Corporation and its subsidiaries, Navient Solutions, Inc., and Pioneer Credit Recovery, Inc. The CFPB alleged 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 CFPB also alleged 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.

- *Consumer Financial Protection Bureau v. Nationwide Biweekly Administration, Inc., et al.* (N.D. Cal. No. 3:15-cv-2106). On May 11, 2015, the CFPB filed a complaint against Nationwide Biweekly Administration, Inc., Loan Payment Administration LLC, and Daniel S. Lipsky, alleging that they engaged in abusive and deceptive acts and practices in violation of the CFPA and the TSR.

- *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 CFPB 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 CFPB brought suit alleging that the defendants violated Regulation O, formerly known as the Mortgage Assistance Relief Services Rule.

- *Consumer Financial Protection Bureau v. CashCall, Inc.; WS Funding, LLC; Delbert Services Corporation; and J. Paul Reddam* (D. Mass. No. 1:13-cv-13167), transferred to (C.D. Cal. No. 2:15-cv-07522). On December 16, 2013, the CFPB filed a complaint against online lender CashCall Inc.; its owner J. Paul Reddam; WS Funding, LLC, a subsidiary; and Delbert Services Corporation, an affiliate. The CFPB's amended complaint, filed on March 21, 2014, alleged that the defendants violated the CFPA's prohibition against unfair, deceptive, and abusive acts and practices.

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

All public enforcement actions are listed in Section 4 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. The CFPB's Supervisory Highlights publications provide information about the CFPB's supervisory activities at banks and nonbanks without identifying specific companies. The CFPB published three issues of Supervisory Highlights during the reporting period.[13]

[13] "Supervisory Highlights, consumer reporting companies and furnishers, Issue 32 (Spring 2024)" cfpb_supervisory-highlights_issue-32_2024-04.pdf; "Supervisory Highlights, Mortgage Servicing Edition, Issue 33 (Spring 2024)" cfpb_supervisory-highlights_issue-33_2024-04.pdf; "Supervisory Highlights: Servicing and Collection of Consumer Debt, Issue 34, (Summer 2024)" cfpb_supervisory-highlights_issue-34_2024-07.pdf.

6. Assessment of significant actions by State attorneys general or State regulators relating to federal consumer financial law

For purposes of the Section 1016(c)(7) reporting requirement, the CFPB has determined that any actions asserting claims pursuant to Section 1042 of the Dodd-Frank Act are "significant."

The CFPB has been apprised of the following developments in pending state attorney general and regulatory actions asserting claims under the Dodd-Frank Act during the reporting period.

- *State of Minnesota, by its Attorney General, Keith Ellison, vs. Chadwick Banken, Slow Flip, LLC, Banken Holdings, LLC, BCC Holdings, LLC, Flip Funding, LLC, Slow Jewels, LLC, and Front Flip Funding, LLC.* On May 14, 2024, the Minnesota Attorney General filed a lawsuit against realtor Chadwick Banken and a variety of businesses he owns, alleging that they sold houses via illegal contracts for deed, used deceptive trade practices to market their contracts for deed, and discriminated by offering unfair terms to Muslim purchasers. The attorney general alleged that these practices violated the Truth in Lending Act (TILA)'s disclosure requirements, the Consumer Financial Protection Act of 2010 (CFPA)'s prohibitions against unfair, abusive, and deceptive practices, and Minnesota's consumer protection and human rights statutes.

- *Consumer Financial Protection Bureau, New York, Colorado, Delaware, Illinois, Minnesota, North Carolina, and Wisconsin v. StratFS, LLC (f/k/a Strategic Financial Solutions, LLC), Strategic Client Support, LLC (f/k/a Pioneer Client Support, LLC), Strategic CS, LLC, Strategic FS Buffalo, LLC, Strategic NYC, LLC, BCF Capital, LLC, T Fin, LLC, Strategic Consulting, LLC, Versara Lending, LLC, Strategic Family, Inc., Anchor Client Services, LLC (now known as CS 1 PAAS Services, LLC), Bedrock Client Services, LLC, Boulder Client Services, LLC, Canyon Client Services, LLC, Carolina Client Services, LLC, Great Lakes Client Services, LLC, Guidestone Client Services, LLC, Harbor Client Services, LLC, Heartland Client Services, LLC, Monarch Client Services, LLC (now known as CS 2 PAAS Services, LLC), Newport Client Services, LLC, Northstar Client Services, LLC, Option 1 Client Services, LLC, Pioneer Client Servicing, LLC, Rockwell Client Services, LLC, Royal Client Services, LLC, Stonepoint Client Services, LLC, Summit Client Services, LLC (now known as CS 3 PAAS Services, LLC), Whitestone Client Services, LLC, Ryan Sasson, Jason Blust, and Unidentified John Does 1-50* (W.D.N.Y. No. 1:24-cv-00040) (not a credit union or depository institution). On January 10, 2024, the CFPB and seven state attorneys general – New York, Colorado, Delaware, Illinois, Minnesota, North Carolina, and Wisconsin – filed a complaint and sought a temporary restraining order and preliminary injunction against StratFS, LLC f/k/a Strategic Financial Solutions, LLC, as well as its holding company Strategic Family, Inc.; various of its subsidiaries; and as individuals: SFS Chief Executive Officer Ryan Sasson and Jason Blust. The complaint also named the following relief defendants: Daniel Blumkin; Albert Ian Behar; Strategic ESOP; Strategic ESOT, Twist Financial, LLC; Duke Enterprises, LLC; Blaise Investments, LLC; The Blust Family Irrevocable Trust through Donald J. Holmgren, Trustee; Jaclyn Blust; Lit Def Strategies, LLC; and Relialit, LLC. *See supra* Section 4 for a full description.

