

Semi-Annual Report of the Consumer Financial Protection Bureau

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Division Reporting

Consumer Education and External Affairs

The Consumer Education and External Affairs (CEEA) Division seeks to protect and promote the financial well-being of consumers and strengthen the CFPB's work and impact through broad and consistent engagement with the public.

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

- *The effect of the COVID-19 pandemic on accuracy in tenant screening reports.* Income shocks from the COVID-19 pandemic contributed to an increase in housing and financial insecurity for many households, particularly for renters.¹ Some data and estimates indicated that millions of renter households were at risk of eviction over the course of the pandemic.² Federal, state, and local actions were taken to alleviate the rental housing-related impacts of the pandemic. However, public reports as well as complaints to the CFPB indicated that some tenants were being evicted in violation of applicable moratoria. Consumers also expressed concern about questionable debt collection activities following eviction.³ The CFPB is concerned all of these factors are likely to lead to an increase in negative rental information in the consumer reporting system, which, combined with an increase in the number of consumers seeking new rental housing, could create new risks that inaccurate negative rental information will be included in tenant screening reports and such inaccuracies could impair the ability of renters, negatively impacted by the pandemic, to secure new rental housing and otherwise recover from the pandemic's economic effects.

In response, the CFPB issued an enforcement compliance bulletin noting that the CFPB will continue to look carefully at consumer reporting agencies' and furnishers' compliance with the FCRA accuracy obligations relating to rental information, and

¹ https://files.consumerfinance.gov/f/documents/cfpb_Housing_insecurity_and_the_COVID-19_pandemic.pdf.

² <https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/>.

³ Consumer Fin. Prot. Bureau, Complaint Bulletin: COVID-19 issues described in consumer complaints (July 2021), https://files.consumerfinance.gov/f/documents/cfpb_covid-19-issues-described-consumercomplaints_complaint-bulletin_2021-07.pdf (CFPB Complaint Bulletin).

outlined specific areas of focus and concern.⁴ The CFPB also issued a consumer-facing blog entitled, *Errors in your tenant screening report shouldn't keep you from finding a place to call home*, as well as new consumer education content to help consumers understand their tenant screening reports and how to dispute and correct errors.⁵

- *Consumer use of Buy Now, Pay Later products.* Public reports have indicated a dramatic increase in the number of consumers using Buy Now, Pay Later products, particularly for online purchases.⁶ Some reports have also indicated that some consumers are struggling to make payments on time, resulting in late fees;⁷ experiencing a drop in their credit score after using these products;⁸ facing difficulties returning goods purchased using a BNPL product;⁹ and are potentially unaware that these products lack some consumer protections provided by credit cards.¹⁰ In July 2021, the CFPB published a blog for consumers entitled, *Should you buy now and pay later?*¹¹ The blog describes how these products work, in general, and benefits and risks that consumers should consider before deciding whether to use such a product. The blog also included specific information for servicemembers as part of Military Consumer Protection Month.¹²
- *Credit and consumer reporting.* From January 2020 to September 2021, the CFPB received more than 800,000 credit or consumer reporting complaints. Of these complaints, more than 700,000 were submitted about Equifax, Experian, or TransUnion. Complaints submitted about these companies accounted for more than 50 percent of all complaints received by the CFPB in 2020 and more than 60 percent in 2021. In their complaints to the CFPB, consumers describe harms stemming from their failed attempts to correct incomplete and inaccurate information on their credit reports (e.g., consumers are caught in an automated system where they are unable to have their problem addressed; consumers waste time, energy, and money to try to correct their reports). In

⁴ https://files.consumerfinance.gov/f/documents/cfpb_consumer-reporting-rental-information_bulletin-2021-03_2021-07.pdf

⁵ <https://www.consumerfinance.gov/about-us/blog/errors-in-your-tenant-screening-report-shouldnt-keep-you-from-finding-a-place-to-call-home/>

⁶ <https://www.cutoday.info/Fresh-Today/Study-Suggests-The-Explosive-Growth-in-Buy-Now-Pay-Later-is-Just-Going-to-Keep-Exploding>.

⁷ <https://www.creditkarma.com/insights/i/buy-now-pay-later-missed-payments>.

⁸ <https://www.creditkarma.com/insights/i/buy-now-pay-later-missed-payments>.

⁹ <https://www.consumerreports.org/shopping-retail/hidden-risks-of-buy-now-pay-later-plans-a7495893275/>.

¹⁰ <https://www.consumerreports.org/shopping-retail/hidden-risks-of-buy-now-pay-later-plans-a7495893275/>.

¹¹ <https://www.consumerfinance.gov/about-us/blog/should-you-buy-now-and-pay-later/>.

¹² Additional activity has occurred since the end of the reporting period. More information can be found here: [Know before you buy \(now, pay later\) this holiday season | Consumer Financial Protection Bureau \(consumerfinance.gov\)](#).

January 2022, the CFPB published the annual report of credit and consumer reporting complaints.¹³ This report analyzed how Equifax, Experian, and TransUnion respond to complaints, including complaints they are required to respond to under the Fair Credit Reporting Act (FCRA).

Significant initiatives

- *Appraisal Bias.* On June 15, 2021, the CFPB hosted a roundtable examining racial bias in home appraisals. The roundtable included participants from partner agencies, including the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Department of Housing and Urban Development (HUD). Also participating in the roundtable were experts who spoke about how unconscious biases can play out in the appraisal process as well as civil rights activists, consumer advocates, and local leaders who described the biases they see in their communities every day. They offered valuable insights and creative ideas, sparking important conversations across the Federal government about how we can work together with stakeholders to tackle racial bias and other inequities in housing.
- *Housing Insecurity – Public Awareness and Education Campaign.*¹⁴ During the reporting period, the CFPB’s housing insecurity efforts expanded into a comprehensive, cross-federal campaign aimed at connecting homeowners and renters facing housing insecurity due to the COVID-19 pandemic with the resources available to help them stay in their homes. The CFPB continued its partnership with the Department of Agriculture, the Department of Housing and Urban Development, the Department of the Treasury, the Department of Veterans Affairs, and the Federal Housing Finance Agency on a federal interagency Housing Portal within ConsumerFinance.gov. Resources include information on forbearance, foreclosure, eviction prevention, and specific action consumers can take to utilize protections to stay in their homes. The Housing Portal received regular enhancements as legal protections changed, key deadlines shifted, and user research highlighted ways the CFPB could improve its offerings to consumers in need, ultimately creating ConsumerFinance.gov’s most visited material. In July 2021, the CFPB launched a Rental Assistance Finder Tool to help consumers find their local programs disbursing emergency rental assistance made available through the Consolidated Appropriations Act (2021) and the American Rescue Plan Act of 2021. The launch of this tool was the most successful product launch in the CFPB’s history; in only two months (when the reporting period for this report closes) users engaged the tool through more than 3.1 million

¹⁴ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/>.

sessions to find local programs. Since its inception in May 2020, the Housing Portal has seen over 5.25M unique users. The Housing Portal has also been translated into six non-English languages (Spanish, Arabic, Korean, Tagalog, Traditional Chinese, Vietnamese).

- *COVID-19 Consumer Information.*¹⁵ Since the onset of the COVID-19 pandemic, the CFPB has published a collection of education resources to help consumers protect themselves financially during the health crisis. The CFPB created a microsite at [ConsumerFinance.gov/coronavirus](https://www.consumerfinance.gov/coronavirus) to help consumers quickly find accurate and up-to-date COVID-19 related resources. Topics covered include mortgages, rental assistance, credit reporting, debt collection, student loans, frauds and scams, retirement funds, economic impact payments and more. The CFPB also published resources for specific audiences such as servicemembers and veterans, older adults and their families, small business owners, parents, and kids, and more. Additionally, since the beginning of the pandemic, the CFPB has produced 33 COVID-19 related videos; 1,127 social media messages with a reach of 93,189,000; and over 325 translations of blogs and web content into other languages. During the reporting period, approximately 7 million users accessed the CFPB’s educational web content in response to COVID-19 – accounting for more than one quarter of all these users that accessed [ConsumerFinance.gov](https://www.consumerfinance.gov) during this time. These users generated 3.1 million engagements and more than 13 million pageviews.
- *Friends and Family Exchanges Toolkit.* The COVID-19 pandemic caused financial hardship for millions of Americans, forcing many to turn to family and friends for help. Many families rely on informal lending and borrowing arrangements to weather the storm, especially in acute financial emergencies or when there is a lack of available assistance from lending institutions. To support financial educators helping clients through these often-sensitive conversations about these arrangements, the CFPB released the Friends and Family Exchanges Toolkit, a four-part guide for coaching clients in asking for financial help or changing an existing agreement due to their own financial hardship. Based in research and tested with educators, the guide is available for download from the CFPB website.
- *Financial Literacy Annual Report.*¹⁶ The CFPB reports annually on its statutory mission to conduct financial education programs and to ensure consumers receive timely and understandable information to make responsible decisions about financial transactions. The 2020 report highlights the CFPB’s financial education programs and initiatives.

¹⁵ <https://www.consumerfinance.gov/coronavirus/>.

¹⁶ <https://www.consumerfinance.gov/data-research/research-reports/2020-financial-literacy-annual-report/>.

- *Your Money, Your Goals*.¹⁷ The CFPB continued to disseminate financial empowerment resources to consumers and stakeholders, and provide training on its interactive *Your Money, Your Goals* (YMYG) digital and print resources. Training was offered to a wide array of public sector and non-profit organizations, focusing on emerging issues as a result of the COVID-19 crisis such as credit protection, debt management, financial planning, rental assistance, accessing CARES Act benefits and more; resources were also used by the CFPB for direct-to-consumer outreach. A training page entitled *Videos to Spark Action* shares engaging and brief training videos rooted in the YMYG toolkit, such as *How Do I Get a Copy of My Credit Report?*¹⁸ The YMYG materials include issues-focused booklets that are consumer-facing such as *Behind on Bills?*;¹⁹ the financial empowerment toolkit that includes several modules such as *Dealing with Debt*; and companion guides to the toolkit for special populations, such as *Focus on Native Communities*.²⁰ New materials released include 11 individual digital tools in Spanish and a new companion guide for military communities. Updated materials include *Focus on Reentry: Criminal Justice*,²¹ a companion guide with complementary digital tools and training materials to assist those working with people with criminal records. YMYG publications can be easily accessed through the ConsumerFinance.gov website, and free print copies are available for order.²²
- *Appraisal and Valuation Bias*. On Wednesday, November 3, 2021, the CFPB hosted a virtual Consumer Advisory Board (CAB) meeting via WebEx. During this meeting, Board members met to discuss appraisal and Valuation Bias. For this one-hour long session, CFPB staff from the Office of Fair Lending and Equal Opportunity, along with the Office of Markets, provided an overview of the CFPB’s current work related to Appraisal and Valuation Bias. The CFPB looked to receive the Board’s perspective on how the CFPB can help to eliminate racial bias in home valuations, including current trends that are being seen in the use of automated valuation models (AVM) and remedies or solutions that are being seen that could help to address and eliminate potential valuation bias both for in-person appraisals and AVMs.²³

¹⁷ <https://www.consumerfinance.gov/practitioner-resources/your-money-your-goals/>

¹⁸ <https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/videos/>

¹⁹ <https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/booklets-talk-about-money/>

²⁰ <https://www.consumerfinance.gov/consumer-tools/educator-tools/your-money-your-goals/>

²¹ <https://www.consumerfinance.gov/about-us/blog/everyone-deserves-a-second-chance-use-our-tools-to-financially-empower-people-in-transition-from-incarceration/>

²² <https://pueblo.gpo.gov/CFPBPubs/CFPBPubs.php?PubID=13272&PHPSESSID=ic71h6c6025t3mi0ri9ldg5gi5>

²³ November 2021 Consumer Advisory Board Meeting | Consumer Financial Protection Bureau (consumerfinance.gov)

- *Back-End Fees in Consumer Financial Products and Services.* On January 26, 2022, the CFPB launched an initiative to reduce fees that consumers are charged by banks and financial companies. CFPB’s research has found several areas where back-end fees might obscure the true cost of a product and undermine a competitive market. For example, in 2019, the CFPB released research finding that the major credit card companies charged more than \$14 billion each year in punitive late fees; and in 2019, bank revenue from overdraft and non-sufficient funds fees surpassed \$15 billion. The CFPB is seeking to use its authorities to seek input from the public on experiences with back-end fees associated with banks, credit unions, prepaid accounts, credit card accounts, mortgages, loans and payment transfers.²⁴

- *Justice-Involved Individuals and the Consumer Financial Marketplace.* From arrest to incarceration and reentry, people who come into contact with the justice system are confronted with numerous financial challenges. These challenges include financial products and services that may contain exploitative terms and features, offer little or no consumer choice, and that can have long-term negative consequences for the affected individuals and families. The CFPB will issue a report outlining some of the challenges faced by justice-involved people and their families in navigating their finances at each stage of the criminal justice system. These challenges raise serious questions about the transparency, fairness, and availability of consumer choice in markets associated with the justice system, as well as demonstrating the pervasive reach of predatory practices targeted at justice-involved individuals and their families.²⁵

Complaint analysis

Complaints give the CFPB and others insights into problems people are experiencing in the marketplace and help the CFPB regulate consumer financial products and services under existing federal consumer financial laws, enforce those laws judiciously, and educate and empower consumers to make informed financial decisions.

During the period October 1, 2020, through September 30, 2021, the CFPB received approximately 872,400 consumer complaints.²⁶ This represents an approximately 33 percent

²⁴ Additional activity has occurred with this matter since the end of the reporting period. Additional information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-launches-initiative-to-save-americans-billions-in-junk-fees/>.

²⁵ Additional activity has occurred with this matter since the end of the reporting period. Additional information can be found here: [Justice-Involved Individuals and the Consumer Financial Marketplace \(consumerfinance.gov\)](https://www.consumerfinance.gov/justice-involved-individuals-and-the-consumer-financial-marketplace/).

²⁶ 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 CFPB’s website at <https://www.consumerfinance.gov/complaint/process>.

increase from the prior reporting period.²⁷ Consumers submitted approximately 94 percent of these complaints through the CFPB’s website and 3 percent via telephone calls. Referrals from other state and federal agencies accounted for 2 percent of complaints. Consumers submitted the remainder of complaints by mail, email, and fax.

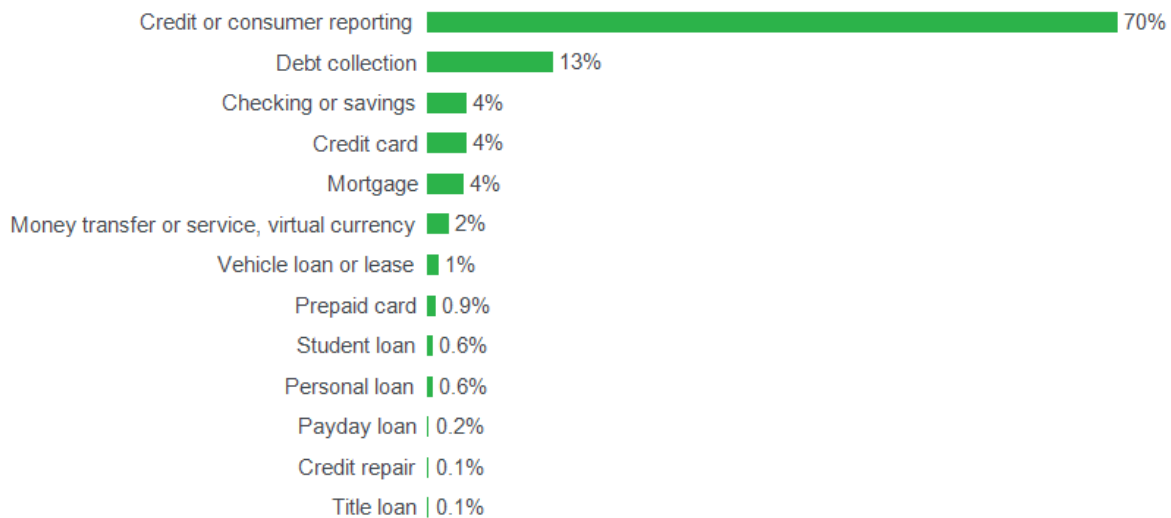
The CFPB sent approximately 721,500 (83 percent) of complaints received to companies for review and response. Companies responded to approximately 98 percent of complaints that the CFPB sent to them for response during the period. The remaining complaints were either pending response from the company at the end of the period or did not receive a response.²⁸ Companies’ 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.

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

²⁷ The prior reporting period, April 1, 2020 through March 31, 2021, reported 656,200 consumer complaints. See Consumer Fin. Prot. Bureau, Semi-Annual Report Spring 2021 (October 2021), available at <https://www.consumerfinance.gov/data-research/research-reports/semi-annual-report-consumer-financial-protection-bureau/>

²⁸ The CFPB referred 7 percent of the complaints it received to other regulatory agencies and found 8 percent to be incomplete. At the end of this period, 0.3 percent of complaints were pending with the consumer and 2 percent were pending with the Bureau. Percentages in this section of the report may not sum to 100 percent due to rounding.

FIGURE 1



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

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

The CFPB publishes periodic reports about its complaint analyses. Notable among these is the *Consumer Response Annual Report*, which was published on March 24, 2021 and is required by Section 1013(b)(3)(C) of the Dodd-Frank Act. This report analyzed complaints submitted in calendar year 2020 about a variety of consumer financial products and services and included observations about issues consumers experienced related to the coronavirus pandemic.²⁹

The CFPB makes complaint data available to the public in the Consumer Complaint Database (Database). The Database contains certain de-identified, individual complaint level data, as well

²⁹ <https://www.consumerfinance.gov/data-research/research-reports>

as dynamic visualization tools, including geospatial and trend views based on recent complaint data to help users of the database understand current and recent marketplace conditions.

Finally, the CFPB also shares consumer complaint information with prudential regulators, the Federal Trade Commission, other federal agencies, and state agencies.