- *State of Texas, v. Colony Ridge, Inc.; Colony Ridge Development, LLC; Colony Ridge BV, LLC; Colony Ridge Land, LLC; T-Rex Management, Inc.; John Harris; and Houston El Norte Property Owners' Association, Inc.* On March 14, 2024, the Texas Attorney General filed suit against defendants for allegedly targeting foreign born and Hispanic consumers with limited or no access to credit with promises of cheap, ready to build land and financing without proof of income. The Attorney General alleged that defendants misrepresented conditions that buyers would experience on the property and then churned purchasers through a foreclosure mill. Texas alleged that defendants violated the CFPA's prohibition against deceptive practices, the Interstate Land Sales Act, and state deceptive sales practice laws. As of the end of the reporting period, the case remains pending.

- *State of Minnesota, by its Attorney General Keith Ellison, v. Evan Azure, in his official capacity as CEO of Island Mountain Development Group, and Geno Levaldo, in his official capacity as Chairman of Island Mountain Development Group.* On October 30, 2023, the Minnesota Attorney General sued individuals that control online lenders Bright Lending, Green Trust Cash, and Target Cash Now. The complaint alleged that defendants engaged in unfair, deceptive, and abusive practices in violation of 12 U.S.C. 5536 related to the marketing, origination, and collection of loans with interest rates in excess of Minnesota's usury laws. On February 22, 2024, the attorney general filed a settlement pursuant to which defendants agreed to stop offering illegal loans and collecting on interest in excess of Minnesota's usury caps.

- *Consumer Financial Protection Bureau and the People of the State of New York, by Letitia James, the Attorney General of the State of New York v. Credit Acceptance Corporation* (S.D.N.Y. No. 1:23-cv-00038). On January 4, 2023, the CFPB and New York Attorney General Letitia James filed a joint lawsuit against Credit Acceptance Corporation, an indirect auto lender that funds and services car loans for subprime and deep-subprime consumers. *See supra* Section 4 for a full description.

- *State of Tennessee ex rel. Jonathan Skrmetti, et al. vs. Ideal Horizon Benefits, LLC d/b/a Solar Titan USA, LLC, Craig Kelley, Richard Atnip, and Sarah Kirkland, and Solar Mosaic, LLC, Defendants, and Solar Titan Charters, LLC d/b/a Titan Charters* (E.D. Tenn. 3:23-cv-46). On February 6, 2023, the attorneys general of Tennessee and Kentucky filed suit against Solar Titan, its principals and Solar Mosaic, the company that provided financing to consumers for the purchase and installation of solar systems. The states alleged that defendants made numerous misrepresentations in connection with the sale and financing of solar systems and that these practices violated the CFPA's prohibitions against unfair, abusive, and deceptive practices, as well as the states' own consumer protection statutes. The attorneys general have also alleged that defendants' have violated TILA's disclosure and rescission requirements. As of the end of the reporting period, the case remains pending.

- *Consumer Financial Protection Bureau and the People of the State of New York by Letitia James, Attorney General for the State of New York v. MoneyGram International, Inc. and MoneyGram Payment Systems, Inc.* (S.D.N.Y. 1:22-cv-03256). On April 21, 2022, the CFPB filed a lawsuit jointly with the Attorney General of New York against MoneyGram International, Inc. and MoneyGram Payment Systems, Inc., nonbank remittance transfer providers. *See supra* Section 4 for a full description.

- *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 CFPB 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. *See supra* Section 4 for a full description.

- *Commonwealth of Pennsylvania, by Attorney General Josh Shapiro; District of Columbia, through the Office of the Attorney General; Matthew J. Platkin, Acting Attorney General of the State of New Jersey; State of Oregon, ex rel. Ellen F. Rosenblum, in her official capacity as Attorney General; State of Utah, by Attorney General Sean D. Reyes; and State of Washington v. Mariner Finance, LLC* (E.D. Pa. No. 2:22-cv-3253). On August 16, 2022, the attorneys general of Pennsylvania, the District of Columbia, New Jersey, Oregon, Utah, and Washington filed a lawsuit against Mariner Finance, LLC, a subprime installment lender. The attorneys general alleged that: (1) Mariner engages in unfair and deceptive acts and practices in violation of the CFPA by charging consumers for add-on products without obtaining their consent and by loan flipping; (2) the design and implementation of Mariner's loan closing process is abusive in violation of the CFPA; (3) Mariner engages in abusive acts and practices that take unreasonable advantage of a lack of consumers' understanding of the material risks, costs, or conditions of add-on products and by loan flipping in violation of the CFPA; (4) the disclosures Mariner provides to its customers fail to disclose accurate finance charges and annual percentage rates in violation of Regulation Z and the CFPA; and (5) Mariner fails to disclose to consumers the commission payments it retains and deducts from insurance premium payments paid to credit insurers in violation of TILA and the CFPA. The attorneys general of Pennsylvania, Washington, and New Jersey have also alleged that Mariner has violated their respective state consumer protection statutes. As of the end of the reporting period, 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 CFPB 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. *See supra* Section 4 for a full description.

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

Fair Lending Supervision

The CFPB assesses compliance with federal fair lending consumer financial laws at banks and nonbanks over which the CFPB has supervisory authority. During this reporting period, the CFPB initiated 14 supervisory activities onsite at financial services institutions under the CFPB's jurisdiction to determine compliance with federal laws, including ECOA, HMDA, and Regulations B & C, respectively. During this reporting period, the CFPB examiners in the Division of Supervision issued matters requiring attention (MRAs), which direct entities to take corrective actions and are monitored by the CFPB through follow-up supervisory events. The Office of Supervision did not cite any fair lending violations during the reporting period.