Office of Equal Opportunity and Fairness

Significant initiatives

- The Office of Minority and Women Inclusion (OMWI) is leading the CFPB's voluntary response to Executive Order 13985 (racial and economic equity) and guidance from the White House Domestic Policy Council and on April 20, 2021, submitted a 90-day progress report to OMB.
- In alignment with Executive Order 13985, and guidance from the White House Domestic Policy Council, the CFPB voluntarily submitted a 200-day equity assessment report to OMB on August 6, 2021.
- The OMWI Director, as the CFPB's Chief Diversity Officer, is leading the CFPB's voluntary response to Executive Order (EO) 14035 (diversity, equity, inclusion, and accessibility - DEIA) and is leading a cross-agency DEIA Team to facilitate the development of a 5-year DEIA Strategic Plan for the CFPB.
- The CFPB also continued to work on completing action items to eliminate barriers to equal employment opportunity for Black and Hispanic employees and applicants which will be expanded upon in the FY 2021 EEO Status Report (MD-715 Report).
- In September 2021, the CFPB developed an action plan to address and eliminate barriers to equal employment opportunity identified for persons with a disability and additional information will be published in the FY 2021 EEO Status Report (MD-715 Report).
- In January 2021, the CFPB issued a Statement to encourage financial institutions to better serve consumers with limited English proficiency (LEP) and to provide principles and guidelines to assist financial institutions in complying with the Dodd-Frank Act, Equal Credit Opportunity Act (ECOA), and other applicable laws.
- In October 2021, the CFPB submitted a DEIA self-assessment to the Office of Management and Budget (OMB) as part of the CFPB's voluntary response to EO 14035 (DEIA).
- The Office of Fair Lending led the CFPB's involvement in the Interagency Task Force on Property Appraisal and Valuation Equity (PAVE), a task force focusing on issues of bias in home appraisals. During the reporting period, the CFPB hosted a roundtable to hear from stakeholders and participants from partner agencies to look closer at the role of bias in home appraisals. The Office of Fair Lending expects to continue to participate in this task force to address appraisal bias during the upcoming reporting period.

- The CFPB is currently developing its 5-year DEIA Strategic Plan. OMWI is working collaboratively with representatives from business units across the CFPB, including the Office of Human Capital, the Office of Civil Rights, the Disability and Accessibility Program Section, Legal, Technology and Innovation, and Administrative Operations, to develop the DEIA Strategic Plan. The plan is in alignment with EO 14035 (DEIA). The DEIA Strategic Plan is in alignment with and is referenced in the CFPB’s overall Strategic Plan.
- On November 22, 2021, the CFPB was one of three agencies highlighted in the White House Domestic Policy Council’s Diversity, Equity, Inclusion and Accessibility (DEIA) initiative webinar titled “Promising Practices from Agencies.” The CFPB presented on the outstanding work it has done to promote LGBTQ+ equity and inclusion within the CFPB and best practices other agencies can adopt.
- In January 2022, the CFPB will submit its Equity Action Plan, that aligns with EO 13985 (Racial Equity). In February 2022, the CFPB will submit its annual EEO Status Report (MD-715 Report). In March 2022, the CFPB will submit its DEIA Strategic Plan, that aligns with the Government-Wide Strategic Plan, to OMB. The CFPB will also submit its No FEAR Act Annual Report and OMWI Annual Report to Congress. In April 2022, the CFPB will submit its Annual Fair Lending Report.

Efforts to increase workforce and contracting diversity consistent with procedures established by OMWI

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

The CFPB continued to execute the objectives and strategies outlined in the Diversity and Inclusion Strategic Plan Update FY 2019–2022,³⁰ which complements the CFPB’s overall Strategic Plan FY 2018–2022.³¹

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

³⁰ <https://www.consumerfinance.gov/data-research/research-reports/cfpb-diversity-and-inclusion-strategic-plan-update-2019-2022/>

³¹ <https://www.consumerfinance.gov/about-us/budget-strategy/strategic-plan/>

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

As of September 2021, an analysis of the CFPB’s current workforce reveals the following key points:

- Women represent 50 percent of the CFPB’s workforce in 2021.
- Minorities (Hispanic, Black, Asian, Native Hawaiian/Other Pacific Islander, American Indian/Alaska Native, and employees of two or more races) represent 43 percent of the CFPB workforce in 2021 with a 2 percent increase from FY 2020.
- As of September 30, 2021, 15 percent of CFPB employees on permanent appointments identified as individuals with a disability. Of the permanent workforce, 3 percent of employees identified as individuals with a targeted disability. As a result, the CFPB continues to exceed the 12 percent workforce goals for employees with disabilities and 2 percent workforce goals for employees with targeted disabilities in both salary categories as required in the Equal Employment Opportunity Commission’s (EEOC) Section 501 regulation 4.

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

- Staffing:
 - The CFPB had 115 new hires, which included 59 (51 percent) women and 55 (48 percent) minorities³².

³² New Hires data is collective over the period from April 1, 2021 to September 30, 2021.

- The CFPB continues to enhance diversity by recruiting, hiring, and retaining highly qualified individuals from diverse backgrounds to fill positions at the CFPB:
 - The CFPB uses social media platforms like LinkedIn, Twitter, and Facebook to broadly promote vacancies.
 - The CFPB takes steps to mitigate bias in the hiring process, for example by removing applicant names from resumes and other application documents before submitting certain best-qualified lists to selection officials.
 - The CFPB regularly analyzes whether any job qualifications may inadvertently disadvantage individuals who are members of underserved communities.
 - The CFPB's OMWI and OHC collaborate with hiring managers on strategic diversity and inclusion recruitment options.
- The CFPB also utilized other professional development programs, and recruitment efforts directed to reach veterans and applicants with disabilities to assist in the CFPB's workforce needs.
- Workforce engagement:
 - To promote an inclusive work environment, the CFPB focuses on strong engagement with employees and utilizes an integrated approach of education, training, and engagement programs that ensures diversity and inclusion, and non-discrimination concepts are part of the learning curriculum and work environment. Employee resource groups, cultural education programs, a mentor program, and mandatory diversity and inclusion training are key components of this effort.
 - In June 2021, the CFPB adopted a definition and goals for Racial and Economic Equity (REE). To help facilitate this work, OMWI developed guidance to assist CFPB divisions in applying the REE definition and principles to their core work and internal operations.

Increasing contracting diversity

In addition to the mandates in Section 342(b)(2)(B) of the Dodd-Frank Act, Section 2.4 of the CFPB's Diversity and Inclusion Strategic Plan describes the efforts the CFPB takes to increase

contracting opportunities for diverse businesses including Minority- and Women-owned Businesses (MWOBs). The CFPB's OMWI and Procurement offices collectively work to increase procurement opportunities for participation by MWOBs.

Outreach to contractors

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

- Actively engaging CFPB business units with MWOB contractors throughout the acquisition cycle.
- During the reporting period, OMWI and the Office of Procurement held technical assistance events virtually due to COVID-19 restrictions. In fiscal year 2021, OMWI provided technical assistance to approximately 150 MWOBs and added over 200 vendors to its MWOB database. Attendance remained consistent at around 100 registrants and 55 attendees per session. These events included expert advice directly from CFPB procurement and program office professionals. The events aimed to align the CFPB's upcoming needs to vendor capabilities in data analytics, management consulting, and legal support services. With the launch of the CFPB's first dynamic Supplier Diversity Registry in May, OMWI aims to provide event participants and other interested vendors year-round engagement opportunities in its market research process, including status updates to forecasted requirements, advance notice of procurement industry days and email news updates of partner agency events and activities.

In addition:

- OMWI supports program office stakeholders with updated market research and targeted outreach to engage current and potential MWOBs, and by providing suggestions for Divisions on how to incorporate supplier diversity goals into their diversity and inclusion strategic plans.
- OMWI tracks the annual percentage of competed contract dollars spent with MWOBs to advance economic equity. During the third and fourth quarter of FY 2021, the CFPB's MWOB spend percentage was 36 percent. Taken as a whole, FY2021 was the fourth consecutive year the CFPB has increased MWOB-spend over the previous year.
- OMWI regularly participates in virtual and in-person national supplier diversity industry days, such as the *National 8(a) Association Conference*, that help to foster business partnerships among the federal government, its U.S. prime contractors, and MWOBs.

- As a result of these efforts, 23 percent of the \$84 million in contracts that the CFPB awarded or obligated during the reporting period went to MWOBs. The following table represents the total amount of dollars spent and disbursed to MWOBs as a result of contract billing.

TABLE 1: DOLLARS SPENT TOWARD MINORITY-OWNED AND WOMEN-OWNED BUSINESSES

Dollars Spent	percent of Total	MWOB Category
\$14,288,057	19.8 percent	Women Owned
\$3,161,999	4.4 percent	Black/African American
\$1,897,820	2.6 percent	American Indian/Alaskan Native
\$13,759,367	19.1 percent	Asian/Pacific Islander American
\$1,045,988	1.4 percent	Hispanic American

Diversity within the CFPB contractors' workforces

The CFPB requires its contractors and sub-contractors to report their diversity and inclusion data through the Good Faith Effort (GFE) contract requirement. In the fiscal year 2021, the CFPB Director approved OMWI's GFE Policy. The CFPB also collected GFE compliance data from a sample of contractors, providing an opportunity for contractors to demonstrate their efforts to address the six evaluation criteria: 1) Diversity Strategy; 2) Diversity Policies; 3) Recruitment; 4) Succession Planning; 5) Outreach; and 6) Supplier – Subcontractor Diversity. OMWI continues to maximize technical assistance to CFPB contractors throughout this process.

Assessing diversity of regulated entities

Pursuant to Section 342(b)(2)(c) of the Dodd-Frank Act, the CFPB developed a process to assess the diversity policies and practices of the entities the CFPB regulates. During the reporting period, the CFPB continued its multi-pronged assessment strategy, collecting assessments through the *Inclusivity* online portal designed to make it easier for financial institutions to submit their diversity and inclusion self-assessments. During the reporting period, three (3) financial institutions submitted assessments, a decrease from 2020 submissions that is most likely a result of the pandemic.

OMWI continued its communication strategy by using direct outreach to financial institutions and working with industry trade associations to help engage financial institutions in the diversity

and inclusion self-assessment process. OMWI sent quarterly data calls to approximately 1,300 institutions and invited them to submit a diversity self-assessment. To supplement the data collected through the self-assessment process, the CFPB continued to conduct research on the publicly available diversity and inclusion information of financial institutions, by industry segment, and share that information with trade groups. The CFPB also met directly with several financial institutions to learn more about their internal programming. This information provided insight into how institutions were publicly reporting on their diversity and inclusion initiatives. The CFPB reviewed numerous press releases related to diversity and inclusion released during the year as a follow-up to the racial protests of 2020. Several institutions made public statements, committed resources and multi-year funding to advance racial and economic equity as a result of public outcry. The CFPB will continue to follow industry developments related to these commitments. The CFPB will also continue its outreach to increase awareness and to encourage voluntary submission of the Diversity and Inclusion self-assessment.

An analysis of efforts to fulfill the Fair Lending education and interagency coordination mission of the CFPB

Education and outreach

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

The CFPB achieves its educational objectives through publication of proposed rules and interpretive rules, issuance of compliance bulletins, policy statements targeted to industry, requests for information, press releases, blog posts, podcasts, videos, brochures, website updates, and reports regarding fair lending issues; delivering speeches, panel remarks, webinars, and presentations addressing fair lending and access to credit issues; and participating in smaller meetings and discussions with external stakeholders, including federal and state regulators and agencies.

During the reporting period, CFPB staff participated in 123 fair lending related outreach events. In these events, staff worked directly with external stakeholders to share and receive information on fair lending priorities and emerging issues. The CFPB also received feedback on fair lending issues and how broader market use of special purpose credit programs could promote fair, equitable, and nondiscriminatory access to credit. In addition to special purpose credit programs, some examples of the topics covered include: the impacts of the COVID-19 pandemic on the economy, algorithmic bias and robo-discrimination, appraisal bias, racial and economic equity

issues, fair lending supervision and enforcement priorities, alternative data and modeling techniques in credit underwriting, HMDA and Regulation C, ECOA and Regulation B, small business lending, servicing issues, and access to credit issues for Limited English Proficient (LEP) consumers.

During the reporting period, the CFPB issued numerous fair lending and access to credit related blogs, press releases, speeches, and reports. Specifically, The CFPB published six blog posts including a blog announcing the publication of the 2020 Fair Lending Annual Report;³³ a blog from the Acting Director announcing the CFPB’s commitment to racial and economic equity;³⁴ a blog announcing a report analyzing differences in lending patterns for lenders below and above the 100-loan closed-end threshold set by the 2020 Home Mortgage Disclosure Act rule;³⁵ a blog highlighting the CFPB’s prioritization of resources to focus on the role of racial bias in home appraisals;³⁶ a blog highlighting the special purpose credit provisions of ECOA and Regulation B,³⁷ and a blog encouraging mortgage servicers to enhance their communication capabilities and outreach efforts for borrowers.³⁸

During the reporting period, the CFPB issued five press releases related to fair lending and access to credit issues, including a press release pertaining to the Libre³⁹ enforcement action; a press release announcing the proposed small business lending rule;⁴⁰ a press release announcing the extension of the comment period for the AI RFI;⁴¹ and a press release announcing the availability of the 2020 HMDA Data.⁴² Additionally, during the reporting period, the Acting Director delivered several fair lending related speeches, including remarks at the National Fair

³³ <https://www.consumerfinance.gov/data-research/research-reports/fair-lending-report-2020/>.

³⁴ <https://www.consumerfinance.gov/about-us/blog/addressing-racial-inequities-consumer-finance-markets/>.

³⁵ <https://www.consumerfinance.gov/about-us/blog/hmda-threshold-report-blog/>.

³⁶ <https://www.consumerfinance.gov/about-us/blog/cfpb-prioritizing-resources-against-racial-bias-home-appraisals/>.

³⁷ <https://www.consumerfinance.gov/about-us/blog/expanding-access-credit-underserved-communities/>.

³⁸ <https://www.consumerfinance.gov/about-us/blog/new-rule-ensures-mortgage-servicers-provide-options-potentially-vulnerable-borrowers-exiting-forbearance/>.

³⁹ <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-and-virginia-massachusetts-and-new-york-attorneys-general-sue-libre-for-predatory-immigrant-services-scam/>.

⁴⁰ <https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-shine-new-light-on-small-businesses-access-to-credit/>.

⁴¹ <https://www.consumerfinance.gov/about-us/newsroom/agencies-extend-comment-period-on-request-for-information-on-artificial-intelligence/>.

⁴² <https://www.consumerfinance.gov/about-us/newsroom/2020-hmda-data-on-mortgage-lending-now-available/>.

Housing Alliance’s Virtual Forum on Special Purpose Credit Programs,⁴³ National Association of Attorneys General Spring Consumer Protection Conference,⁴⁴ and remarks for the Libre enforcement action.⁴⁵ The CFPB issued six fair lending related reports during the reporting period, including a Data Point article on 2020 mortgage market activity and trends;⁴⁶ a report focused on mortgage servicing COVID-19 pandemic response metrics;⁴⁷ a report analyzing how characteristics of mortgages, borrowers, and lenders vary across Asian American and Pacific Islanders;⁴⁸ a brief overview of the general lending patterns of small to medium size closed-end HMDA reporters;⁴⁹ an analysis of manufactured home loans using HMDA data;⁵⁰ and the Fair Lending Annual Report to Congress.⁵¹

Fair Lending brochures

In September, the CFPB released two brochures on credit discrimination, titled *Know Your Rights, Credit Discrimination is Illegal* and *Helping Consumers Spot Credit Discrimination*. The brochures are targeted to consumers as well as those who work with consumers. The brochures are available in English, Spanish, Chinese, Vietnamese, Korean, Tagalog, and Arabic. The brochures are available at consumerfinance.gov/fair-lending/.

The CFPB’s fair lending activity involves regular coordination with other regulatory and enforcement governmental partners. During the reporting period, the CFPB coordinated its fair lending regulatory, supervisory, and enforcement activities with those of other federal agencies and state regulators to promote consistent, efficient, and effective enforcement of federal fair lending laws. Interagency engagement occurs in numerous ways, including through several

⁴³ <https://www.consumerfinance.gov/about-us/newsroom/prepared-remarks-acting-director-dave-uejio-nfhas-virtual-forum-special-purpose-credit-programs/>

⁴⁴ <https://www.consumerfinance.gov/about-us/newsroom/prepared-remarks-of-acting-director-dave-uejio-at-the-national-association-of-attorneys-general-spring-consumer-protection-conference/>

⁴⁵ <https://www.consumerfinance.gov/about-us/newsroom/prepared-remarks-of-acting-director-dave-uejio-for-the-libre-enforcement-action-press-call/>

⁴⁶ <https://www.consumerfinance.gov/data-research/research-reports/2020-mortgage-market-activity-and-trends/>

⁴⁷ <https://www.consumerfinance.gov/data-research/research-reports/mortgage-servicing-covid-19-pandemic-response-metrics/>

⁴⁸ <https://www.consumerfinance.gov/data-research/research-reports/asian-american-and-pacific-islanders-in-the-mortgage-market/>

⁴⁹ <https://www.consumerfinance.gov/data-research/research-reports/a-brief-note-on-general-lending-patterns-small-to-medium-size-closed-end-hmda-reporters/>

⁵⁰ <https://www.consumerfinance.gov/data-research/research-reports/manufactured-housing-finance-new-insights-hmda/>

⁵¹ <https://www.consumerfinance.gov/data-research/research-reports/fair-lending-report-2020/>

interagency organizations. This interagency engagement seeks to address current and emerging fair lending risks.

The CFPB, along with the FTC, HUD, FDIC, FRB, NCUA, OCC, DOJ, and FHFA, constitute the Interagency Task Force on Fair Lending. This Task Force meets regularly to discuss fair lending enforcement efforts, share current methods of conducting supervisory and enforcement fair lending activities, and coordinate fair lending policies. The FDIC is currently the Chair of this Task Force.

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. The agencies use these meetings to also discuss fair lending developments and trends, methodologies for evaluating fair lending risks and violations, and coordination of fair lending enforcement efforts.

The Federal Financial Institutions Examination Council’s (FFIEC) Appraisal Subcommittee (ASC), comprised of 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. Among other activities, the ASC hosted a roundtable on September 22, 2021, entitled “Building a More Equitable Appraisal System”, relating to addressing historical and contemporary factors that have contributed to the inequities currently challenging the appraisal system.⁵²

The CFPB engages with other agencies on issues of bias in home appraisals through the PAVE Taskforce. On August 5, 2021, the PAVE held its first principal-level meeting. The PAVE Task Force is chaired by HUD Secretary Marcia Fudge and Director of the United States Domestic Policy Council, Ambassador Susan Rice. The Task Force also includes cabinet-level leaders from executive departments and additional members from independent agencies, including the CFPB. On June 15, 2021, the CFPB hosted a roundtable to look closer at the role of bias in home appraisals.⁵³ At the roundtable, the CFPB heard from civil rights activists, consumer advocates, and local leaders who described the impacts of these biases in their communities. The roundtable also included participants from the NCUA, the OCC, and HUD.

Through the FFIEC the CFPB has robust engagements with other partner agencies that focus on fair lending issues. For example, throughout the reporting period, the CFPB has chaired the HMDA/Community Reinvestment Act (CRA) Data Collection Subcommittee, a subcommittee of

⁵² The Appraisal Subcommittee members are from the FFIEC federal member agencies, HUD, and the FHFA. <https://www.asc.gov/About-the-ASC/BoardMembers.aspx>

⁵³ <https://www.consumerfinance.gov/about-us/events/archive-past-events/virtual-home-appraisal-bias-event/>

the FFIEC Task Force on Consumer Compliance. This subcommittee oversees FFIEC projects and programs involving HMDA data collection and dissemination, the preparation of the annual FFIEC budget for processing services, and the development and implementation of other related HMDA processing projects as directed by the Task Force.

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

Operations

The Operations Division focuses on improving the CFPB's operational functions and related foundational processes by (1) cultivating an engaging and informed workforce to maximize talent and development in alignment with the CFPB's mission; (2) defining and implementing a modern, forward leaning workplace model responsive to the organization's needs; and (3) advancing the work of the CFPB through innovative and optimized operational support.

Significant initiatives

- *Response to Ensure Safety of Staff During COVID-19 Pandemic.* The CFPB instituted several initiatives to ensure the health, safety, and well-being of the CFPB's staff during the COVID-19 pandemic. These included:
 - Maintaining all examination activity of CFPB-supervised institutions be virtually conducted from examiners' home duty stations through April 23, 2022.
 - Managing the agency's operating status and posture starting with mandatory telework through the current maximum telework position, which includes providing appropriate safety conditions to support voluntary return to the office for those who seek that option. This included a phased return to work at its Washington, D.C. headquarters location on July 8, 2020, allowing staff who want to work from the building the opportunity to do so in a safe and secure manner. On October 1, 2020, the CFPB began a phased return to work at its regional locations allowing staff who want to work from the CFPB's regional offices the opportunity to do so in a safe and secure manner, similar to the Washington D.C. headquarters. This operating status is in place through April 23, 2022, and will be reassessed on a regular basis to determine whether additional extensions are appropriate.
 - Granting flexibility to staff to vary their work schedules through additional accrual of credit hours and authorizing staff to use up to 20 hours of administrative leave per pay period if they are prevented from working due to a lapse in childcare or other reasons associated with COVID-19, including time needed to get a COVID-19 vaccine.⁵⁴

⁵⁴Administrative leave is provided through the CFPB's compensation authority.

- Providing up to two weeks (80 hours) of emergency paid sick leave through December 31, 2020, in accordance with the Emergency Paid Sick Leave Act.
 - Adjusting the CFPB’s annual leave program for 2020 and 2021 by increasing the amount of the annual leave use or lose payout from 40 hours to 80 hours for employees who are unable to use their annual leave by the end of the 2020 or 2021 leave years. In addition, in 2020, the CFPB restored up to 40 hours of leave for employees who had a use or lose annual leave balance after the 80-hour payout.
 - Providing CFPB employees with updates on prevention measures, workplace flexibilities, telework options and best practices, and keeping staff informed through a variety of communication channels.
 - Creating several ways to hear from CFPB employees through National Treasury Employees Union engagements, a CFPB -wide COVID-19 advisory group, a Pandemic Inquiries and Re-entry inboxes, leadership involvement, and CFPB Employee Resource Groups. Additionally, the CFPB maintained a frequent cadence of communicating with Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) and other federal agencies for situational awareness and alignment, where possible.
- *Released the Home Mortgage Disclosure Act (HMDA) 2020 national datasets, aggregate and disclosure reports and new map function.* In expanding upon the utility of the CFPB’s HMDA program, the HMDA team released 2020 national loan-level datasets, aggregate and disclosure reports, and a new map function within the Data Browser. The HMDA data and reports are the most comprehensive publicly available information on mortgage market activity.
 - *Deployed the Rental Assistance Finder Tool (RAFT).* This tool helps renters and landlords connect with various state and local programs that are distributing federal assistance and assists both landlords and tenants navigate and identify assistance available through the U.S. Department of Treasury’s Emergency Rental Assistance (ERA) program in their communities.
 - *Digital Analytics and Machine Learning.* The Digital Analytics artificial intelligence and machine learning (AI/ML) program provided direct support to CFPB supervision in completing its first ever examination on machine learning-based loan underwriting and origination.
 - *Privacy Controls.* The CFPB published two privacy impact assessments (PIAs) during this reporting period, which include a PIA update for the CFPB’s FOIA Xpress system to

document enhancements that implement the Office of Management and Budget (OMB) Memorandum M-21-04, Modernizing Access to and Consent for Disclosure of Records Subject to the Privacy Act (Nov. 12, 2020). The new requirements aim to facilitate transparency and enable access to Federal programs and records through seamless and secure digital service delivery. The CFPB also developed and posted a new position description for a Privacy Engineer, the first of its kind in the federal government, to address new National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53, Revision 5 (Rev 5) requirements for federal agencies.

- *Compensation Reform.* In January 2019, the CFPB launched a compensation reform initiative to review compensation practices and agreed with the NTEU to a two-phase CFPB -wide review and reset of all employee salaries. Part one started in May 2021, which included collecting and crediting the work experience of all CFPB staff. Joint management-union committees are tasked with crediting each employee’s work experience based on agreed-upon definitions.

- *People Action Planning (PAP) Working Group.* In March 2021, the CFPB formed the People Action Planning Working Group to define the priorities and activities the CFPB will take to address aspects of the work environment that impact employee engagement and to ensure the CFPB takes a holistic, consistent approach to considering and planning bureau-wide people-related plans and initiatives. The Working Group conducted an extensive review of key CFPB sources of information regarding the employee experience such as the 2020 Annual Employee Survey and developed an inventory of over 150 actions currently in process or planned and prioritized those with the greatest potential to improve employee engagement. The Working Group then drafted a People Strategy containing a roadmap of actions to increase employee engagement and cultivate the Director’s vision for our work environment, which will be worked on over the next 12 months. Actions have been prioritized within three areas:
 - Fostering a culture of diversity, equity, and inclusion;
 - Creating a strong leadership presence and supporting culture; and
 - Providing development and advancement opportunities.

- *COVID-19 Pandemic Response.* Continue to work on several initiatives to ensure the health, safety, and well-being of the CFPB’s staff during the COVID-19 pandemic.⁵⁵
 - Developing a vaccine reporting tool to collect Federal employee vaccination status and initiate exception requests.
 - Creating a process for collecting, reviewing, and adjudicating reasonable and religious accommodations exception requests.
 - Implementing a progressive disciplinary policy for employees who are not fully vaccinated and do not have an approved or pending exception request.
 - Incorporating the FAR Clause 52.223-99 Ensuring Adequate COVID-19 Safety Protocols for Federal Contractors into new and existing contracts to facilitate compliance by contractors with the vaccine mandate.
- *Continue Response to Ensure Safety of Staff in 2022.* The CFPB will continue to monitor and update its workforce flexibilities to ensure the health, safety, and well-being of the CFPB’s staff during the COVID-19 pandemic. The CFPB will also develop safety protocols and procedures to determine when and how staff will re-enter its buildings based on evolving guidance. The CFPB’s maximum telework operating posture remains in place through April 23, 2022.
- *Future of Work.* Further prompted by the pandemic, the Future of Work initiative is changing the way organizations look at where we work, how we work, and the nature of the work itself. Around mid-2022, the CFPB expects to begin implementing changes that will impact where and how we work as the first outcome of this initiative. The CFPB has successfully proven its ability to deliver on its mission during the pandemic and will use the lessons learned, along with feedback from its employees, to assess and define the future path.
- *Collective Bargaining Agreement (CBA).* The CFPB and NTEU agreed to a four-year CBA, which was set to expire on October 9, 2021. The CFPB and NTEU agreed to extend the CBA for one year to prioritize more pressing matters, such as compensation and the Future of Work. As such, CBA bargaining is expected to start in October 2022 and may take up to a year to complete.

⁵⁵ The CFPB is ensuring compliance with the relevant, applicable nationwide preliminary injunctions and will take no action to implement or enforce the COVID-19 vaccination requirement pursuant to Executive Order 14043 or Executive Order 14042 at this time.

- *Implementing PIV Derived Credentials (PIV-D).* Despite challenges presented by COVID, the CFPB will continue to migrate users across the entire CFPB to personal identity verification (PIV) derived credentials (PIV-D). The PIV-D deployment will result in a more secure and efficient user authentication experience eliminating the need to remember and maintain passwords. Stronger security will also be implemented through multi-factor authentication that relies on both a PIV-card and personal identification number (PIN) to gain access, making it much more difficult for "bad actors" to gain unauthorized access.
- *Inaugural Open Data Plan.* While the CFPB awaits OMB guidance on the OPEN Government Data Act, Title II of the Evidence Act, the CFPB continues to develop its Open Data Plan to provide greater transparency and promote access to and use of CFPB datasets. This plan will detail the CFPB's strategy and progress toward identifying priority open datasets and making them more accessible through the comprehensive public data inventory located at data.gov.
- *Data Maturity Assessment.* In accordance with the Federal Data Strategy Action Plan, the CFPB is continuing to develop a data maturity assessment framework to document data management best practices, determine gaps, and identify areas of opportunity to modernize and improve the CFPB's ability to harness data to inform policy decisions. This assessment will provide the foundation to enable the CFPB to mature its use of data to meet its policy priorities and fulfill its mission.

Justification of the budget from the previous year

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

CFPB fund

As of September 30, 2021, the end of the fourth quarter of FY 2021, the CFPB had spent approximately \$598.0 million in FY 2021⁵⁶ funds to carry out the authorities of the CFPB under federal consumer financial law, including approximately \$352.8 million for

⁵⁶ This amount includes new obligations and upward adjustments to previous year obligations. An obligation is a transaction or agreement that creates a legal liability and obligates the government to pay for goods and services ordered or received.

employee compensation and benefits. There were 1,591⁵⁷ CFPB employees on board at the end of the fiscal year.

TABLE 1: FY 2021 SPENDING EXPENSE CATEGORY

Expense Category	Fiscal Year 2021
Personnel Compensation	\$247,169,000
Benefit Compensation	\$102,865,000
Benefit Compensation – Former Employees	\$2,762,000
Travel	\$81,000
Transportation of Things	\$117,000
Rents, Communications, Utilities & Misc.	\$13,436,000
Printing and Reproduction	\$4,326,000
Other Contractual Services	\$199,509,000
Supplies & Materials	\$5,576,000
Equipment	\$22,106,000
Land and Structures	\$86,000
Total (as of September 30, 2021)	\$598,033,000

FY 2021 funds transfers received from the Federal Reserve

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 of 2010 (Dodd-Frank Act). As of September 30, 2021, the CFPB had received the following transfers for FY 2021. The amounts and dates of the transfers are shown below.⁵⁸

TABLE 2: FUND TRANSFERS

Funds Transferred	Date
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⁵⁷ Reflects employees on board during pay-period 19, calendar year 2021.

⁵⁸ Current year spending in excess of funds received is funded from the prior year's unobligated balance.

\$203.4M	October 01, 2020
\$118.6M	January 04, 2021
\$166.8M	April 01, 2021
\$107.1M	July 04, 2021
\$595.9M	Total

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 www.consumerfinance.gov/about-us/budget-strategy/financial-reports/.

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

Research, Markets and Regulations

The Division of Research, Markets, and Regulations uses a synthesis of social science research, market intelligence, legal analysis, and regulatory expertise to develop, recommend, and implement policy choices to ensure that markets for consumer financial products and services are fair, transparent, and competitive.

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

During the reporting period, the CFPB released reports in the form of Data Points and blogs that discuss the challenges consumers face in shopping for or obtaining consumer financial products or services, including reports on payday and auto lending, and a series of blogs and other report on the effects of the COVID-19 pandemic on consumer credit.

Consumer use of payday, auto title, and pawn loans: Insights from the Making Ends Meet survey⁵⁹

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

Using the CFPB's Making Ends Meet survey, we find that consumers who use a payday, auto title, or pawn loan in one year are often still using that type of loan a year later. Some users of these services have lower cost credit available on credit cards, while others lack access to traditional credit. Among payday, auto title and pawn loan borrowers who experience significant financial shocks, the costs of these shocks often exceed other possible sources of funds.

Three quarters of payday, auto title, and pawn users report experiencing both a significant income or expense shock and difficulty paying a bill or expense in the previous year. We examine the income and expenditure shocks that trigger difficulties for consumers in paying bills

⁵⁹ More information can be found here: <https://www.consumerfinance.gov/data-research/research-reports/consumer-use-of-payday-auto-title-and-pawn-loans-insights-making-ends-meet-survey/>

and expenses. For payday, auto title, and pawn users, these shocks tend to be larger than other available credit or savings sources.

Payday, auto title, and pawn users who experience difficulty paying a bill or expense tend to also use other available credit, suggesting that for some consumers, these loans might be part of a broader and more complicated debt portfolio to deal with difficulties. For users of these loans, getting the money quickly, lack of a credit check, and not wanting “anybody to know that I needed money” were important for deciding on their credit source.

Data Point: Subprime auto loan outcomes by lender⁶⁰

Americans owe auto lenders well over a trillion dollars. Consumers with subprime credit scores —*i.e.*, scores that are significantly lower than average—are especially likely to need loans to purchase vehicles. But they also pay the highest interest rates and are the most likely to default on their loans. Because interest rates and default risk can matter so much for consumers, CFPB researchers took an in-depth look at how they vary across different types of subprime auto lenders. They found that some types of subprime lenders charge their borrowers significantly higher interest rates than others, and that differences in default risk are unlikely to fully explain these differences.

The report found notable differences across lender types in the borrowers they serve and the types of vehicles they finance. For example, banks and credit unions that offer subprime auto loans tend to lend to borrowers with higher credit scores than finance companies and buy-here-pay-here dealerships. In light of these differences, it is perhaps not surprising that different lender types charge very different interest rates on average. For example, for subprime auto loans in our sample, average interest rates at banks are approximately 10 percent, compared to 15 percent to 20 percent at finance companies and buy-here-pay-here dealerships. As expected, we find higher default rates at lender types that charge higher interest rates. For example, we find that the likelihood of a subprime auto loan becoming at least 60 days delinquent within three years is approximately 15 percent for bank borrowers and between 25 percent and 40 percent for finance company and buy-here-pay-here borrowers.

But do differences in default risk fully explain the differences in interest rates across subprime lender types that we see? Our statistical analysis suggests they do not. For example, adjusting for many factors in our data that we observe (such as borrowers’ credit scores), we estimate that the average borrower in our data with a 560+ credit score would have the same default risk with a

⁶⁰ More information can be found here: <https://www.consumerfinance.gov/data-research/research-reports/subprime-auto-loan-outcomes-lender-type/>

loan from a bank as with a loan from a small buy-here-pay-here lender. But their estimated interest rate would be 13 percent with a loan from a small buy-here-pay-here lender, while it would be 9 percent with a loan from a bank. In our data, a typical borrower at a small buy-here-pay-here lender would save around \$900 over the life of a loan if they could reduce their interest rate from 13 percent to 9 percent.

Significant initiatives

- *Changes in consumer financial status during the early months of the pandemic.*⁶¹ An analysis using the CFPB’s Making Ends Meet survey series looks at the early impact of COVID-19 on the financial status of consumers. The results show that fewer consumers had difficulty paying a bill in the initial months of the COVID-19 pandemic than one year earlier and that both credit scores and CFPB financial well-being scores increased. These improvements were largely consistent across demographics like race, ethnicity, gender, rural status, and income.

Many consumers’ financial status declined, despite the average increase. Consumers whose income or savings decreased, regardless of whether they became unemployed, were more likely than others to experience reduced financial well-being and credit scores. Credit forbearance appears to have helped consumers who were having difficulty paying bills avoid a decline in financial well-being.

- *Financial conditions for renters before and during the COVID-19 Pandemic.*⁶² Using the Making Ends Meet survey and consumer credit data, CFPB researchers found that financial conditions faced by renters and homeowners were divergent before the pandemic, with renters generally experiencing more financial vulnerability than homeowners. Renters therefore had more to gain from some pandemic relief efforts than homeowners. They also could have more to lose from the termination of relief. The CFPB finds that some government relief efforts likely helped maintain the financial stability of renters and their families, suggesting that many may be at risk as those programs expire. The report, which compared homeowners and renters, found that, on average, renters’ economic conditions were significantly more responsive to relief measures such as stimulus payments and changes in unemployment benefits. When these programs end,

⁶¹ More information can be found here: <https://www.consumerfinance.gov/data-research/research-reports/changes-in-consumer-financial-status-during-early-months-pandemic/>

⁶² More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-renters-at-risk-as-covid-19-safety-net-ends/>

renters and their families may be at heightened risk. The findings in today’s report will help inform the CFPB’s ongoing work to support renters and their families.

- *The Consumer Credit Card Market.*⁶³ In September 2021, the CFPB released its fifth biennial report to Congress on the consumer credit card market, finding that the market’s growth over the last few years reversed course in 2020. In reviewing the market for potential consumer harm, the report presents the latest research on consumer card use, cost, and availability. From a 2019 peak of \$926 billion, credit card debt fell to \$811 billion by the second quarter of 2020, the largest six-month decline on record, before reaching \$825 billion by the end of the year.