Fair Lending Enforcement

The CFPB engages in research, evaluates whistleblower complaints, conducts investigations, and, where appropriate, takes public enforcement actions for violations of fair lending laws under the CFPB's jurisdiction. The CFPB is required to refer matters to the DOJ when it has reason to believe that a creditor has engaged in a pattern or practice of lending discrimination.[14] During the reporting period, the CFPB made two mandatory referrals to DOJ alleging a pattern or practice of lending discrimination. The CFPB also resolved one fair lending related enforcement action.[15]

Fair Lending-Related Rulemaking and Guidance

During the reporting period, the CFPB engaged in several fair lending-related rulemaking and guidance initiatives. For more information on those matters, *see supra* Section 2.

Interagency Fair Lending Coordination

During the reporting period, the CFPB coordinated its fair lending regulatory, supervisory, and enforcement activities with other federal agencies and state regulators and other enforcement agencies to promote consistent, efficient, and effective enforcement of federal fair lending laws. The CFPB, along with the FTC, HUD, FDIC, Federal Reserve System (Board), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), DOJ, and

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[14] 15 U.S.C. § 1691e(g).

[15] https://www.consumerfinance.gov/enforcement/actions/freedom-mortgage-corporation-hmda-2023/

Federal Housing Finance Agency (FHFA), constitute the Interagency Task Force on Fair Lending. This Task Force met regularly to discuss fair lending enforcement efforts, share current methods of conducting supervisory and enforcement fair lending activities, and coordinate fair lending policies.

The CFPB 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. Further, through the Federal Financial Institutions Examination Council (FFIEC), the CFPB has engagements with other partner agencies that focus on fair lending issues.

Appraisal Bias

The FFIEC Appraisal Subcommittee (ASC), comprising designees from the CFPB and certain other federal agencies, provides federal oversight of state appraiser and appraisal management company regulatory programs, and a monitoring framework for the Appraisal Foundation.

Fair Lending Outreach and Education

The CFPB regularly engages in education and outreach with external stakeholders to educate or communicate about fair lending issues. During the reporting period, the CFPB issued a range of fair lending content available to the public and to market participants.

8. Analysis of the efforts of the Bureau to increase workforce and contracting diversity consistent with the procedures of the Office of Minority and Women Inclusion

The Office of Minority and Women Inclusion (OMWI) is charged with overseeing all matters at the CFPB relating to diversity in management, employment, and business activities. During the reporting period, the CFPB continued its work under the mandates of Section 342 of the Dodd-Frank Act.

8.1 Increasing Workforce Diversity

OMWI awarded three CFPB-wide training and consulting contracts to support improvements in the organization's culture and workplace practices with service delivery set for early 2025. The CFPB has since terminated the contracts and eliminated mandatory diversity and inclusion training per Executive Order 14151, entitled "Ending Radical and Wasteful Government DEI Programs and Preferencing".

The CFPB implemented model employer recommendations from the Equal Employment Opportunity Commission (EEOC) to promote the recruitment of individuals with disabilities. The CFPB utilized government-wide disability programs such as the Workforce Recruitment Program and the Office of Personnel Management's Agency Talent Portal to develop a robust talent pipeline for individuals with disabilities.

The CFPB's Disability and Accessibility Program Section provides employees and applicants with disabilities access to reasonable accommodations and other accessibility services required to perform the essential functions of their jobs and obtain fair and equitable access to apply and interview for CFPB positions.

8.2 Increasing Contracting Diversity

OMWI applied process improvement tools and techniques throughout data collection workflows, thus enabling more accurate and meaningful recruitment, technical assistance, and communication efforts with existing and prospective contractors.

OMWI enrolled over 300 new contractors during this reporting period. Total supplier database participation doubled as a result of focusing on three targeted and low- or no-cost in-person national events with broad audiences, in addition to one online event with on-demand technical assistance during this period.

OMWI overhauled the Good Faith Effort ("GFE") program's contractor user experience to better ensure clear and responsible communication with contractors. This initiative partially automated the system and was successfully piloted during this period.

9. Justification of the budget request of the previous year

The CFPB's Annual Performance Plan and Report and Budget Overview includes then-Director Chopra's estimates of the resources needed for the CFPB to carry out its mission.[16] The document also describes the CFPB's performance goals and accomplishments.

9.1 Fiscal Year (FY) 2024 spending though the end of the second quarter of the FY

As of September 30, 2024, the end of FY 2024, the CFPB had spent approximately $755.1 million.[17] There were 1,758 CFPB employees on board at the end of the fiscal year.[18]

FY 2024 spending by expense category:

Expense Category	Fiscal Year 2024
Personnel Compensation	$345,777,000
Personnel Benefits	$134,395,000
Benefits for Former Personnel	$1,000
Travel	$8,922,000
Transportation of Things	$113,000
Rents, Communications, Utilities & Misc.	$11,056,000
Printing and Reproduction	$2,116,000
Other Contractual Services	$209,481,000
Supplies & Materials	$7,243,000
Equipment	$34,922,000
Land & Structures	$1,118,000
Total	**$755,144,000**

[16] "Budget and Performance," Consumer Financial Protection Bureau, https://www.consumerfinance.gov/about-us/budget-strategy/budget-and-performance/.

[17] This amount includes new obligations and upward adjustments to previous year obligations in the Consumer Financial Protection Bureau Fund (Bureau Fund).

[18] This figure reflects the employees on board during the final pay period of the fiscal year (pay period 19, ending October 4, 2024).