During the pandemic, many cardholders received direct federal assistance, enhanced unemployment benefits, and payment and interest suspension of federally held student loans. Buttressing those public efforts, credit card issuers also provided relief to cardholders through payment deferrals and fee waivers. The report notes the continued importance of issuers improving customer service and system reliability related to those relief programs and ensuring that their systems operate in full compliance with applicable law, even as the market continues to change with evolving economic conditions as well as with innovation in the card market and in competing product markets.

- *Effect of COVID-19 on Consumer Credit Outcomes Blog Series*
 - *Blog #1: Delinquencies.*⁶⁴ The first post focuses on trends in delinquencies for auto loans, student loans, mortgages, and credit cards. Possibly due to federal, state and local policy interventions providing payment assistance and income support, in August 2020,⁶⁵ we found that new delinquencies declined for auto loan, mortgage, student loan, and credit card accounts through June of 2020. Since July 2020, delinquencies for auto loans and credit cards rose somewhat, but as of March 2021, the rate of new delinquencies on all four types of credit were still below pre-pandemic levels.

⁶³ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-report-finds-declines-credit-card-debt-new-applications-increases-digital-engagement-2020/>

⁶⁴ More information can be found here: <https://www.consumerfinance.gov/about-us/blog/delinquencies-on-credit-accounts-continue-to-be-low-despite-the-pandemic/>

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

- *Blog #2: Trends in Reported Assistance.*⁶⁶ The second post focuses on reported assistance on consumers’ credit records. For purposes of this analysis, we define consumer assistance as an account being reported with zero scheduled payment due despite a positive balance. In the August 2020 report, we found that most credit products saw a sharp uptick in assistance in March 2020 and an uptick in transitions out of assistance between April and June. Since July 2020, consumers have transitioned out of assistance to varying degrees across all credit products, but a significant share of mortgage borrowers continue to receive assistance.
- *Blog #3: Credit Card Utilization.*⁶⁷ The third post focuses on how trends in credit card balances have evolved since June 2020. Simple economic theory says that, all else equal, it would be rational for consumers to take on debt when their income takes a hit, but evidence of this is mixed. Moreover, for most of the pandemic, aggregate personal income rose above the pre-pandemic trend. In August 2020, we reported that credit card balances were down on average in the early months of the pandemic, and also that credit card balances declined in every sub-group we examined. Since July, these trends have continued, with credit card balances continuing to fall compared to the same month a year prior, both overall and in each sub-group.
- *Blog #4: Credit Limits and Account Closings.*⁶⁸ In the fourth post, we examine whether credit has tightened on existing credit card accounts. Due to the large unemployment and income shocks that occurred as a result of the pandemic, households may have been less likely to repay their debt, and in turn, financial institutions may have begun limiting households’ access to credit as occurred during the Great Recession. In this post, we examine whether financial institutions cut limits or closed accounts during the pandemic.
- *Blog #5: Credit Tightness.*⁶⁹ The fifth post focuses on access to new credit—the share of new credit applications that result in new accounts and the amount of credit that is extended to consumers who open new accounts. During the last recession in the late 2000s, creditors sharply pulled back on the availability of all types of credit to reduce

⁶⁶ More information can be found here: <https://www.consumerfinance.gov/about-us/blog/trends-in-reported-assistance-consumers-credit-records/>

⁶⁷ More information can be found here: <https://www.consumerfinance.gov/about-us/blog/credit-card-use-still-declining-compared-to-pre-pandemic-levels/>

⁶⁸ More information can be found here: <https://www.consumerfinance.gov/about-us/blog/credit-card-limits-rising-for-most-groups-after-stagnating-during-pandemic/>

⁶⁹ More information can be found here: <https://www.consumerfinance.gov/about-us/blog/credit-access-declined-during-pandemic-for-credit-cards-increased-for-mortgages-and-auto-loans/>

their risk. In a report we released in August 2020, and updated in an earlier post in this series, we showed there was not a pronounced reduction in available credit card credit since the start of the COVID-19 pandemic, although credit limit increases seem to have been halted for many consumers. However, because of lags in the reporting of new accounts, the August 2020 report did not discuss trends in access to new credit.

- *Effects of Home Mortgage Disclosure Act Thresholds (HMDA).*⁷⁰ The CFPB published a report analyzing differences in lending patterns for lenders below and above the 100-loan closed-end threshold set by the 2020 HMDA rule. While this analysis is necessarily limited and preliminary, the report does find some differences in lending patterns for lenders above and below the threshold. Lenders below the 100-loan threshold appear to make more investment purpose loans to higher income borrowers and non-natural person borrowers (i.e., trusts, partnerships, and corporations), as well as more loans secured by properties in low-to-moderate income census tracts. These findings are consistent with a possible explanation that lenders below the 2020 rule's 100-loan closed-end threshold are making more loans to investors buying up property in low-to-moderate income census tracts for rental or resale.
- *Asian American and Pacific Islanders in the Mortgage Market.*⁷¹ Asian American and Pacific Islanders (AAPIs) are often seen as a homogeneous group. Even though this expansive demographic group ranges from Asian Indians, Chinese, and Japanese to Hawaiians, Samoans, and other Pacific Islanders, the Model Minority myth characterizes them as a monolithic group, with uniform high achievement and high income, relatively untouched by racial and ethnic discrimination. This myth minimizes both the extensive diversity among AAPI subgroups, who have different histories, cultures, and socioeconomic statuses, and the extent of racial and ethnic discrimination experienced by AAPI communities.

Using the 2020 HMDA mortgage loan data, CFPB researchers examined the differences in mortgage characteristics within the AAPI population. In general, borrowers who identified their AAPI subgroup as Asian Indian or Chinese paid lower interest rates than non-Hispanic White borrowers. Hawaiian or Pacific Islanders (HoPIs), as a group, paid higher interest rates and loan costs than Asian borrowers, with considerable variation within subgroups of HoPIs.

⁷⁰ More information can be found here: <https://www.consumerfinance.gov/about-us/blog/hmda-threshold-report-blog/>

⁷¹ More information can be found here: <https://www.consumerfinance.gov/about-us/blog/challenging-model-minority-myth-asian-american-pacific-islanders-mortgage-market/>

Loan costs and interest rates are only part of the story. Denial rates also vary across AAPI subgroups, with some Asian subgroups and HoPIs being denied at rates similar to denial rates for Black and Hispanic White borrowers. Even though AAPIs, on average, had lower interest rates, homeownership rates generally lag those of non-Hispanic Whites. This lag in homeownership, as well as the variability in denial rates and loan costs, could have implications for the ability of AAPI communities to build wealth and stability.

- *Data Point: 2020 Mortgage Market Activity and Trends.*⁷² In August 2021, the CFPB published the fourth in an annual series of Data Point articles describing mortgage market activity over time based on data reported under HMDA. It focuses on mortgage trends from 2018 to 2020, when the new and revised HMDA data became available under the 2015 HMDA rule. The CFPB finds that the total number of closed-end originations as well as applications increased substantially between 2019 and 2020. Closed-end originations (excluding reverse mortgages) increased in 2020 by 65.2 percent, from 8.3 million in 2019 to 13.6 million in 2020. Most of the increase was driven by the refinance boom observed in 2020. The data point also notes that, while the number of financial institutions reporting HMDA data for 2020 declined compared to 2019, the number of closed-end records in 2020 increased compared to the previous year. While mortgage activity generally increased, year over year, significant differences between demographic groups persisted, including higher interest rates and denials among Black and Hispanic consumers in the mortgage market.

- *Manufactured Housing Finance: New Insights from HMDA.*⁷³ In May 2021, the CFPB published a report that provides new insights into manufactured housing financing, a vital source of lending for millions of manufactured housing homeowners. Manufactured housing is a small segment of the overall housing supply, but it is one of the most affordable types of housing available to low-income consumers and makes up 13 percent of the housing stock in small towns and rural America. Those low acquisition costs, however, often come coupled with higher interest rates and limited opportunities to refinance. Consumers who do not own the underlying land are more likely to see their homes depreciate and have fewer protections if they fall behind on payments. These factors combined can make this lower-cost housing a potentially risky avenue for homeownership. Among the findings from the report:

⁷² More information can be found here: <https://www.consumerfinance.gov/about-us/blog/challenging-model-minority-myth-asian-american-pacific-islanders-mortgage-market/>.

⁷³ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/manufactured-housing-loan-borrowers-face-higher-interest-rates-risks-and-barriers-to-credit/>.

- Overall, around 42 percent of manufactured home purchase loans are “chattel” loans, which are secured by the home but not the land. In general, chattel loans have higher interest rates and fewer consumer protections than mortgages.
- The top five lenders account for more than 40 percent of manufactured housing purchase loans, and nearly 75 percent of chattel lending. The four largest originators are specialty lenders that primarily offer chattel loans to manufactured housing owners. Over time, nonbank lenders have played an increasing role in the manufactured housing lending market, while banks have decreased their activity or exited the market altogether.
- Hispanic, Black and African American, American Indian and Alaska Native, and elderly borrowers are more likely than other consumers to take out chattel loans, even after controlling for land ownership. Black and African American borrowers are the only racial group that are underrepresented in manufactured housing lending overall compared to site-built, but overrepresented in chattel lending compared to site-built.

In the upcoming period of this Semi-Annual Report, the CFPB has conducted and will conduct further initiatives that focus on the new Director’s priorities.

Overdraft research

In December 2021, the CFPB released two Data Points about overdraft.⁷⁴ Overdraft presents serious risks to consumers; as of 2012, the under 9 percent of consumer accounts that have more than 10 overdrafts per year accounted for close to 80 percent of all overdraft and non-sufficient fund (NSF) fee revenue.⁷⁵

- *Overdraft/Non-Sufficient Funds (NSF) Fee Reliance Since 2015 – Evidence from Bank Call Reports.*⁷⁶ The first Data Point shows that banks’ revenues from overdraft and NSF fees have been stable since 2015, especially before the COVID-19 pandemic. From the beginning of reporting in 2015, aggregate overdraft and NSF fee revenues reported in Call Reports for banks with assets over \$1 billion saw a small but steady increase of around 1.7 percent per year to \$11.97 billion in 2019. Complementing the Call Report

⁷⁴ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-research-shows-banks-deep-dependence-on-overdraft-fees/>

⁷⁵ More information can be found here: <https://www.consumerfinance.gov/data-research/research-reports/cfpb-data-point-frequent-overdrafters/>

⁷⁶ More information can be found here: <https://www.consumerfinance.gov/data-research/research-reports/data-point-overdraft-nsf-fee-reliance-since-2015-evidence-from-bank-call-reports/>

data with data on small institutions, CFPB researchers estimate that the overall market revenue from overdraft and NSF fees was \$15.47 billion in 2019.

- *Checking Account Overdraft at Financial Institutions Served by Core Processors.*⁷⁷ The second Data Point provides the most detailed and wide-ranging quantitative data the CFPB or others have collected on overdraft policies, practices, and outcomes at small financial institutions, based on a sample of institutions served by core processors during a 12-month time period predominantly covering 2014. The Office of Research reports that, as of 2014, 92.9 percent of smaller banks and 60.9 percent of credit unions in the CFPB's sample had an overdraft program, making such programs less common at these institutions than among large banks. The smaller institutions were also less likely to offer the option to opt in to debit card overdraft, with about two-thirds of institutions with overdraft offering this option. And, while overdraft and NSF fees were 13 to 19 percent lower at small banks and credit unions than at large banks, credit unions and small banks with an overdraft program earned \$42.33 and \$40.37 in annual overdraft revenue per account, respectively, which was just 6 percent and 11 percent less than large banks, respectively.

Credit reporting research and advisory opinion

- *Consumer Credit Trends: Disputes on Consumer Credit Reports.*⁷⁸ In October 2021, the CFPB released research finding that consumers in majority Black and Hispanic neighborhoods, as well as younger consumers and those with low credit scores, are far more likely than other consumers to have disputes appear on their credit reports. The research is a part of the CFPB's Consumer Credit Trends series of reports focusing on trends in the consumer financial marketplace, and uses data on auto loan, student loan, and credit card accounts opened between 2012 and 2019.

The report shows that majority Black and Hispanic neighborhoods continue to face significant challenges with credit records. In nearly every credit category reviewed (auto loans, student loans, credit cards, and retail cards), consumers residing in majority Black areas were more than twice as likely to have disputes appear on their credit reports compared to consumers residing in majority white areas. For auto loans, consumers in majority Black areas were more than three times as likely to have disputes appear on their credit reports compared to consumers residing in majority white areas (0.8 percent of

⁷⁷ More information can be found here: <https://www.consumerfinance.gov/data-research/research-reports/data-point-checking-account-overdraft-financial-institutions-served-core-processors/>

⁷⁸ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-finds-credit-report-disputes-far-more-common-in-majority-black-and-hispanic-neighborhoods/>

accounts with disputes in majority white census tracts compared to 2.8 percent of accounts in majority Black census tracts).

Data gathering and research on emerging market developments

The CFPB has authority pursuant to Section 1022(c)(4) of the Consumer Financial Protection Act to issue orders to collect information on the business practices of relevant consumer financial market participants. This authority helps the CFPB monitor for risks to consumers in the offering or provision of consumer financial products or services.

- *Large Technology Firm Payment System Plans.*⁷⁹ In October 2021, the CFPB issued a series of orders to collect information on the business practices of large technology companies operating payments systems in the United States. The information will help the CFPB better understand how these firms use personal payments data and manage data access to users so the CFPB can ensure adequate consumer protection. The orders will shed light on the business practices of the largest technology companies in the world. The orders also seek to illuminate the range of these consumer payment products and their underlying business practices.
- *Buy Now Pay Later.*⁸⁰ In December 2021, the CFPB issued a series of orders to five companies offering “buy now, pay later” (BNPL) payment credit. The orders to collect information on the risks and benefits of these fast-growing loans went to Affirm, Afterpay, Klarna, PayPal, and Zip. The CFPB is concerned about accumulating debt, regulatory arbitrage, unclear consequences, and data collection in a consumer credit market already quickly changing with technology.

BNPL credit is a type of deferred payment option that generally allows the consumer to split a purchase into smaller installment payments, often with a down payment of 25 percent due at checkout. The application process is quick, involving relatively little information from the consumer, and the product often comes with no interest. Lenders have touted BNPL as a safer alternative to credit card debt, along with its ability to serve consumers with scant or subprime credit histories.

⁷⁹ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-orders-tech-giants-to-turn-over-information-on-their-payment-system-plans/>

⁸⁰ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-opens-inquiry-into-buy-now-pay-later-credit/>

Upcoming research and data gathering

- *Making Ends Meet Survey.* As referenced above, the CFPB’s Making Ends Meet Survey is a nationally representative survey of adults with a credit record developed by the CFPB’s Office of Research. The survey results provide a deeper understanding of how often U.S. consumers have difficulty making ends meet, how they cope with these shortfalls, and the subsequent effects of financial difficulty. In January 2022, the CFPB plans to field the fifth installment of the survey.
- *Consumer Credit Panel and Alternative Data.* The Office of Research issued a request for proposal to solicit bids for a nationally representative panel of deidentified credit record information from the national credit reporting agencies. In 2022, the CFPB is also updating its Consumer Credit Panel (CCP) data with race/ethnicity probabilities using the CFPB’s Bayesian Improved First Name Surname Geocoding (BIFSG) proxy methodology and gender probabilities using the CFPB’s Gender proxy methodology. The enhancements to the CCP will allow our researchers and analysts to improve the CFPB’s understanding of consumers’ debt levels, payment performance, and credit access and to reliably and quickly produce new analyses of consumer behavior, monitor markets, and identify disparities across groups.

In FY 2022, the CFPB also plans to procure alternative data, which would contain additional information not found in traditional credit-record data. The CFPB is interested in understanding whether the use of alternative data in credit approval and pricing decisions might leave consumers, including credit invisible and unscorable consumers, with different credit options and pricing.

Significant rules and orders

During the reporting period of this Semi-Annual Report, the CFPB completed the following rule-related work, including advisory opinions, advance notice of proposed rulemakings, requests for information and proposed and final rules. A complete listing of the CFPB’s proposed and final rules can be found on the website.⁸¹

- *Debt Collection Interim Final Rule.*⁸² In April 2021, the CFPB issued an interim final rule to address certain debt collector conduct associated with an eviction moratorium issued by the Centers for Disease Control and Prevention to prevent the further spread of

⁸¹ A full listing of the CFPB’s proposals and rules can be found here: <https://www.consumerfinance.gov/rules-policy/>

⁸² More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-rule-clarifies-tenants-can-hold-debt-collectors-accountable-for-illegal-evictions/>

COVID-19. The rule amended Regulation F, which implements the FDCPA, to require debt collectors to provide written notice to certain consumers of their protections under the CDC Order’s eviction moratorium and to clarify that certain misrepresentations are prohibited.

- *Mortgage Servicing COVID Relief proposed and final rule.*⁸³ In June 2021, the CFPB issued a final rule to amend Regulation X to assist mortgage borrowers affected by the COVID-19 emergency. The final rule establishes temporary procedural safeguards to help ensure that borrowers have a meaningful opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages. In addition, the final rule would temporarily permit mortgage servicers to offer certain loan modifications made available to borrowers experiencing a COVID-19-related hardship based on the evaluation of an incomplete application. The CFPB issued the notice of proposed rulemaking (NPRM) in April 2021.
- *Small Business Lending Data Small Business Panel and NPRM.*⁸⁴ In the Dodd-Frank Wall Street Reform and Consumer Protection Act, Congress directed the CFPB to adopt regulations governing the collection of small business lending data. Section 1071 of the Dodd-Frank Act amended the Equal Credit Opportunity Act (ECOA) to require financial institutions to compile, maintain, and submit to the CFPB certain data on applications for credit for women-owned, minority-owned, and small businesses.
- *Notice of proposed rulemaking.* On September 1, 2021, the CFPB issued a proposed rule that would amend Regulation B to implement changes to ECOA made by section 1071 of the Dodd-Frank Act. Consistent with section 1071, the CFPB is proposing to require covered financial institutions to collect and report to the CFPB data on applications for credit for small businesses, including those that are owned by women or minorities. The proposal also addresses the CFPB’s approach to privacy interests and the publication of section 1071 data, shielding certain demographic data from underwriters and other persons, recordkeeping requirements, enforcement provisions, and the proposed rule’s effective and compliance dates.
- *ECOA interpretive rule on gender and sexual orientation.*⁸⁵ In March 2021, the CFPB issued an interpretive rule clarifying that the prohibition against sex discrimination under

⁸³ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-rules-to-facilitate-smooth-transition-as-federal-foreclosure-protections-expire/>

⁸⁴ More information can be found here: <https://www.consumerfinance.gov/1071-rule/>

⁸⁵ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-clarifies-discrimination-by-lenders-on-basis-of-sexual-orientation-and-gender-identity-is-illegal/>

the Equal Credit Opportunity Act (ECOA) and Regulation B includes sexual orientation discrimination and gender identity discrimination. This prohibition also covers discrimination based on actual or perceived nonconformity with traditional sex- or gender-based stereotypes, and discrimination based on an applicant's social or other associations.

- *Advisory Opinion: Fair Credit Reporting; Name-Only Matching Procedures.*⁸⁶ In November 2021, the CFPB issued an advisory opinion affirming that consumer reporting companies, including tenant and employment screening companies, are violating the law if they engage in shoddy name-matching procedures. Regulators are concerned about the significant harms caused by false identity matching, where an applicant is disqualified from rental housing or a job based on having the same name as another individual with negative information in their credit history. Specifically, the CFPB affirmed that the practice of matching consumer records solely through the matching of names is illegal under the Fair Credit Reporting Act.
- *Artificial Intelligence and Machine Learning Request for Information.*⁸⁷ In March 2021, five federal financial regulatory agencies are gathering insight on financial institutions' use of artificial intelligence (AI). The agencies seek information from the public on how financial institutions use AI in their activities, including fraud prevention, personalization of customer services, credit underwriting, and other operations.

Other rulemaking initiatives

- *Consumer Data Access Advance Notice of Proposed Rulemaking.*⁸⁸ When consumers use financial products and services, the providers of those products and services generally accumulate data about those consumers and their use of those products and services. Consumer access to these data allow consumers to manage their financial accounts and can enhance consumers' control of their financial matters. Consumers may realize these benefits by authorizing third parties to access these data on their behalf and allowing those third parties to deliver new or improved financial products and services. Use cases for consumer-authorized data include personal financial management, making and

⁸⁶ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-to-stop-false-identification-by-background-screeners/>

⁸⁷ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/agencies-seek-wide-range-of-views-on-financial-institutions-use-of-artificial-intelligence/>

⁸⁸ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-releases-advance-notice-proposed-rulemaking-consumer-access-financial-records/>

receiving payments, assisting consumers with improving savings outcomes, underwriting credit, and many other services.

While consumer access to financial records can enable the development of innovative and beneficial consumer financial products, it can also present consumer risks. The CFPB published an Advance Notice of Proposed Rulemaking (ANPRM) seeking comments and information on costs and benefits of consumer data access; competitive incentives; standard-setting; access scope; consumer control and privacy; and data security and accuracy. The CFPB is reviewing comments received in response to the ANPRM.

- *Qualified Mortgage Loans.*⁸⁹ On April 27, 2021, the CFPB issued a final rule (the April 2021 Final Rule) extending the mandatory compliance date of the General Qualified Mortgage (QM) Final Rule from July 1, 2021 to October 1, 2022. While the April 2021 Final Rule extends the General QM Final Rule’s mandatory compliance date, it does not change the General QM Final Rule’s effective date. The General QM Final Rule was effective on March 1, 2021.

Additionally, the April 2021 Final Rule affects the expiration of the Temporary GSE QM loan definition or “Patch.” Under the April 2021 Final Rule, the Temporary GSE QM loan definition will expire on October 1, 2022 or the date the applicable GSE exits conservatorship, whichever comes first. However, the practical availability of the Temporary GSE QM loan definition may be affected by policies or agreements created by parties other than the Bureau, such as the Preferred Stock Purchase Agreements (PSPAs), which include restrictions on GSE purchases that rely on the Temporary GSE QM loan definition after July 1, 2021.

*Debt Collection Final Rules.*⁹⁰ In FY2021, the CFPB issued two final rules related to debt collection. On October 30, 2020, the CFPB revised Regulation F, 12 CFR part 1006, which implements the Fair Debt Collection Practices Act (FDCPA), to prescribe Federal rules governing the activities of debt collectors, as that term is defined in the FDCPA. The final rule addresses, among other things, communications in connection with debt collection and prohibitions on harassment or abuse, false or misleading representations, and unfair practices in debt collection. Then on December 18, 2020, the CFPB issued a final rule that clarifies the information that a debt collector must provide to a consumer at

⁸⁹ More information can be found here: <https://www.consumerfinance.gov/rules-policy/final-rules/qualified-mortgage-definition-under-truth-lending-act-regulation-z-general-qm-loan-definition-delay-mandatory-compliance-date/>

⁹⁰ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-final-rule-implement-fair-debt-collection-practices-act/>
<https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-issues-final-rule-on-consumer-disclosures-related-to-debt-collection/>

the outset of debt collection communications and provides a model notice containing such information, prohibits debt collectors from bringing or threatening to bring a legal action against a consumer to collect a time-barred debt, and requires debt collectors to take certain actions before furnishing information about a consumer's debt to a consumer reporting agency. As issued, the final rules mentioned above have an effective date of November 30, 2021.

On the Fall 2021 Unified Agenda of Federal Regulatory and Deregulatory Actions (Unified Agenda), which is coordinated by the Office of Management and Budget, the CFPB announced plans to conduct rulemaking that may, in whole or in part, improve consumers' understanding of consumer financial products and services.

- *Transition from LIBOR Interest Rate Index.*⁹¹ In December 2021, the CFPB finalized a rule facilitating the transition away from the LIBOR interest rate index for consumer financial products. The rule establishes requirements for how creditors must select replacement indices for existing LIBOR-linked consumer loans after April 1, 2022. No new financial contracts may reference LIBOR as the relevant index after the end of 2021. Starting in June 2023, LIBOR can no longer be used for existing financial contracts. The transition away from LIBOR was set into motion after a criminal rate-setting conspiracy implicated large international banks and undermined public confidence in the index. Approximately \$1.4 trillion of consumer loans are estimated to be currently tied to LIBOR.
- *Automated Valuation Models.* The CFPB is participating in interagency rulemaking processes with the FRB, the OCC, the FDIC, the NCUA, and the FHFA (collectively, the Agencies) to develop regulations to implement the amendments made by the Dodd-Frank Act to the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) concerning automated valuation models. The FIRREA amendments require implementing regulations for quality control standards for automated valuation models (AVMs). These standards are designed to ensure a high level of confidence in the estimates produced by the valuation models, protect against the manipulation of data, seek to avoid conflicts of interest, require random sample testing and reviews, and account for any other such factor that the Agencies determine to be appropriate. The Agencies will continue to work to develop a proposed rule to implement the Dodd-Frank Act's AVM amendments to FIRREA.

⁹¹ More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-issues-final-rule-to-facilitate-transition-from-libor/>

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

- *HMDA Assessment Request for Information and Voluntary Assessment.*⁹² In November 2021, the CFPB issued a Request for Information (RFI) to seek input on the 2015 HMDA rule and related amendments implementing HMDA. The CFPB plans to conduct a voluntary assessment of the HMDA rule, which will review recent changes and evaluate their effectiveness. This evaluation will strengthen the CFPB's ability to maintain a fair, competitive, and non-discriminatory mortgage market. The CFPB is requesting public comment on its plans for the assessment as well as certain recommendations and information that may be useful in conducting the planned assessment.

⁹² More information can be found here: <https://www.consumerfinance.gov/about-us/newsroom/cfpb-seeks-input-on-detecting-discrimination-in-mortgage-lending/>

Supervision, Enforcement and Fair Lending

The Supervision, Enforcement & Fair Lending (SEFL) Division ensures compliance with federal consumer financial laws by supervising market participants and bringing enforcement actions when appropriate.

Significant initiatives

- *Prioritized Assessments.* As part of the CFPB’s efforts to provide relief to consumers facing hardship due to COVID-19 and the related economic crisis, the CFPB has been prioritizing and expanding its follow up on the issues identified in Prioritized Assessments last year as well as the current issues related to economic hardships consumers are facing in the ongoing pandemic.
- *Fair Lending.* The CFPB is increasing its supervisory resources on targeted fair lending reviews. This includes follow up work to the fair lending risks identified in the Prioritized Assessments from the review of the Paycheck Protection Program restrictions to current customers, as well as other supervisory activities.
- *Compliance Management Review – Information Technology Examination Procedures.* The CFPB published examination procedures for compliance management systems – information technology (CMS-IT). Institutions often use information technology (IT) that could impact compliance with Federal consumer financial laws. As part of its overall compliance management system (CMS) assessment, the CFPB may evaluate the technology controls of an institution and its service providers. The CFPB may also evaluate an institution’s IT as it relates to compliance with Federal consumer financial laws. The CMS-IT examination procedures are used by examiners to assess IT and IT controls as part of a CMS review.
- *Rescission of Certain Policy Statements.* On March 31, 2021, the CFPB rescinded seven policy statements issued in 2020 that provided temporary flexibilities to financial institutions in consumer financial markets including mortgages, credit reporting, credit cards and prepaid cards. The seven rescissions, effective April 1, 2021, provide guidance to financial institutions on complying with their legal and regulatory obligations. With the rescissions, the CFPB provided notice of its intent to exercise the full scope of its supervisory and enforcement authority as provided under the Dodd-Frank Act. The CFPB also rescinded its 2018 bulletin on supervisory communications and replaced it with a revised bulletin describing its use of matters requiring attention (MRAs) to effectively convey supervisory expectations.

- *Rescission of Abusiveness Policy Statement.* On March 11, 2021, the CFPB announced its rescission of its January 24, 2020 policy statement, “Statement of Policy Regarding Prohibition on Abusive Acts or Practices.” The CFPB rescinded the original policy statement to better protect consumers and the marketplace from abusive acts or practices, and to enforce the law as Congress wrote it. Effective March 19, 2021, as stated in the rescission, the CFPB intends to exercise its supervisory and enforcement authority consistent with the full scope of its statutory authority under the Dodd-Frank Act as established by Congress.

Public supervisory and enforcement actions

The CFPB’s supervisory activities with respect to specific institutions are non-public. The CFPB has, however, issued numerous supervisory guidance documents and bulletins during the preceding year.

The CFPB was a party in the following public enforcement actions from October 1, 2020, through September 30, 2021, detailed as follows and listed in descending chronological order by filing date. This section also identifies those actions involving Office of Administrative Adjudication Orders with respect to covered persons that are not credit unions or depository institutions.

- *Consumer Financial Protection Bureau v. 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’s complaint alleges that Credit Repair Cloud and Daniel Rosen have violated the Telemarketing Sales Rule (TSR) by providing substantial assistance to credit-repair businesses that violate the TSR’s advance-fee prohibition. The CFPB also alleges that by violating the TSR, Credit Repair Cloud and Daniel Rosen have violated the Consumer Financial Protection Act of 2010 (CFPA). The complaint seeks redress to consumers, disgorgement, appropriate injunctive relief, and the imposition of civil money penalties against Credit Repair Cloud and Daniel Rosen. The case remains pending.
- *Consumer Financial Protection Bureau v. LendUp Loans, LLC (N.D. Cal. 3:21-cv-06945).* On September 8, 2021, the CFPB filed a lawsuit against LendUp Loans, LLC. LendUp is an online lender offering single-payment and installment loans to consumers. The CFPB alleges that LendUp’s brand identity is tied to its marketing claims that repeat borrowers will accrue points and ascend the “LendUp Ladder,” gaining access to loans with more favorable interest rates or larger loan amounts as consumers reach higher

Ladder levels. In 2016, the CFPB issued an administrative order against LendUp to address the CFPB’s finding that LendUp misled consumers about the benefits of its loans. That order prohibits LendUp from misrepresenting the benefits of borrowing from the company. In this action, the CFPB alleges that LendUp claimed that through on-time payments and repeat borrowing, consumers would ascend the LendUp Ladder to achieve the promised benefits and that many borrowers did not actually get those benefits. The CFPB alleges that LendUp’s marketing claims were deceptive under the CFPA and violated the prohibitions of the 2016 CFPB order. The CFPB also alleges that LendUp failed to timely issue required adverse-action notices and failed to provide accurate denial reasons on its adverse-action notices to thousands of loan applicants, in violation of the Equal Credit Opportunity Act (ECOA) and Regulation B, and that these violations constitute violations of the CFPA. The CFPB’s complaint seeks redress for consumers, injunctive relief, and a civil money penalty. As of the end of the reporting period, the case remains pending.⁹³

- *In the Matter of Better Future Forward, Inc.; Better Future Forward Manager, LLC; Better Future Forward Opportunity ISA Fund (CP1), LLC; and Better Future Forward Opportunity ISA Fund (CH1), LLC (2021-CFPB-0005) (not a credit union or depository institution)*. On September 7, 2021, the CFPB issued an administrative order against Better Future Forward, Inc.; Better Future Forward Manager, LLC; Better Future Forward Opportunity ISA Fund (CP1), LLC; and Better Future Forward Opportunity ISA Fund (CH1), LLC (collectively, “BFF”), which are companies that provide students with income-share agreements (ISAs) to finance postsecondary education. The CFPB found that BFF falsely represented that its ISAs are not loans and do not create debt. This conduct was deceptive in violation of the CFPA. The CFPB also found that BFF failed to give certain required disclosures and imposed prepayment penalties on private education loans in violation of the Truth in Lending Act (TILA), Regulation Z, and the CFPA. The CFPB’s order requires BFF to cease misrepresentations, provide consumers with required disclosures, and reform contracts to eliminate prepayment penalties.
- *In the Matter of GreenSky, LLC (2021-CFPB-0004) (not a credit union or depository institution)*. On July 12, 2021, the CFPB issued an administrative order against GreenSky, LLC (GreenSky), a financial technology company that services and facilitates the origination of consumer loans. The CFPB found that GreenSky engaged in origination activity on thousands of loans to consumers who did not request or authorize them and that the company structured its loan origination and servicing program in a manner that enabled the origination of unauthorized loans. This conduct was unfair in violation of the

⁹³ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here <https://www.consumerfinance.gov/enforcement/actions/lendup-loans-llc-2/>.

CFPA. The CFPB's order requires GreenSky to refund the accounts or cancel the loans of customers harmed by the conduct up to \$9 million, implement enhanced loan authorization and verification procedures to prevent unauthorized loans from being issued in the future, and pay a civil penalty of \$2.5 million.

- *Consumer Financial Protection Bureau; and State of Georgia ex rel. Christopher M. Carr, Attorney General of the State of Georgia v. Burlington Financial Group, LLC; Richard W. Burnham; Sang Yi; and Katherine Ray Burnham, (N.D. Ga. 1:21-cv-02595).* On June 28 and 29, 2021, the CFPB filed a lawsuit and proposed stipulated final judgment and order, respectively, against Burlington Financial Group, LLC, and its principals, Richard Burnham, Katherine Burnham, and Sang Yi. The court entered the stipulated final judgment and order on June 29, 2021. Burlington Financial is a Maryland-based company offering debt-relief and credit-repair services. The CFPB alleged that Burlington Financial and its principals used telemarketing to solicit consumers with false promises that Burlington's services would eliminate their credit-card debts and improve their credit scores. The CFPB alleged that Burlington and its principals charged advance fees for debt-relief and credit-repair services in violation of the TSR and engaged in deceptive acts or practices to market and sell Burlington's services in violation of the TSR and CFPA. The CFPB also alleged that the principals substantially assisted in the company's violations of the TSR and CFPA. The CFPB filed its complaint jointly with the Attorney General for the State of Georgia. The order bans Burlington and its principals from telemarketing with respect to any consumer-financial product or service and from offering, marketing, selling, or providing any financial-advisory, debt-relief, or credit-repair service. The order also requires Burlington and its principals to pay civil money penalties totaling \$150,001, \$15,000 of which will be remitted upon Burlington's payment of a penalty in that amount to Georgia, and it imposes a judgment for redress of \$30,457,853, to be suspended upon payment of the civil money penalties.
- *In the Matter of 3rd Generation, Inc., d/b/a California Auto Finance (2021-CFPB-0003) (not a credit union or depository institution).* On May 21, 2021, the CFPB issued an administrative order against 3rd Generation, Inc., a California corporation doing business as California Auto Finance (California Auto). California Auto services subprime auto loans that were originated by car dealers and later assigned to California Auto. The CFPB found that, between 2016 and 2021, California Auto charged about 5,800 customer accounts a total of \$565,813 in interest on late payments of loss damage waiver fees without disclosing the charge to consumers. The CFPB concluded this is an unfair practice under the CFPA. The order requires California Auto to provide a total of \$565,813 in consumer relief, which reflects the unlawful loss-damage-waiver fees that California Auto charged its customers. The order also requires California Auto to pay a

civil money penalty of \$50,000 and prohibits the company from charging interest on loss-damage-waiver fees without disclosing such terms in its contracts with consumers.