9.2 FY 2024 fund transfers received from the Federal Reserve System

The CFPB 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.[19] As of September 30, 2024, the CFPB had received the following transfers for FY 2024. The amounts and dates of the transfers are shown below.

Date	Funds Transferred
October 25, 2023	$315.0M
January 3, 2024	$285.0M
April 2, 2024	$104.2M
July 1, 2024	$25.2M
Total	**$729.4M**

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

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

[19] CFPB's operations are funded principally by transfers made by the Board of Governors of the Federal Reserve System (Board) from the combined earnings of the Federal Reserve System, up to the limits set forth in the Dodd-Frank Act. The CFPB Director requests transfers from the Board in amounts that they have determined are reasonably necessary to carry out the CFPB's mission within the limits set forth in the Dodd-Frank Act. Transfers from the Board are capped at $785.4 million in FY 2024. Funds transferred from the Board are deposited into the Consumer Financial Protection Bureau Fund (Bureau Fund), which is maintained at the Federal Reserve Bank of New York.

Appendix A: Annual report on the Truth in Lending Act, the Electronic Fund Transfer Act, and the Credit Card Accountability Responsibility and Disclosure Act

The Truth in Lending Act (TILA)[20] and the Electronic Fund Transfer Act (EFTA)[21] require the Consumer Financial Protection Bureau (CFPB) to make an annual report to Congress that includes a description of the administration of functions under TILA and EFTA, and an assessment of the extent to which compliance with TILA and EFTA has been achieved. In addition, the Credit Card Accountability Responsibility and Disclosure Act (CARD Act)[22] requires reporting on supervisory and enforcement activities with respect to compliance by credit card issuers with applicable federal consumer protection statutes and regulations.[23]

This report provides the information required by TILA, EFTA, and the CARD Act for the period January 1, 2023–December 31, 2023.[24] This Report describes the CFPB's and other agencies' enforcement efforts and required reimbursements to consumers by supervised institutions as they relate to TILA, EFTA, the CARD Act, and their respective implementing regulations, Regulation Z (for TILA and the CARD Act), and Regulation E (for EFTA). It also provides an assessment of the extent of compliance with the provisions of TILA, EFTA, and their implementing regulations.

TILA: Public enforcement actions and reimbursements

The purposes of TILA include: (1) to assure meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available and avoid the uninformed use of credit, and (2) to protect the consumer against inaccurate and

[20] 15 U.S.C. § 1613.

[21] 15 U.S.C. § 1693p.

[22] 15 U.S.C. § 1616(e).

[23] In 2012, the Federal Reserve Board (Board) and the CFPB agreed that responsibility for the reporting period required by the CARD Act passed to the CFPB under the terms of the Consumer Financial Protection Act of 2010.

[24] In order to facilitate reporting on an interagency basis, this TILA, EFTA, and CARD Act Report is based on the full calendar year of 2023. The TILA, EFTA, and CARD Act Report containing 2022 calendar year information can be found in the CFPB's 2022 Fall Semi-Annual Report to Congress, available at https://files.consumerfinance.gov/f/documents/cfpb_fall-2022-semi-annual-report_2023-06.pdf.

unfair credit billing and credit card practices.[25]

The enforcement efforts made, and reimbursements required, by all the agencies assigned enforcement authority under TILA are discussed in this section.

The agencies charged with enforcement of TILA under 15 U.S.C. § 1607 include the:

- CFPB,
- Federal Deposit Insurance Corporation (FDIC),
- Federal Reserve Board (Board),
- National Credit Union Administration (NCUA),
- Office of the Comptroller of the Currency (OCC),
- Federal Trade Commission (FTC),[26]
- Department of Transportation (DOT)
- Farm Credit Administration (FCA), and
- Agricultural Marketing Service (AMS) of the U.S. Department of Agriculture (USDA).[27]

During the reporting period of January 1, 2023, through December 31, 2023, the following agencies reported public enforcement actions under TILA, including:

[25] 15 U.S.C. 1601(a).

[26] The Federal Trade Commission's (FTC) enforcement action summaries in this Report also include references to violations of the Consumer Leasing Act (CLA) and Regulation M. The CLA is an amendment to TILA. See 15 U.S.C. §1667-1667f.

[27] The Grain Inspection, Packers, and Stockyards Administration (GIPSA) was eliminated as a standalone agency within the USDA in 2017. The functions previously performed by GIPSA have been incorporated into the AMS, and TILA and EFTA reporting now comes from the Packers and Stockyards Division, Fair Trade Practices Program, AMS.

TABLE 1: 2023 PUBLIC ENFORCEMENT ACTIONS RELATED TO TILA

Agency	Summary
CFPB	Issued an order against a bank for issuing credit cards and lines of credit and opening deposit accounts for certain consumers without their knowledge and consent and without required applications and disclosures in violation of TILA. Issued an order against a nonbank auto title lender for, among other things, impermissibly excluding non-file-insurance fees relating to pledged collateral from the calculation of the finance charge disclosed to consumers. TILA did not allow the exclusion of non-filing fees from the calculation because the lender had separately perfected its interest in the collateral. Issued an order against a nonbank mortgage lender for violating a previous Bureau order and Regulation Z and TILA by, among other things, disseminating advertisements that improperly disclosed the loan terms, such as the interest rate and payment term. A US Bankruptcy Court entered a stipulated final judgment and order against a nonbank lender that offered income share loans for failing to disclose key financing terms required by TILA. Filed a lawsuit in Federal District Court against a nonbank that offered “lease purchase” or “rental purchase” financing to consumers for failing to provide required TILA disclosures. (Matter has since been dismissed).
DOT	Entered into orders with several airlines for their failure to provide prompt refunds to passengers of flights that were cancelled or significantly changed by the carrier, in violation of Regulation Z.
OCC	The OCC entered into two consent orders with banks for, among other things, violating TILA and Regulation Z.
FDIC	The FDIC issued two public enforcement actions with institutions for, among other things, violations TILA and Regulation Z.

Agency	Summary
FTC	In 2023, the FTC continued litigation at the appellate level against an entity and its owner for violating the FTC Act and TILA and banning them from the auto industry. Among other things, the Commission found that the respondents sent deceptive mailers to consumers to entice them to auto sale sites by falsely suggesting the company was affiliated with a government COVID-19 stimulus program; sent direct mail advertisements deceptively indicating consumers had won specific valuable prizes that consumers learned they had not won when they attempted to claim the prizes; and sent mailers quoting monthly payments to purchase vehicles on credit that did not provide, or hid in small print, key financing terms required by law that consumers need to determine the true costs of the advertised financing.

No other agencies with TILA enforcement authority reported taking any public enforcement actions related to TILA during the January 1, 2023, through December 31, 2023, time period.

EFTA: Public enforcement actions and reimbursements

The purpose of EFTA is to provide a basic framework establishing the rights, liabilities, and responsibilities of participants in electronic fund and remittance transfer systems. The primary objective of EFTA is the provision of individual consumer rights.[28]

The enforcement efforts made, and reimbursements required, by all the agencies assigned enforcement authority under EFTA are discussed in this section.

As required by EFTA, the CFPB monitors what effects the act has on compliance costs for financial institutions, as well as the benefits of the act to consumers.

Consumers use electronic payments more than any other type of payment. Consumer reliance upon electronic payments relative to that of non-electronic payments has increased over the last decade.

[28] 15 U.S.C. § 1693(b).

Overall adoption of electronic payment methods has shown continued growth. According to the 2024 Survey and Diary of Consumer Payment Choice for the average consumer, 66 percent of all consumer purchases were completed using a debit, credit or prepaid card compared to 16.6 percent of purchases completed with cash, check or money order, and 13.5 percent completed using a bank account payment number or a bill payment through online banking. The remainder were completed using either mobile payment apps, account to account transfers or income deductions.[29]

The share of payments made by consumers using credit cards exceeded the share of cash payments made by consumers, 34.5 percent of payments in October of 2024 versus 14 percent. Continuing the trend started during the COVID-19 pandemic, credit card payments have generally increased relative to debit card, check, and cash use. These trends also hold for the dollar value spent per consumer. Electronic payments account for roughly 43 percent of dollar value per consumer while credit, debit and prepaid combined account for 35 percent. According to the 2024 Survey and Diary of Consumer Payment Choice, consumer use of debit cards and cash remained relatively consistent from 2020 to 2024.

Although consumers tend to conduct fewer Automated Clearing House (ACH) transactions relative to card transactions, the consumer dollar volume over ACH is higher. ACH volume totaled approximately 33.6 billion transactions and $86.18 trillion in 2024. These totals increased approximately 6.7 percent and 7.6 percent, respectively, from 2023.[30] The CFPB estimates consumer account debits represent more than half of all ACH transaction volume and more than a third of ACH dollar volume.

According to the 2024 Survey and Diary of Consumer Payment Choice, in 2024 nearly 71 percent of consumers made use of a mobile payment, regardless of the underlying electronic method. In 2024, consumers reported using mobile phones for 23 percent of all payments, and 45 percent of remote payments. In 2024, 9.6 percent of consumers reported having cryptocurrency available for use as a payment method.

One digital payment form, electronic person-to-person payments (P2P), represents an emerging and fast-growing category of electronic fund transfer (EFT). Available data underscores this growth. The use of payment applications to facilitate P2P transfers has

[29] *See* "The 2024 Survey and Diary of Consumer Payment Choice: Summary Results: 2024 SDCPC Tables," Federal Reserve Banks of Atlanta and San Francisco, https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-diary-consumer-payment-choice/2024/dcpc2024_tables_for_web.pdf, pp. T-6.

[30] Nacha, https://www.nacha.org/content/ach-network-volume-and-value-statistics.

increased by 315 percent since 2017,[31] and Zelle alone reported more than $1 trillion in payment volume in 2024.[32] However, the market for P2P EFT remains challenging to precisely size for several reasons. First, a number of firms facilitate P2P EFTs over a variety of proprietary platforms. In addition, many P2P services utilize legacy EFT platforms to transmit payment messages and settle transactions. As a result, P2P transaction volume is often conflated with that of the legacy payment systems upon which the P2P services rely.

The incremental costs associated with EFTA are difficult to quantify because it is hard to determine how industry practices would have evolved in the absence of statutory requirements. The benefits of EFTA are also difficult to measure, as they cannot be isolated from consumer protections that would have been provided in the absence of regulation. The CFPB will continue to consider the potential benefits and costs to consumers and financial institutions in evaluating new rules under EFTA. The CFPB will also continue to monitor the market and evaluate the adequacy of consumer protection under EFTA.

The agencies charged with enforcement of EFTA under 15 U.S.C. § 1693 include the:

- CFPB,
- FDIC,
- Board,
- NCUA,
- OCC,
- FTC,
- DOT, and
- Securities and Exchange Commission (SEC).

During the reporting period of January 1, 2023, through December 31, 2023, the following agencies reported public enforcement actions under EFTA, including:

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[31] *Analysis from* "The 2024 Survey and Diary of Consumer Payment Choice: Summary Results: 2024 SDCPC Tables," Federal Reserve Banks of Atlanta and San Francisco, https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-diary-consumer-payment-choice/2024/dcpc2024_tables_for_web.pdf.