- *In the Matter of Nationwide Equities Corporation (2021-CFPB-0002) (not a credit union or depository institution)*. On April 27, 2021, the CFPB issued an administrative order against Nationwide Equities Corporation (NVEC), a reverse mortgage broker and lender. The CFPB found that NVEC sent direct mail solicitations and other marketing communications to hundreds of thousands of older borrowers that violated the Mortgage Acts and Practices Advertising Rule (MAP Rule) and Regulation Z, which implement TILA. These violations also constituted violations of the CFPA. The CFPB's order prohibits such misrepresentations and requires NVEC to affirmatively review each of its mortgage advertisement templates for compliance with consumer financial protection laws before disseminating ads to consumers. The CFPB's order also requires NVEC to pay a \$140,000 civil money penalty.
- *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-00573)*. On April 22, 2021, the CFPB filed a lawsuit against Douglas MacKinnon, who operated a debt-collection enterprise, and Amy MacKinnon, Mary-Kate MacKinnon, and Matthew MacKinnon, relatives of Douglas MacKinnon. The CFPB filed its complaint jointly with the Attorney General of New York. The complaint alleges 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. The complaint specifically alleges that Douglas MacKinnon transferred ownership of his home, valued at approximately \$1.6 million, to his wife and daughter for \$1 shortly after he learned that the CFPB and the State of New York were investigating him for illegal debt-collection activities. That investigation resulted in a \$60 million judgment against Douglas MacKinnon and the companies he operated and permanently banned him from the industry. The CFPB and New York seek a declaratory judgment that a fraudulent conveyance occurred and to recover the value of the property in partial satisfaction of the \$60,000,000 judgment. On June 21, 2021, all defendants moved to dismiss the complaint. The motion to dismiss was pending as of the end of the reporting period, and the case remains pending.
- *Consumer Financial Protection Bureau v. SettleIt, Inc. (C.D. Cal. 8:21-cv-00674)*. On April 13, 2021, the CFPB filed a proposed stipulated final judgment and order to resolve allegations that SettleIt, Inc., a California-based debt-settlement company, violated the TSR and engaged in abusive acts and practices under the CFPA. In its complaint, the CFPB alleged that SettleIt failed to disclose to consumers its relationship to certain

creditors and then regularly prioritized those creditors in settlements; claimed that its programs could be completed without borrowing more money, while steering consumers into high-cost loans to pay off third-party creditors; failed to clearly and conspicuously disclose the costs of its services; and required consumers to pre-authorize settlements so that SettleIt could settle consumers' debts without their express consent. The order, which the court entered on July 2, 2021, requires SettleIt to return at least \$646,769.43 in performance fees to consumers and to pay a \$750,000 civil money penalty.

- *In the Matter of Yorba Capital Management, LLC and Daniel Portilla, Jr. (2021-CFPB-0001) (not a credit union or depository institution)*. On April 6, 2021, the CFPB issued an administrative order against Yorba Capital Management, LLC (Yorba), a third-party debt collection company, headquartered in Anaheim California, and its former sole owner and managing member, Daniel Portilla, Jr. (Portilla). The CFPB found that from January 2017 until at least April 2020, Yorba and Portilla engaged in deceptive acts or practices in violation of the CFPA and that Yorba violated the Fair Debt Collection Practices Act (FDCPA) by mailing notices to consumers in an attempt to collect debt that falsely represented that consumers would be sued and that there would be further legal action if the consumers did not pay the debt amount on the notices. The order permanently bans both Yorba and Portilla from participating, or assisting others, in activities related to the collection of a consumer debt and orders them to pay \$860,000 in redress. The ordered redress amount is suspended in full based on Yorba's and Portilla's demonstrated inability to pay upon their payment of a \$2,200 civil money penalty to the CFPB.
- *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 alleges that Student Loan Pro conducted a student-loan debt-relief business from 2015 through 2019 that charged about 3,300 consumers with federal student-loan debt approximately \$3.5 million in illegal upfront fees in violation of the TSR, to file paperwork on their behalf to apply for programs that were available to them for free from the United States Department of Education. The CFPB alleges that Noh and Gilani are individually liable for and substantially assisted Student Loan Pro's violations of the TSR. The CFPB also alleges that FNZA was the recipient of some portion of the unlawful advance fees obtained by Student Loan Pro without legitimate claim to the funds. The CFPB seeks redress to consumers, appropriate injunctive relief, and the imposition of civil money penalties against Student Loan Pro, Noh, and Gilani, and seeks to have

FNZA disgorge the funds it received from Student Loan Pro. Defendants filed a motion to dismiss the complaint on July 2, 2021. The motion and the case remain pending.

- *Consumer Financial Protection Bureau v. BrightSpeed Solutions, Inc. and Kevin Howard (N.D. Ill 1:21-cv-01199)*. On March 3, 2021, the CFPB filed a lawsuit against BrightSpeed Solutions, Inc. (BrightSpeed) and its founder and former chief executive officer, Kevin Howard. BrightSpeed was a privately-owned, third-party payment processor based in Chicago, Illinois. Howard founded BrightSpeed in 2015 and ran the company until he wound it down in March 2019. The CFPB alleges that between 2016 and 2018, Howard and BrightSpeed knowingly processed payments for companies that purported to offer technical-support services and products over the internet, but actually tricked consumers into purchasing expensive and unnecessary antivirus software or services. The CFPB alleges that Howard’s and BrightSpeed’s actions were unfair practices in violation of the CFPB and deceptive telemarketing practices in violation of the TSR. The CFPB’s complaint seeks injunctions against BrightSpeed and Howard, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. As of the end of the reporting period, the case remains pending.⁹⁴

- *Consumer Financial Protection Bureau; Commonwealth of Massachusetts; The People of the of New York, by Letitia James, Attorney General of the State of New York; and Commonwealth of Virginia, ex rel. Mark R. Herring, Attorney General v. Nexus Services, Inc.; Libre by Nexus, Inc.; Michael Donovan; Richard Moore; and Evan Ajin (W.D. Va. 5:21-cv-00016)*. On February 22, 2021, the 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 alleges that Libre and its owners operated a scheme through which Libre offers to pay the immigration bonds to secure the release of consumers held in federal detention centers in exchange for large upfront fees and hefty monthly payments, and that Libre creates the impression that it has paid cash for consumers’ bond, creating a debt that must be repaid to Libre through an upfront fee and subsequent monthly payments. The CFPB further alleges that Libre’s efforts to collect monthly payments include making false threats and threatening to re-detain or deport consumers for non-payment and that Libre and its owners conceal or misrepresent the true costs of its services. Specifically, the CFPB alleges that Libre and its owners engaged in deceptive and abusive acts or practices in violation of the CFPB, and that Nexus Services and Libre’s owners provided

⁹⁴ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here <https://www.consumerfinance.gov/enforcement/actions/brightspeed-solutions-inc-and-kevin-howard/>

substantial assistance to Libre’s violations. The CFPB filed its complaint jointly with the Attorneys General of Virginia, Massachusetts, and New York. The CFPB seeks an injunction, damages or restitution to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. On March 1, 2021, the defendants filed a motion to dismiss the complaint. The motion and the case remain pending.

- *Bureau of Consumer Financial Protection v. 1st Alliance Lending, LLC; John Christopher DiIorio; Kevin Robert St. Lawrence; and Socrates Aramburu (D. Conn. 3:21-cv-00055)*. On January 15, 2021, the 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 alleges that 1st Alliance, with DiIorio’s, St. Lawrence’s, and Aramburu’s knowledge and direction, engaged in various unlawful mortgage lending practices in violation of TILA, the Fair Credit Reporting Act (FCRA), ECOA, the MAP Rule, and the CFPA. The CFPB’s complaint seeks injunctions against the defendants, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. The case remains pending.
- *In the Matter of Omni Financial of Nevada, Inc., also doing business as Omni Financial and Omni Military Loans (2020-BCFP-0028) (not a credit union or depository institution)*. On December 30, 2020, the CFPB issued an administrative order against Omni Financial of Nevada, Inc. (Omni). Omni, which has its principal place of business in Las Vegas, Nevada, and operates using the names Omni Financial and Omni Military Loans, specializes in originating installment loans to consumers affiliated with the military. It originates tens of thousands of loans each year, with individual loans typically ranging from \$500 to \$10,000. The CFPB found that Omni violated the Military Lending Act’s (MLA) prohibition on requiring repayment of loans by allotment. The CFPB also found that Omni violated the Electronic Fund Transfer Act’s (EFTA) prohibition against requiring that consumers preauthorize electronic-fund transfers as a condition of receiving credit. The CFPB further found that these violations of EFTA constituted violations of the CFPA. The CFPB order requires that Omni pay a \$2.175 million civil money penalty and imposes injunctive relief to stop ongoing violations and prevent future violations.
- *In the Matter of Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (2020-BCFP-0026) (not a credit union or depository institution)*. On December 22, 2020, the CFPB issued an administrative order against Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (collectively, Discover). Discover Bank, headquartered in Greenwood, Delaware, is an insured depository institution that provides and services private student loans. The Student Loan Corporation and Discover Products,

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

- *In the Matter of Santander Consumer USA Inc. (2020-BCFP-0027) (not a credit union or depository institution).* On December 22, 2020, the CFPB issued an administrative order against Santander Consumer USA Inc. (Santander). Santander, a subsidiary of Banco Santander S.A., is a leading originator and servicer of nonprime auto loans and leases. Santander furnishes credit information on the auto loans it services by sending monthly data files to consumer reporting agencies (CRAs). The CFPB found that between January 2016 and August 2019 Santander violated the FCRA and Regulation V by furnishing consumer loan information to CRAs that it knew or reasonably should have known was inaccurate; failing to promptly update and correct information it furnished that it later determined was incomplete; failing to provide the date of first delinquency on certain delinquent or charged-off accounts; and failing to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information provided to CRAs. These violations of the FCRA and Regulation V constituted violations of the CFPA and could have negatively impacted consumers' credit scores and access to credit in many instances. The order requires Santander to take certain steps to prevent future violations and imposes a \$4,750,000 civil money penalty.
- *In the Matter of Envios de Valores La Nacional Corp. (2020-BCFP-0025) (not a credit union or depository institution).* On December 21, 2020, the CFPB issued an administrative order against Envios de Valores La Nacional (La Nacional). La Nacional provides remittance transfers to several countries overseas through a network of branches and over 1,400 agents. La Nacional also has provided international bill pay services. The

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

- *In the Matter of Seterus, Inc. and Kyanite Services, Inc., as the successor in interest to Seterus, Inc. (2020-BCFP-0024) (not a credit union or depository institution).* On December 18, 2020, the CFPB issued an administrative order against Seterus, Inc. (Seterus), a former mortgage servicer based in North Carolina, and Kyanite Services, Inc. (Kyanite), Seterus’s former parent company and its successor in interest. The order addresses widespread failures in Seterus’s handling and processing of struggling homeowners’ applications for loss mitigation options to avoid foreclosure. The CFPB found that Seterus, which used automated processes for handling loss mitigation applications, violated the CFPA’s prohibition of unfair acts and practices by systematically failing to accurately review, process, track, and communicate to borrowers information regarding their applications, and deceptive acts and practices by sending numerous borrowers acknowledgment notices regarding their applications that misrepresented the status of borrower documents and provided inaccurate due dates for submission of borrower documents. The CFPB also found that Seterus violated Regulation X, which implements the Real Estate Settlement Procedures Act (RESPA), by sending numerous acknowledgment notices that failed to state the additional documents and information borrowers needed to submit to complete their loss mitigation applications or failed to provide a reasonable due date for submission of borrower documents; failing to exercise reasonable diligence in obtaining documents and information necessary to complete borrowers’ loss mitigation applications; failing to properly evaluate borrowers who submitted complete loss mitigation applications for all loss mitigation options available to the borrower; and failing to treat certain applications as “facially complete” when required under Regulation X. These violations also constitute violations of the CFPA. The order requires Kyanite, as Seterus’s successor in interest, to pay \$4,932,525 in total redress to approximately 11,866 of the consumers to whom Seterus sent a defective acknowledgment notice. The order also imposes a \$500,000 civil money penalty and

includes injunctive relief that would apply in the event Kyanite engages in mortgage servicing operations.

- *Bureau of Consumer Financial Protection and the State of Arkansas ex rel. Leslie Rutledge, Attorney General v. Alder Holdings, LLC (E.D. Ark. 4:20-cv-1445)*. On December 11, 2020, the CFPB and the Arkansas Attorney General filed a proposed stipulated final judgment and order against Alder Holdings, LLC (Alder). Alder is a Utah-based company that sells home-security and alarm systems, primarily door-to-door, throughout the country and has sold its products and services to over 115,000 customers. The complaint alleged that Alder, in extending credit to its customers for its home-alarm products and services, violated the FCRA and Regulation V by charging customers who had lower credit scores higher activation-fees, but failing to provide those customers with the required risk-based pricing notice. Arkansas also alleged that Alder violated the CFPA. The order, which the court entered on August 4, 2021, requires Alder to pay a \$600,000 civil money penalty, \$100,000 of which will be offset by the amount Alder paid to resolve related litigation with the State of Arkansas. The order also requires Alder to provide proper notices under FCRA.

- *Bureau of Consumer Financial Protection v. BounceBack, Inc., (W.D. Mo. 5:20-cv-06179)*. On December 9, 2020, the CFPB filed a lawsuit against BounceBack, Inc. BounceBack, based in Kansas City, Missouri, operates bad-check pretrial-diversion programs on behalf of more than 90 district attorneys' offices throughout the United States. The CFPB alleged that since at least 2015, in the course of administering these bad-check pretrial-diversion programs, BounceBack used district-attorney letterheads to threaten more than 19,000 consumers with prosecution if they did not pay the amount of the check, enroll and pay for a financial-education course, and pay various other fees. BounceBack did not reveal to consumers that BounceBack—and not district attorneys—sent the letters, or that district attorneys almost never prosecuted these cases, even against consumers who ignored BounceBack's threats. In fact, in most cases, BounceBack did not refer cases for prosecution at all. BounceBack's letters also failed to include disclosures required under the FDCPA. The CFPB alleged that BounceBack's conduct violated the FDCPA, was deceptive under both the FDCPA and the CFPA, and that its violations of the FDCPA constituted violations of the CFPA. On August 27, 2021, the CFPB filed an amended complaint, which also named BounceBack's president and majority owner, Gale Krieg, and alleged that Krieg exercised control over BounceBack and violated the CFPA. On September 21, 2021, the CFPB filed a proposed stipulated final judgment and order to resolve the lawsuit. The proposed stipulated judgment and order would require BounceBack and Krieg to pay about \$1.4 million to redress consumers, which amount would be suspended based upon defendants' demonstrated inability to pay more upon BounceBack's and Krieg's compliance with the certain

provisions of the judgment and order including paying a \$30,000 civil money penalty. It would also permanently ban BounceBack and Krieg from, *inter alia*, engaging in debt collection related to any consumer financial product or service. As of the end of the reporting period, the case remains pending.⁹⁵

- *In the Matter of RAB Performance Recoveries, LLC (2020-BCFP-0023) (not a credit union or depository institution)*. On December 8, 2020, the CFPB issued an administrative order against RAB Performance Recoveries, LLC (RAB). Through 2012, RAB, a New Jersey company, purchased and collected consumer debts from debt brokers, and through August 2014, it used collections law firms to obtain judgments against consumers. RAB has continued to collect on those judgments against consumers as well as on a handful of payment agreements it obtained from debtors. The CFPB found that during the period that RAB was obtaining judgments against consumers, RAB threatened to sue, sued, and demanded payment from consumers in Connecticut, New Jersey, and Rhode Island even though RAB did not hold the licenses that those states required to sue to collect debts. Thus, RAB was not legally entitled to take the actions that it threatened to take against consumers in those states. The CFPB found that RAB misrepresented that it had a legally enforceable right to recover payments from consumers in these states through the judicial process in violation of the FDCPA and the CFPA. The order prohibits RAB from collecting on the judgments against, or payment agreements from, consumers it obtained in Connecticut, New Jersey, and Rhode Island when RAB did not hold a required debt-collection license in those states. It also requires RAB to take all necessary steps to vacate those judgments and suspend collection of those judgments and to notify consumers with payment agreements that they have been satisfied. The order also requires RAB to pay a \$204,000 civil money penalty.

- *Bureau of Consumer Financial Protection v. Nationstar Mortgage LLC, d/b/a Mr. Cooper (D.D.C. 1:20-cv-3550)*. On December 7, 2020, the CFPB filed a complaint and proposed stipulated judgment and order against Nationstar Mortgage, LLC, which does business as Mr. Cooper (Nationstar). The CFPB alleged that Nationstar violated multiple Federal consumer financial laws, causing substantial harm to the borrowers whose mortgage loans it serviced, including distressed homeowners. Nationstar is one of the nation's largest mortgage servicers and the largest non-bank mortgage servicer in the United States. The proposed judgment and order, which the court entered on December 8, 2020, requires Nationstar to pay approximately \$73 million in redress to more than 40,000 harmed borrowers. It also requires Nationstar to pay a \$1.5 million civil penalty to the CFPB. Under the court's order, Nationstar is required to set aside about \$15.6 million

⁹⁵ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here <https://www.consumerfinance.gov/enforcement/actions/bounceback-inc/>

to pay borrowers it has not remediated prior to the order's effective date and to certify that it has already paid approximately \$57.5 million in redress to other borrowers affected by the conduct alleged in the complaint. Attorneys general from all 50 states and the District of Columbia and bank regulators from 53 jurisdictions covering 48 states and Puerto Rico, the Virgin Islands, and the District of Columbia settled with Nationstar the same day and their settlements are reflected in separate actions, concurrently filed in the United States District Court for the District of Columbia. The orders in the CFPB's and the States' actions have involved nearly \$85 million in recoveries for consumers to date and over \$6 million more in fees and penalties. They are also part of a larger government effort, which also includes assistance from the Special Inspector General for the Troubled Asset Relief Program and the United States Trustee Program, to address Nationstar's alleged unlawful mortgage loan servicing practices.