[32] Early Warning Services, LLC. (2025, February 12). Zelle Shatters Records with $1 Trillion Sent in a Single Year. [Press release]. https://www.zellepay.com/press-releases/zelle-shatters-records-1-trillion-sent-single-year.

TABLE 2: 2023 PUBLIC ENFORCEMENT ACTIONS RELATED TO EFTA

Agency	Summary
CFPB	Issued an order against a bank for, among other things, failing to conduct reasonable investigations of prepaid debit cardholders' notices of error and failing to timely investigate and resolve prepaid debit cardholders' error claims, in violation of EFTA and Regulation E. Issued an order against a bank for, among other things, failing to obtain consumers' affirmative consent to enroll in opt-in overdraft protection and subsequently charging overdraft fees, in violation of EFTA and Regulation E. Issued an order against a nonbank remittance transfer provider for requiring consumers to waive their rights and failing to comply with error resolution requirements and a wide range of disclosure requirements set out in EFTA and Regulation E's Remittance Transfer Rule. Filed a lawsuit in Federal District Court against a nonbank that offered "lease purchase" or "rental purchase" financing to consumers for conditioning the extension of credit on payment through preauthorized electronic fund transfers in violation of EFTA and Regulation E. (Matter has since been dismissed.) Issued an order against a nonbank payment processor for, among other things, debiting consumers' account without a valid written authorization, in violation of EFTA and Regulation E.
FDIC	The FDIC issued one public enforcement action citing EFTA.

No other agencies with EFTA enforcement authority reported taking any public enforcement actions related to EFTA during the January 1, 2023, through December 31, 2023 time period.

CARD Act: Public enforcement actions and reimbursements

The CARD Act amended TILA to establish fair and transparent practices for the extension of credit under an open-end consumer credit plan. Section 502(e) of the CARD Act requires reporting on supervision and enforcement activities undertaken by the federal banking agencies (the Board, FDIC, and OCC) and the FTC with respect to compliance by credit card issuers with applicable federal consumer protection statutes and regulations, including the CARD Act and Section 5 of the FTC Act.

During the reporting period of January 1, 2023, through December 31, 2023, the following agencies reported public enforcement actions under the applicable federal consumer financial protection laws:

TABLE 3: 2023 PUBLIC ENFORCEMENT ACTIONS RELATED TO THE CARD ACT OR SECTION 5 OF THE FTC ACT

Agency	Summary
FDIC	Issued orders against two institutions related to violations of Section 5 of the FTC Act.

No other agencies reported public enforcement actions related to the CARD Act or other applicable federal consumer financial protection laws during the January 1, 2023, through December 31, 2023, time period.

Assessment of compliance and common violations – TILA and EFTA

The agencies that are members of the Federal Financial Institutions Examination Council (FFIEC) reported overall compliance by supervised entities with TILA, EFTA, and their respective implementing regulations.[33] The agencies did report, however, that more institutions were cited for violations of Regulation Z than Regulation E over the 2023 reporting period. Based on the information reported by the FFIEC agencies, this section outlines the most frequently cited violations of Regulation Z and Regulation E across the FFIEC agencies for the reporting period.[34]

For the reporting period of January 1, 2023, through December 31, 2023, the most

33 Other agencies either did not conduct compliance examinations for TILA, EFTA, and their respective implementing regulations, or reported general compliance for the laws under their jurisdiction.

34 Because the FFIEC agencies use different methods to compile data, the information presented here supports only general conclusions.

frequently cited violations of Regulation Z across the FFIEC agencies were:

- 12 C.F.R. § 1026.18(d) – On closed-end credit, failure to disclose—or accurately disclose—the finance charge, using that term, and a brief description such as “the dollar amount the credit will cost you.”
- 12 C.F.R. § 1026.19(e) – On closed-end credit, failure to disclose good faith estimates of the disclosures.
- 12 C.F.R. § 1026.22 – Failure to accurately determine or disclose the annual percentage rate.
- 12 C.F.R. § 1026.37 – Failure to provide consumers with content of disclosures for certain mortgage transactions (Loan Estimate).
- 12 C.F.R. § 1026.38 – Failure to provide consumers with content of disclosures for certain mortgage transactions (Closing Disclosure).

For the reporting period of January 1, 2023, through December 31, 2023, the most frequently cited violations of Regulation E across the FFIEC agencies were:

- 12 C.F.R. § 1005.11(c) – Failure to comply with the investigation and timeframe requirements for resolving errors in electronic fund transfers.
- 12 C.F.R. § 1005.11(d) – Failure to follow the required procedures when an investigation determines no error, or a different error occurred.

Outreach related to TILA and EFTA

The FFIEC agencies conducted training and issued guidance and examination procedures to assist supervised institutions in complying with the requirements of TILA, EFTA, and their respective implementing regulations. The agencies also provided guidance to consumers on these topics through various means, such as Federal Register Notices, workshops, blogs, and other outreach events.