- *Bureau of Consumer Financial Protection v. LendUp Loans, LLC (N.D. Cal. 4:20-cv-08583)*. On December 4, 2020, the CFPB filed a lawsuit against LendUp Loans, LLC (LendUp). LendUp, which has its principal place of business in Oakland, California, is an online lender that offers single-payment and installment loans to consumers. The CFPB alleged that LendUp violated the MLA in connection with its extensions of credit. The CFPB alleged that since October 2016, LendUp has made over 4,000 single-payment or installment loans to over 1,200 covered borrowers in violation of the MLA. The CFPB specifically alleged that LendUp's violations of the MLA include extending loans with a Military Annual Percentage Rate (MAPR) that exceeds the MLA's 36 percent cap, extending loans that require borrowers to submit to arbitration, and failing to make certain required loan disclosures. On January 20, 2021, the court entered a stipulated final judgment and order to resolve the lawsuit. The order requires LendUp to provide \$300,000 in redress to consumers and to pay a \$950,000 civil money penalty. The order also enjoins LendUp from committing future violations of the MLA and from collecting on, selling, or assigning any debts arising from loans that failed to comply with the MLA. It also requires LendUp to correct or update the information it provided to consumer reporting agencies about affected consumers.
- *Bureau of Consumer Financial Protection v. DMB Financial, LLC (D. Mass. 1:20-cv-12147)*. On December 1, 2020, the CFPB filed a lawsuit against DMB Financial, LLC (DMB). DMB, which has its principal place of business in Beverly, Massachusetts, offers to renegotiate, settle, or otherwise alter the terms of unsecured debts owed by consumers to creditors or debt collectors. As alleged in the CFPB's complaint, since its establishment in 2003, DMB claims to have successfully negotiated and settled over \$1 billion of consumer debt for over 30,000 consumers who have enrolled in its debt-settlement or debt-relief programs. The CFPB alleged that in connection with its debt-settlement and debt-relief services, DMB engaged in abusive and deceptive acts or

practices in violation of the TSR and deceptive acts and practices in violation of the CFPA. The CFPB also alleged that DMB's alleged TSR violations also constitute violations of the CFPA. On May 19, 2021, the court entered a stipulated final judgment and order that resolved the CFPB's claims. The order requires DMB to pay \$7,700,000 in redress to consumers, which amount is suspended based on DMB's demonstrated inability to pay and upon its payment of \$5,400,000 within an agreed-upon timeframe and a \$1 civil money penalty to the CFPB. The order also requires DMB to refrain from charging unlawful settlement fees, engaging in specified deceptive practices, or obtaining consumers' credit reports without a permissible purpose.

- *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 alleges that FDATR, Tucci, and Halverson violated the TSR by engaging in deceptive and abusive telemarketing acts or practices and the CFPA by engaging in deceptive acts or practices. The CFPB's complaint seeks an injunction, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. On February 25, 2021, the CFPB filed a notice of voluntary dismissal of Halverson, now deceased, and the court dismissed him from this action the next day. The case remains pending.
- *In the Matter of U.S. Equity Advantage, Inc. and Robert M. Steenbergh (2020-BCFP-0022) (not a credit union or depository institution)*. On November 20, 2020, the CFPB issued an administrative order against U.S. Equity Advantage, Inc. (USEA) and its owner, Robert M. Steenbergh. Mr. Steenbergh is the founder, sole-owner, and chief executive officer of USEA, a nonbank located in Orlando, Florida. USEA and Steenbergh operate an auto loan payment program called AutoPayPlus that charges fees to deduct payments from consumers' bank accounts every two weeks and then forwards these payments every month to the consumers' lenders. The CFPB found that the company's disclosures and advertisements of its loan payment program contained misleading statements in violation of the CFPA's prohibition against deceptive acts or practices. The order imposes a judgment against them requiring payment of \$9,300,000, which amount is suspended based on USEA's and Steenbergh's demonstrated inability to pay upon their payment of \$900,000 and a \$1 civil money penalty to the CFPB. The order also contains requirements to prevent future violations.
- *In the Matter of Afni, Inc. (2020-BCFP-0021) (not a credit union or depository institution)*. On November 12, 2020, the CFPB issued an administrative order against

Afni, Inc. (Afni), a non-bank third-party debt collector based in Illinois that specializes in collecting telecommunications debt. In connection with its collection activities, Afni furnishes credit reporting information to CRAs about the consumers and the debts that are the subject of its business. The CFPB found that Afni violated the FCRA and its implementing rule, Regulation V, by furnishing information to CRAs that it knew or had reasonable cause to believe was inaccurate; failing to report to CRAs an appropriate date of first delinquency on certain accounts; failing to conduct reasonable investigations of disputes made by consumers both to Afni and to CRAs about furnished information or failing to conduct investigations of disputes made to Afni in a timely manner; failing to send required notices to consumers about the results of such investigations; and failing to establish, implement, and update its policies and procedures regarding its furnishing of consumer information to CRAs. The CFPB also determined, based on these violations of the FCRA and Regulation V, that Afni violated the CFPA. The order requires Afni to take certain steps to improve and ensure the accuracy of its furnishing and its policies and procedures relating to credit reporting and dispute investigation. It also imposes a \$500,000 civil money penalty.

- *Bureau of Consumer Financial Protection v. Driver Loan, LLC, and Angelo Jose Sarjeant (S.D. Fla. 1:20-cv-24550)*. On November 5, 2020, the CFPB filed a lawsuit against Driver Loan, LLC and its Chief Executive Officer, Angelo Jose Sarjeant, for violations of the CFPA. Driver Loan is a limited-liability company based in Doral, Florida that offers short-term, high-interest loans to consumers funded by deposits made by other consumers. The CFPB alleged that Driver Loan and Sarjeant engaged in deceptive acts or practices that violated the CFPA by misrepresenting the risks associated with the deposit product offered to consumers and by misrepresenting the annual percentage rates associated with extensions of credit it offered to other consumers. On June 1, 2021, the court entered a stipulated final judgment and order that requires defendants to return consumers' deposits—roughly \$1 million—plus all interest due to consumers under the terms of the advertised product, and to pay a \$100,000 penalty. The defendants are also permanently banned from engaging in deposit-taking activity and from making deceptive statements to consumers.
- *Bureau of Consumer Financial Protection v. Performance SLC, LLC, Performance Settlement, LLC and Daniel Crenshaw (C.D. Cal. 8:20-cv-02132)*: On November 5, 2020, the CFPB filed a lawsuit against Performance SLC, LLC (PSLC), a California-based debt-relief business focused on federal student loan debt; Performance Settlement, LLC (PSettlement), a California-based debt-settlement company; and Daniel Crenshaw, the owner and CEO of the two companies. The CFPB alleges that PSLC and Crenshaw conducted a student-loan debt-relief business that charged thousands of consumers with federal student-loan debt approximately \$9.2 million in illegal upfront fees in violation of

the TSR, to file paperwork on their behalf to apply for programs that were available to them for free from the United States Department of Education. PSLC also allegedly failed to provide disclosures mandated by the TSR to consumers it required to place funds in trust accounts. The CFPB also alleges that Crenshaw and PSettlement used deceptive sales tactics to sign consumers up for PSettlement's debt-relief services, in violation of the CFPA. Finally, the CFPB alleges that Crenshaw substantially assisted PSLC in requesting or receiving fees illegally and PSettlement in engaging in deceptive acts and practices. The complaint seeks redress to consumers, appropriate injunctive relief, and the imposition of civil money penalties against the defendants. The case remains pending.

- *In the Matter of SMART Payment Plan, LLC (2020-BCFP-0020) (not a credit union or depository institution)*. On November 2, 2020, the CFPB issued an administrative order against SMART Payment Plan, LLC (SMART), a limited liability company with its principal place of business in Austin, Texas. SMART operates a loan payment program for auto loans called the SMART Plan that deducts payments from consumers' bank accounts every two weeks and then forwards these payments every month to the consumers' lenders. The CFPB found that SMART's disclosures of the terms for the SMART Plan contained misleading statements in violation of the CFPA's prohibition against deceptive acts or practices. The order imposes a judgment against SMART requiring it to pay \$7,500,000 in consumer redress. This amount is suspended based on SMART's demonstrated inability to pay upon its payment of \$1,500,000 by the end of the year and a \$1 civil money penalty to the CFPB. The order prohibits SMART from making any misrepresentations about its payment programs. It also requires SMART to account for the total costs for its payment programs, as well as the net savings or costs after deducting any fees, whenever SMART makes claim about savings or financial benefits.
- *In the Matter of Washington Federal Bank, N.A. (2020-BCFP-0019)*. On October 27, 2020, the CFPB issued an administrative order against Washington Federal Bank, N.A., a federally insured, for-profit national bank headquartered in Seattle, Washington. The CFPB found that Washington Federal reported inaccurate data about its mortgage transactions for 2016 and 2017, in violation of the Home Mortgage Disclosure Act (HMDA), its implementing regulation, Regulation C, and the CFPA. Washington Federal reported data under HMDA on over 7,000 mortgage applications in each of 2016 and 2017. The CFPB found that these data included significant errors with some samples having error rates as high as 40 percent. The CFPB's order requires Washington Federal to pay a \$200,000 civil money penalty and develop and implement an effective compliance management system to prevent future violations.
- *In the Matter of Low VA Rates, LLC (2020-BCFP-0018) (not a credit union or depository institution)*. On October 26, 2020, the CFPB issued an administrative order against Low VA Rates, LLC (Low VA Rates), a Utah-based mortgage lender and broker incorporated

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

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

- *Bureau of Consumer Financial Protection v. PEAKS Trust 2009-1; Deutsche Bank National Trust Company, solely in its capacity as lender trustee of the PEAKS Trust 2009-1; Deutsche Bank Trust Company Delaware, solely in its capacity as owner trustee of PEAKS Trust 2009-1; Deutsche Bank Trust Company Americas, solely in its capacity as indenture trustee and collateral agent (S.D. Ind. 1:20-cv-2386)*. On September 15, 2020, the CFPB filed a proposed stipulated judgment against PEAKS Trust 2009-1, along with Deutsche Bank National Trust Company, Deutsche Bank Trust Company Delaware, and Deutsche Bank Trust Company Americas, in their capacity as trustees to PEAKS

Trust 2009-1 (collectively, PEAKS). The CFPB alleged that PEAKS provided substantial assistance to ITT Educational Services, Inc. in engaging in unfair acts and practices in violation of the CFPA. PEAKS owned and managed private loans for students at ITT Technical Institute. PEAKS allegedly knew or was reckless in not knowing that many student borrowers did not understand the terms and conditions of those loans, could not afford them, or in some cases did not even know they had them. The stipulated judgment, which the court entered on October 1, 2020, requires PEAKS to stop collecting on all outstanding PEAKS loans, discharge all outstanding PEAKS loans, and ask all consumer reporting agencies to which PEAKS furnished information to delete information relating to PEAKS loans. The total amount of loan forgiveness is currently estimated to be \$330 million, which will be provided to all borrowers with outstanding principal balances on their PEAKS loans, approximately 35,000 consumers.

- *Bureau of Consumer Financial Protection and the People of the State of New York, by Letitia James, Attorney General for the State of New York v. JPL Recovery Solutions, LLC; Check Security Associates, LLC (dba Warner Location Services and Orchard Payment Processing Systems); ROC Asset Solutions LLC (dba API Recovery Solutions); Regency One Capital LLC; Keystone Recovery Group, LLC; Christopher L. Di Re; Scott A. Croce; Brian J. Koziel; and Marc D. Gracie (W.D.N.Y. 1:20-cv-01217)*. On September 8, 2020, the CFPB, in partnership with the New York Attorney General, filed suit in the federal district court against a network of five different companies based outside of Buffalo, New York, two of their owners, and two of their managers, for their participation in a debt-collection operation using illegal methods to collect debts. The company defendants are: JPL Recovery Solutions, LLC; Regency One Capital LLC; ROC Asset Solutions LLC, which does business as API Recovery Solutions; Check Security Associates LLC, which does business as Warner Location Services and Orchard Payment Processing Systems; and Keystone Recovery Group. The individual defendants are Christopher Di Re and Scott Croce, who have held ownership interests in some or all of the defendant companies, and Brian Koziel and Marc Gracie, who are members of Keystone Recovery Group, and have acted as managers of some or all of the defendant companies. The complaint alleges that from at least 2015 through the present, the defendants have participated in a debt-collection operation that has used deceptive, harassing, and improper methods to induce consumers to make payments to them in violation of the FDCPA and the CFPA. The complaint seeks consumer redress, disgorgement of ill-gotten gains, civil money penalties, and appropriate injunctive relief against the defendants. The case remains pending.
- *Bureau of Consumer Financial Protection v. Encore Capital Group, Inc.; Midland Funding, LLC; Midland Credit Management, Inc.; and Asset Acceptance Capital Corp. (S.D. Cal. 3:20-cv-01750)*. On September 8, 2020, the CFPB filed suit in federal district

court in the Southern District of California against Encore Capital Group, Inc., and its subsidiaries, Midland Funding, LLC; Midland Credit Management, Inc.; and Asset Acceptance Capital Corp. The companies are headquartered in San Diego, California and together comprise the largest debt collector and debt buyer in the United States, with annual revenue exceeding \$1 billion and annual net income exceeding \$75 million. Encore and its subsidiaries were subject to a 2015 CFPB order finding that they violated the CFPA, FDCPA, and the FCRA. The CFPB alleged that Encore and its subsidiaries had violated the terms of the 2015 CFPB order and again violated the FDCPA and CFPA. On October 16, 2020, the court entered a stipulated final judgment and order that requires Encore and its subsidiaries to pay \$79,308.81 in redress to consumers and a \$15 million civil money penalty. The order also requires Encore and its subsidiaries to make various material disclosures to consumers, refrain from the collection of time-barred debt absent certain disclosures to consumers and abide by certain conduct provisions in the 2015 CFPB order for five more years.

- *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 alleges that Townstone violated ECOA; its implementing regulation, Regulation B; and the CFPA. The CFPB alleges that, for years, Townstone drew almost no applications for properties in majority African American neighborhoods located in the Chicago-Naperville-Elgin Metropolitan Statistical Area (Chicago MSA) and few applications from African Americans throughout the Chicago MSA. The CFPB alleges that Townstone engaged in discriminatory acts or practices, including making statements during its weekly radio shows and podcasts through which it marketed its services, that discouraged prospective African-American applicants from applying for mortgage loans; discouraged prospective applicants living in African-American neighborhoods in the Chicago MSA from applying for mortgage loans; and discouraged prospective applicants living in other areas from applying for mortgage loans for properties located in African-American neighborhoods in the Chicago MSA. On November 25, 2020, the CFPB filed an amended complaint, which added as a defendant Barry Sturner, Townstone's cofounder, sole owner, and sole director, as the fraudulent transferee of more than \$2.4 million from Townstone. The CFPB's amended complaint seeks an injunction against Townstone, as well as damages, redress to consumers, the imposition of a civil money penalty, and other relief. The defendants filed a motion to dismiss the amended complaint on February 8, 2021. The motion to dismiss and case remain pending.
- *Bureau of Consumer Financial Protection v. GST Factoring, Inc.; Champion Marketing Solutions, LLC; Rick Graff; Gregory Trimarche; Scott Freda; Amanda Johanson; David Mize; Jacob Slaughter; and Daniel Ruggiero (C.D. Cal. 8:20-cv-01239)*. On July 13,

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

- *Bureau of Consumer Financial Protection v. My Loan Doctor LLC d/b/a Loan Doctor and Edgar Radjabli (S.D.N.Y. 1:20-cv-05159)*. On July 6, 2020, the CFPB filed a lawsuit against My Loan Doctor LLC, a Delaware financial company operating in West Palm Beach, Florida and New York City and doing business as Loan Doctor (Loan Doctor), and its founder, Edgar Radjabli. The CFPB alleges that Loan Doctor and Radjabli made several false, misleading, and inaccurate marketing representations in advertising Loan

Doctor’s “Healthcare Finance (HCF) Savings CD Account,” in violation of the CFPA’s prohibition against deceptive acts or practices. As alleged in the complaint, starting in August 2019, Loan Doctor took more than \$15 million from at least 400 consumers who opened and deposited money into Loan Doctor’s deceptively advertised product. The CFPB seeks redress for consumers, an injunction, and the imposition of civil money penalties. The defendants filed a motion to dismiss the complaint on December 16, 2020, which the court denied without prejudice. On September 10, 2021, the defendants filed an amended motion to dismiss. The amended motion to dismiss and the case remain 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. An amended complaint was filed on September 16, 2020. As the amended complaint alleges, from 2016 through 2019 alone, Key Credit Repair enrolled nearly 40,000 consumers nationwide, and since 2011, it collected at least \$23 million in fees from consumers. The CFPB alleges that in their telemarketing of credit-repair services, the defendants violated the CFPA’s prohibition against deceptive acts or practices and the TSR’s prohibitions against deceptive and abusive telemarketing acts or practices. Massachusetts also alleges violations of Massachusetts laws. The amended complaint seeks redress to consumers, an injunction, and the imposition of civil money penalties. The defendants filed a motion to dismiss the amended complaint on September 30, 2020, which the court denied on August 10, 2021. On September 9, 2021, the defendants moved for reconsideration of the order denying the motion to dismiss. On September 23, 2021, the defendants answered the amended complaint. The motion for reconsideration was pending as of the end of the reporting period, and the case remains pending.
- *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). On February 12, 2021, the court granted Fifth Third’s motion to transfer the case to the Southern District of Ohio. The CFPB filed an amended complaint on June 16, 2021. The CFPB alleges that, by misleading consumers about the bank’s sales practices, opening products and services and engaging in consumer-account transactions without consumer consent, and failing to adequately address the misconduct, Fifth Third engaged in unfair and abusive acts or practices in violation of the CFPA and also violated FCRA, TILA, the

Truth in Savings Act (TISA), and TILA's and TISA's implementing regulations. The CFPB seeks an injunction to stop Fifth Third's unlawful conduct, redress for affected consumers, the imposition of a civil money penalty, and other legal and equitable relief. On July 12, 2021, Fifth Third filed a motion for judgment on the pleadings, and on August 13, 2021, the CFPB filed a motion for partial judgment on the pleadings. The motions and the case remain pending.