In 2023, as part of its ongoing review of its 1973 Negative Option Rule, the FTC proposed a “click to cancel” provision requiring sellers to make it as easy for consumers to cancel their enrollment as it was to sign up.[35] More specifically, the proposed changes to the rule require negative option sellers to provide a simple mechanism for a consumer to cancel the negative option and avoid being charged for the good or service, and immediately stop any recurring charges; the mechanism must be at least as easy to use as the method the consumer used to initiate the negative option feature.[36] The proposed changes also require negative option sellers to obtain consumers' express informed consent before charging them.[37] As noted, the Rule would be used to combat unfair or deceptive practices related to subscriptions, memberships, and other recurring-payment programs.[38] In response to comments received on the proposal, the FTC also scheduled a virtual informal hearing on the proposed amendments.[39]

In 2023, the FTC released its latest report to Congress on protecting older adults, highlighting key trends based on fraud reports by older adults and the FTC's multi-pronged efforts to combat the problem through law enforcement, rulemaking, and outreach and education.[40] The report

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[35] *See* Negative Option Rule, 88 Fed. Reg. 24716 (Apr. 24, 2023), *available at* https://www.govinfo.gov/content/pkg/FR-2023-04-24/pdf/2023-07035.pdf. *See also* FTC, Press Release, *Federal Trade Commission Proposes Rule Provision Making it Easier for Consumers to "Click to Cancel" Recurring Subscriptions and Memberships* (Mar. 23, 2023), *available at* https://www.ftc.gov/news-events/news/press-releases/2023/03/federal-trade-commission-proposes-rule-provision-making-it-easier-consumers-click-cancel-recurring.

[36] *See* Negative Option Rule, 88 Fed Reg. at 24728 and 24735, *available at* https://www.govinfo.gov/content/pkg/FR-2023-04-24/pdf/2023-07035.pdf. The supplementary information released with the proposed amendments notes that the EFTA – which the Commission enforces except to the extent enforcement is specifically committed to some other federal government agency – also contains provisions relevant to negative option marketing and prohibits sellers from imposing recurring charges on a consumer's debit cards or bank accounts without written authorization. *See* Negative Option Rule, 88 Fed. Reg at 24718, *available at* https://www.govinfo.gov/content/pkg/FR-2023-04-24/pdf/2023-07035.pdf.

[37] *See* Negative Option Rule, 88 Fed Reg. at 24727 and 24735, *available at* https://www.govinfo.gov/content/pkg/FR-2023-04-24/pdf/2023-07035.pdf. Under the proposed amendments, except for transactions subject to the preauthorized transfer provisions of EFTA and Regulation E (to avoid potential conflicts because EFTA contains various prescriptive requirements, including written consumer signatures compliant with E-Sign, evidence of consumer identity and assent, inclusion of terms in the authorization, and provision of a copy of the authorization to the consumer), sellers may obtain express informed consent through a check box, signature, or other substantially similar method, which the consumer must affirmatively select or sign to accept the negative option feature and no other portion of the offer. *See* Negative Option Rule, 88 Fed. Reg. at 24728 and 24735, *available at* https://www.govinfo.gov/content/pkg/FR-2023-04-24/pdf/2023-07035.pdf.

[38] *See* FTC, Press Release, Federal Trade Commission Proposes Rule Provision Making it Easier for Consumers to "Click to Cancel" Recurring Subscriptions and Memberships (Mar. 23, 2023), available at https://www.ftc.gov/news-events/news/press-releases/2023/03/federal-trade-commission-proposes-rule-provision-making-it-easier-consumers-click-cancel-recurring.

[39] *See* FTC, Press Release, FTC to Hold Virtual Informal Hearing in January 2024 as Part of its Review of the Proposed "Click to Cancel" Rulemaking (Dec. 4, 2023), available at https://www.ftc.gov/news-events/news/press-releases/2023/12/ftc-hold-virtual-informal-hearing-january-2024-part-its-review-proposed-click-cancel-rulemaking.

[40] *See* PROTECTING OLDER CONSUMERS 2022-2023: A REPORT OF THE FEDERAL TRADE COMMISSION (PROTECTING OLDER CONSUMERS REPORT) (Oct. 2023), *available at* https://www.ftc.gov/reports/protecting-older-consumers-2022-2023-report-federal-trade-commission. *See also* FTC, Press Release, *FTC Issues Annual Report to Congress on Agency's Actions to Protect Older Adults* (Oct. 18, 2023), *available at* https://www.ftc.gov/news-events/news/press-releases/2023/10/ftc-issues-annual-report-congress-agencys-actions-protect-older-adults.

notes that older adults reported losing more than $1.6 billion to fraud during the year.[41] It also notes that, although adults aged 60 and over were substantially less likely to report losing money to fraud than adults aged 18-59, when they did report losing money, they tended to report losing substantially more than younger adults.[42]

The FTC worked with the DoD interagency group on several issues. Among other things, the FTC staff coordinated with the DoD interagency group on issues related to TILA and CLA, and on preauthorized electronic fund transfers in the military lending rule and in connection with the EFTA issues referenced in the Commission's Negative Option Rule, discussed above.

The Commission also provided consumers with information on auto topics, including about auto trade-ins and negative equity, and about auto refinancing scams.[43] In addition, the Commission released information for consumers about payday and car title loans, as well as on buy now pay later and other payment plans, highlighting how they work.[44]

The Commission also released two items cautioning consumers about issues with certain types of payment mechanisms. One article described how payment apps such as Venmo, CashApp, and Zelle, may link to a debit card or bank account and make it easy to send money fast to friends or family.[45] The article cautioned that the apps also can be used by scammers, including those who pretend to be loved ones in trouble seeking money to deal with an emergency, saying consumers have won prizes or sweepstakes and need to pay fees to collect it, or posing as the consumer's bank and claiming consumers must transfer their funds to protect their money to new accounts – which really belong to the scammer. The article noted that sending money through payment apps is like sending cash – making it hard to get back – and included tips for safer approaches, such as being sure consumers know whom they are sending money to when using a payment app, and if they are uncertain, contacting the person, bank or business at a phone number they know to be real and inquiring whether they sent the request for money. It

[41] *See* PROTECTING OLDER CONSUMERS REPORT at 25.

[42] *See* PROTECTING OLDER CONSUMERS REPORT at 28-29.

[43] See Auto Trade-Ins and Negative Equity: When You Owe More than Your Car is Worth (Sept. 2023), https://consumer.ftc.gov/articles/auto-trade-ins-and-negative-equity-when-you-owe-more-your-car-worth. See Auto Loan Refinancing Scams (Aug. 2023), https://consumer.ftc.gov/articles/auto-loan-refinancing-scams.

[44] *See* What To Know About Payday and Car Title Loans (July 2023), https://consumer.ftc.gov/articles/what-know-about-payday-and-car-title-loans. See Buy Now, Pay Later, Rent-to-Own, Lease-to-Own, and Layaway (Mar. 2023), https://consumer.ftc.gov/articles/buy-now-pay-later-rent-own-lease-own-and-layaway.

[45] *See* Amy Hebert, *Do you use payment apps like Venmo, CashApp, or Zelle? Read this*, FTC CONSUMER PROTECTION ALERT (Aug. 14, 2023), https://consumer.ftc.gov/consumer-alerts/2023/08/do-you-use-payment-apps-venmo-cashapp-or-zelle-read.

also warns consumers against paying anyone who insists they pay only with a gift card, cryptocurrency, or payment app.

Another article alerted consumers that scammers pressure them to wire money because it is easy to take the money and disappear, and that using services like MoneyGram, Ria, and Western Union is like sending cash – once consumers send it, they usually cannot get it back.[46] The article included tips for avoiding money wiring scams, including never wiring money through such companies to anyone consumers have not met in person or to anyone who pressures consumers to pay immediately or to pay only by wire transfer. It also provides examples of common wiring scams, and what consumers can do if they wired money to a scammer, including contacting the wire transfer company immediately, explaining it was a fraudulent transfer, and asking them to reverse it and return the money, and advises that if anyone demanded that consumers wire money, report it to the FTC.

The FTC also provided information to help consumers understand the proposed changes to the Negative Option Rule, discussed above.[47] The Commission also provided information to businesses, alerting them that these marketing methods can be convenient for consumers, but that decades of FTC law enforcement make clear that when negative options are tainted with untruths, half-truths, and hidden strings, the impact on consumers can be negative.[48] The business guidance includes a fact sheet highlighting proposed changes to the rule and explaining what the proposal would do – such as set clear, enforceable, performance-based requirements.[49]

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[46] *See What To Know Before You Wire Money* (Dec. 2023), https://consumer.ftc.gov/articles/what-know-you-wire-money.

[47] *See* Samuel Levine, Director, Bureau of Consumer Protection, *The pros and cons of free trials, auto-renewals, and subscriptions,* FTC BUREAU OF CONSUMER PROTECTION ALERT (Mar. 23, 2023), https://consumer.ftc.gov/consumer-alerts/2023/03/pros-and-cons-free-trials-auto-renewals-and-subscriptions.

[48] *See* Lesley Fair, *Negative reinforcement? FTC proposes amending Negative Option Rule to include click-to-cancel and other protections,* FTC BUSINESS BLOG (Mar. 23, 2023), https://www.ftc.gov/business-guidance/blog/2023/03/negative-reinforcement-ftc-proposes-amending-negative-option-rule-include-click-cancel-other.

[49] *Id.*

Appendix B: 2024 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)[50] 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).[51] The NMLS&R is 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.[52]

In July 2011, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act)[53] transferred to the Consumer Financial Protection Bureau (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. The Dodd-Frank also amended the SAFE Act itself.[54] As a result, among other things, 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. The Dodd-Frank Act also transferred to the Bureau the requirement to submit an annual report to Congress on the effectiveness of the SAFE Act's provisions. This constitutes the annual SAFE Act report for 2024.

- [50] 12 U.S.C. § 5101 et seq.
- [51] The SAFE Act specifically defines "Nationwide Mortgage Licensing System & Registry" to mean "a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the State licensing and registration of State-licensed loan originators and the registration of registered loan originators or any system established by the Director [of the Consumer Financial Protection Bureau] under [12 U.S.C. § 5108]."
- [52] 12 U.S.C. § 5101.
- [53] Pub. L. No. 111 -203 (July 21, 2010).
- [54] *See*, *e.g.*, section 1100 of the Dodd-Frank Act.

While administering the SAFE Act during 2024, 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 any Freedom of Information Act (FOIA) requests that pertained to federally registered MLOs. As of December 31, 2024, there were approximately 361,118 active federally registered MLOs in the NMLS&R.

The Bureau provides SAFE Act compliance resources on its website and continues to receive SAFE Act-related questions via its website and a dedicated mailbox. Most of the inquiries seek information about MLO licensing and registration requirements. The Bureau continues to work with SRR/CSBS officials on inquiries associated with 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 2024, all of the required state, territory, and D.C. regulators (state regulators) continued to use the NMLS&R for licensing their MLOs, as is mandated by the SAFE Act, as implemented in Regulation H. The NMLS&R continues to collect and maintain the information required by the SAFE Act, as implemented in Regulations G and H. 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.

As part of all bank and non-bank mortgage origination exams conducted by the Bureau when they are scheduled on the exam calendar in any given year, the Bureau includes a review for compliance with the SAFE Act. Examiners test for accurate licensing and registration as well as related policies and procedures.

During 2024, SRR/CSBS continued to engage the Bureau on issues regarding the NMLS&R and the modernization of the NMLS&R. The desired outcome of the NMLS&R modernization effort is 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.