- *Bureau of Consumer Financial Protection; South Carolina Department of Consumer Affairs; and the State of Arkansas ex rel. Leslie Rutledge, Attorney General v. Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC (D.S.C. 6:20-cv-00786)*. On February 20, 2020, the CFPB, the South Carolina Department of Consumer Affairs (South Carolina), and Arkansas Attorney General Leslie Rutledge filed a lawsuit in federal district court in the District of South Carolina against Candy Kern-Fuller, Howard Sutter III, and Upstate Law Group LLC. The CFPB alleged that the defendants worked with a series of companies that brokered contracts offering high-interest credit to consumers, primarily disabled veterans, and violated the CFPB's prohibition against deceptive acts or practices and against providing substantial assistance to deceptive and unfair acts or practices of others. The CFPB specifically alleged that the defendants committed deceptive acts or practices by collecting on the contracts brokered by the companies, including by filing suit when consumers failed to make payments, and representing, expressly or impliedly, that consumers are legally obligated to make payments in accordance with the terms of their contracts when, in fact, the contracts are void from inception and consumers are not obligated to make payments. . On January 21, 2021, the court entered a stipulated final judgment and order imposing a judgment for equitable monetary relief against the defendants in the amount of \$725,000 for consumer redress. It also permanently bans the defendants, among other things, from brokering sales or assignments of pensions and disability benefits and from collecting on any of these contracts.
- *Bureau of Consumer Financial Protection v. Citizens Bank, N.A. (D.R.I. No. 1:20-cv-00044)*. On January 30, 2020, the CFPB filed a lawsuit in federal court in the District of Rhode Island against Citizens Bank, N.A. (Citizens), alleging violations of TILA and its implementing Regulation Z, including TILA provisions passed under the Fair Credit Billing Act (FCBA) and CARD Act, as well as violations of the CFPB based on TILA violations. The CFPB alleges that Citizens systematically violated TILA and Regulation Z by failing to properly manage and respond to consumers' credit card disputes and fraud claims. The CFPB also alleges that Citizens violated TILA and Regulation Z by not providing credit counseling referrals to consumers as required by law. The CFPB seeks, among other remedies, an injunction against Citizens and the imposition of civil money penalties. The Court denied Citizens' motion to dismiss. The case remains pending.

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

On May 14, 2020, the court entered a stipulated final judgment against Chou Team Realty, LLC, Thomas Chou, TDK Enterprises, LLC, Cre8labs, Inc., and Sean Cowell, which resolves the CFPB’s claims against those defendants and relief defendants. The judgment imposes an \$18 million redress judgment against Monster Loans, bans Monster Loans, Chou, and Cowell from the debt-relief industry, and imposes a total \$450,001 civil money penalty against them. On July 7, 2020, the court entered a stipulated final judgment against Robert Hoose, which resolves the CFPB’s claims against him. The judgment imposes a \$7 million redress judgment against Hoose, bans him from the debt-relief industry, and imposes a \$1 civil money penalty against him. On July 10, 2020 and August 26, 2020, the CFPB filed a first and second amended complaint, respectively, adding factual allegations regarding certain defendants. On October 19, 2020, the court entered a stipulated final judgment against relief defendants Kenneth Lawson and XO Media, LLC, which resolves the CFPB’s claim against them. The judgment imposes a \$200,000 redress judgment against Lawson and XO Media, LLC. On May 4, 2021, the court entered stipulated final judgments against Lend Tech Loans, Inc. and David Sklar, which resolve the CFPB’s claims against them. The judgment as to Lend Tech Loans requires it to dissolve and cease to exist as a corporate entity, bans it from offering or providing any consumer financial product or service, and imposes a \$1 civil money

penalty against it, based on its limited ability to pay. The judgment as to Sklar imposes a \$7 million redress judgment against him, full payment of which is suspended based upon his limited ability to pay upon his payment of \$3,000 to the CFPB; it also bans him from the debt-relief industry and from telemarketing consumer financial products or services and imposes a \$1 civil money penalty against him. On May 7, 2021, the court entered a default judgment against the following student loan debt relief companies: Docu Prep Center, Inc., d/b/a DocuPrep Center, d/b/a Certified Document Center; Document Preparation Services, LP, d/b/a DocuPrep Center, d/b/a Certified Document Center; Certified Doc Prep, Inc.; Certified Doc Prep Services, LP; Assure Direct Services, Inc.; Assure Direct Services, LP; Direct Document Solutions, Inc.; Direct Document Solutions, LP; Secure Preparation Services, Inc.; and Secure Preparation Services, LP. The default judgment imposes redress judgments against the companies that collectively total \$19,699,869 and civil penalties against the companies that collectively total \$11,382,136. The default judgment also bans the companies from the debt relief industry. On May 7, 2021, the court also entered a default judgment against Bilal Abdelfattah a/k/a Belal Abdelfattah a/k/a Bill Abdel (“Abdel”), which imposes a civil penalty of \$3,262,244 against Abdel and bans him from the debt-relief industry.

On May 11, 2021, the court entered a stipulated final judgment against Docs Done Right, Inc., Docs Done Right, LP (collectively, “Docs Done Right”), and Eduardo Martinez, which resolves the CFPB’s claims against them. The judgment imposes an \$18 million redress judgment against Martinez and Docs Done Right, full payment of which is suspended based on their limited ability to pay upon their payment of the ordered penalty, bans them from the debt-relief industry, and imposes a \$125,000 civil money penalty against them. On May 11, 2021, the court also entered a stipulated final judgment against Frank Anthony Sebreros, which resolves the CFPB’s claims against him. The judgment imposes a \$3,404,455 redress judgment against Sebreros, full payment of which is suspended based on their limited ability to pay upon their payment of \$35,000; it also bans him from the debt relief industry and from telemarketing consumer financial products or services, and imposes a \$1 civil money penalty against him. On August 10, 2021, the district court granted in full the CFPB’s Motion for Summary Judgment against Jawad Nesheiwat, the sole remaining defendant at that time. The court found Nesheiwat was liable for violating FCRA, the TSR advance fee ban, the TSR and CFPA prohibitions on deceptive practices and substantially assisting violations, and §1036(a)(1)(A). The court found the CFPB was entitled to injunctive relief, restitution, and civil money penalties. On September 23, 2021, the court entered a judgment and order against Nesheiwat imposing a judgment of nearly \$20 million in consumer redress, a \$20 million civil money penalty, and injunctive relief including permanent bans from the debt-relief and mortgage industries, from using consumer reports for business purposes, and from

telemarketing consumer financial products and services. On September 25, 2021, Nesheiwat appealed the judgment against him. That appeal remains pending.

- *Bureau of Consumer Financial Protection; State of Minnesota, by its Attorney General, Keith Ellison; State of North Carolina, ex rel. Joshua H. Stein, Attorney General; and The People of the State of California, Michael N. Feuer, Los Angeles City Attorney v. Consumer Advocacy Center Inc., d/b/a Premier Student Loan Center; True Count Staffing Inc., d/b/a SL Account Management; Prime Consulting LLC, d/b/a Financial Preparation Services; Albert Kim, a/k/a Albert King; Kaine Wen, a/k/a Wenting Kaine Dai, Wen Ting Dai, and Kaine Wen Dai; and Tuong Nguyen, a/k/a Tom Nelson (C.D. Cal. 8:19-cv-01998-JVS-JDE)*/ On October 21, 2019, the CFPB filed a complaint and sought a temporary restraining order and preliminary injunction in federal court in the Central District of California against Consumer Advocacy Center Inc., d/b/a Premier Student Loan Center (Premier); True Count Staffing Inc., d/b/a SL Account Management (True Count); Prime Consulting LLC, d/b/a Financial Preparation Services (Prime); Albert Kim; Kaine Wen; and Tuong Nguyen. The CFPB alleges the debt relief companies operate as a common enterprise and have engaged in deceptive practices and charged unlawful advance fees in connection with the marketing and sale of student loan debt relief services to consumers. The CFPB also alleges the individuals substantially assisted the student loan debt relief companies. The complaint also names several relief defendants and seeks disgorgement of those relief defendants' ill-gotten gains. The court granted the request for the temporary restraining order on October 21, 2019. The court entered a stipulated preliminary injunction on November 15, 2019.

The CFPB filed an amended complaint on February 24, 2020. The CFPB's amended complaint seeks an injunction against defendants, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. The amended complaint also names several additional defendants and relief defendants. On August 26, 2020, the court entered a corrected, amended stipulated final judgment as to defendants Prime and Horizon Consultants LLC (Horizon). The order imposes a judgment of \$95,057,757 against Prime to provide redress to consumers. Horizon is jointly and severally liable for \$12,942,045 of this amount. Full payment of these amounts is suspended based on Prime's and Horizon's demonstrated inability to pay following, among other things, their turnover of assets and their payment of a \$1 civil money penalty to the CFPB. The order also bans Prime and Horizon from telemarketing or offering or providing debt relief services. On August 28, 2020, the court entered a stipulated final judgment and order as to defendant Tuong Nguyen and relief defendant TN Accounting Inc. The order imposes a judgment of \$95,057,757 against Nguyen to provide redress to consumers. Relief defendant TN Accounting is jointly and severally liable for \$444,563 of this amount. Full payment of these amounts is suspended based on

their demonstrated inability to pay following, among other things, Nguyen and TN Accounting's turnover of assets and Nelson's payment of a \$1 civil money penalty to the CFPB. The order also bans Nguyen from telemarketing or offering or providing debt relief services. On September 8, 2020, the court entered a stipulated final judgment as to relief defendants Hold the Door, Corp. and Mice and Men LLC. The order imposes a judgment of \$1,638,687 against relief defendant Hold the Door and \$5,041,069 against relief defendant Mice and Men to provide redress to consumers. Full payment of these amounts will be suspended based on their demonstrated inability to pay following their turnover of assets. On December 15, 2020, the court entered a default judgment against First Priority LLC and True Count Staffing Inc. The order imposes a judgment of \$55,360,817.14 and \$165,848.05 against True Count and First Priority, respectively, to provide redress to consumers. The order also requires True Count to pay a \$30 million penalty, of which \$29,850,000 is payable to the CFPB. It also requires First Priority to pay \$3.75 million in penalties, of which \$2,470,000 is payable to the CFPB. The order also bans the defaulted defendants from telemarketing or offering or providing debt relief services.

The CFPB filed a second amended complaint on April 20, 2021, adding additional claims and an additional relief defendant. On June 15, 2021, the court entered a stipulated final judgment and order as to relief defendant Judy Dai. The order imposes a judgment of \$3,088,381.80 against Dai for the purpose of providing redress to consumers. On July 1, 2021, the court entered a stipulated final judgment and order as to relief defendant's 1st Generation Holdings, LLC (1st Generation) and Infinite Management Corp (Infinite Management). The order imposes a judgment of \$3,984,779.28 and \$2,049,189.07 against 1st Generation and Infinite Management, respectively, for the purpose of providing redress to consumers. Full payment of the amount imposed on Infinite will be suspended based on its demonstrated inability to pay following its turnover of assets. On July 15, 2021, the court entered a stipulated final judgment and order as to defendant Consumer Advocacy Center, Inc. (CAC). The order imposes a judgment of \$35,105,017.93 against CAC for the purpose of providing consumer redress. The amount of redress to be collected will be based on the amount recovered by the bankruptcy trustee and the resolution of multiple claims against the CAC bankruptcy estate. The Court also imposed a \$1 civil money penalty in favor of the CFPB and against the CAC bankruptcy estate. The court also permanently restrained CAC from participating in any debt-relief service or telemarketing any consumer financial product. The CFPB filed a third amended complaint on August 5, 2021, to remove remaining claims as to a defendant against whom a stipulated final judgment was previously entered. The case remains pending against remaining defendants Albert Kim, Kaine Wen, TAS 2019 LLC, and relief defendant Sarah Kim. Additionally, claims against relief defendant Anan Enterprise, Inc.

are currently stayed pending the outcome of a bankruptcy adversary action filed in the Southern District of Florida.

- *Bureau of Consumer Financial Protection, and South Carolina Department of Consumer Affairs v. Katharine Snyder, Performance Arbitrage Company, Inc., and Life Funding Options, Inc. (D.S.C. 6:19-cv-02794-DCC)*. On October 1, 2019, the CFPB and the South Carolina Department of Consumer Affairs (South Carolina) filed a lawsuit in federal district court in the District of South Carolina against Katharine Snyder, Performance Arbitrage Company, Inc., and Life Funding Options, Inc. The companies, owned and operated by Snyder, were brokers of contracts offering high-interest credit to veterans, many of whom are disabled, and to other consumers. The CFPB alleged that the companies and their owner violated the CFPA’s prohibition against deceptive acts or practices. The CFPB and South Carolina specifically alleged that Snyder and her companies misrepresented to consumers that the contracts the companies broker are valid and enforceable when, in fact, the contracts are void under federal and state law; misrepresented to consumers that the product is a sale of payments and not a high-interest credit offer; and failed to inform consumers of the products’ interest rates. The CFPB’s investigation was conducted in partnership with South Carolina. In May 2020, Snyder was discharged from bankruptcy in the U.S. Bankruptcy Court of the Eastern District of Texas. On November 12, 2020, the federal district court in the District of South Carolina entered a stipulated final judgment and order resolving the claims against Snyder and her companies. The order permanently bans Snyder and her companies from collecting money from affected consumers and from providing any other consumer-financial products or services. The order requires Snyder to pay a civil money penalty of \$500 to the CFPB and \$500 to South Carolina.

- *Bureau of Consumer Financial Protection v. FCO Holding, Inc., Fair Collections & Outsourcing, Inc., Fair Collections & Outsourcing of New England, Inc., FCO Worldwide, Inc., and Michael E. Sobota (D. Md. No. 8:19-cv-02817-GJH)*. On September 25, 2019, the CFPB filed a complaint in federal court against Maryland-based debt collectors FCO Holding, Inc. and its subsidiaries, Fair Collections & Outsourcing, Inc., Fair Collections & Outsourcing of New England, Inc., and FCO Worldwide, Inc. The CFPB also named Michael E. Sobota, the chief executive officer, president, director, and owner of FCO Holding, Inc. as a defendant. The CFPB alleges that FCO violated the FCRA and Regulation V by failing to maintain reasonable policies and procedures regarding the accuracy and integrity of the information it furnishes, including the handling of consumer disputes, failing to conduct reasonable investigations of certain consumer disputes, and furnishing information that was alleged to have been the result of identity theft before it made any determination of whether the information was accurate.

The CFPB also alleges that FCO and Michael Sobota violated the FDCPA when FCO represented that consumers owed certain debts when, in fact, FCO did not have a reasonable basis to assert that the consumers owed those debts. On November 20, 2019, the defendants filed a motion to dismiss the complaint and/or stay the proceedings, which the court denied on November 30, 2020. On August 16, 2021, the parties filed a stipulated order, which requires defendants to pay a \$850,000 civil money penalty and establish and implement policies and procedures to prevent future violations. As of the end of the reporting period, the case remains pending.⁹⁶

- *Bureau of Consumer Financial Protection v. Forster & Garbus, LLP (E.D.N.Y. No. 2:19-cv-02928)*. On May 17, 2019, the CFPB filed a complaint in the federal district court in the Eastern District of New York against Forster & Garbus, LLP, a New York debt-collection law firm. The CFPB alleges that Forster & Garbus violated the FDCPA by representing to consumers that attorneys were behind its lawsuits when, in fact, attorneys were not meaningfully involved in preparing or filing them. The CFPB also alleges that Forster & Garbus violated the CFPA's prohibition against deceptive acts and practices by making such representations to consumers through its lawsuits. The CFPB seeks an injunction against Forster & Garbus, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. After holding an initial status conference on September 23, 2019, the court stayed discovery. The case remains pending.
- *Bureau of Consumer Financial Protection v. Progrexion Marketing, Inc.; PGX Holdings, Inc.; Progrexion Teleservices, Inc.; eFolks, LLC; CreditRepair.com, Inc.; John C. Heath, Attorney at Law, P.C., d/b/a/Lexington Law (D. Utah No. 2:19-cv-00298)*. On May 2, 2019, the CFPB filed a complaint against PGX Holdings, Inc. and its subsidiaries (collectively, Progrexion) and against John C. Heath, Attorney at Law PLLC, which does business as Lexington Law, in the federal district court. The CFPB alleges the defendants violated the TSR by requesting and receiving payment of prohibited upfront fees for their credit repair services. The CFPB also alleges that Progrexion and its subsidiaries violated the TSR and the CFPA by making deceptive representations in its marketing, or by substantially assisting others in doing so. The CFPB seeks an injunction, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of civil money penalties. Defendants filed a motion to dismiss on July 19, 2019, which the court denied on February 18, 2020. Defendant Heath, P.C., filed a motion for partial summary judgment on August 20, 2021. The case remains pending.

⁹⁶ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here <https://www.consumerfinance.gov/enforcement/actions/fco-and-sobota/>

- *Bureau of Consumer Financial Protection v. Future Income Payments, LLC, et al. (C.D. Cal. No. 8:18-cv-01654)*. On September 13, 2018, the CFPB filed a complaint against Future Income Payments, LLC, Scott Kohn, and several related entities. The CFPB alleged that defendants represented to consumers that their pension-advance products were not loans, were not subject to interest rates, and were comparable in cost to, or cheaper than, credit-card debt when, in actuality, the pension-advance products were loans, and were subject to interest rates that were substantially higher than credit-card interest rates. The CFPB also alleged that the defendants failed to disclose a measure of the cost of credit, expressed as a yearly rate, for its loans. Among other relief, the CFPB sought compensation for harmed consumers, civil money penalties, and injunctive relief. The defendants waived service of the CFPB’s complaint but failed to answer or otherwise respond to it. The CFPB obtained a clerk’s entry of default in December 2018, and in August 2019, the CFPB moved for entry of default judgment against all defendants, appointment of a receiver, and to transfer the action to the District of South Carolina. On October 17, 2019, the court transferred the matter to the District of South Carolina. On February 22, 2021, the court entered a default judgment against all defendants and appointed a receiver. The default judgment imposes a permanent injunction, including a permanent ban on advertising, marketing, promoting, offering for sale, or selling any pension-advance products, and requires defendants to pay over \$436 million in consumer restitution and a \$65,481,736 penalty. The receiver’s work is ongoing.
- *Consumer Financial Protection Bureau v. The National Collegiate Master Student Loan Trust, et al. (D. Del. No. 17-cv-1323)*. On September 18, 2017, the CFPB filed a complaint and proposed consent judgment against several National Collegiate Student Loan Trusts (collectively, “NCSLT”). The CFPB alleges that NCSLT brought debt collection lawsuits for private student loan debt that the companies could not prove was owed or was too old to sue over; that they filed false and misleading affidavits or provided false and misleading testimony; and that they falsely claimed that affidavits were sworn before a notary. Soon after the CFPB’s filing, several entities moved to intervene to object to the proposed consent judgment. The judge granted the intervention motions, and on May 31, 2020, the Court denied the CFPB’s motion to approve the proposed consent judgment filed with the original complaint. Several of the intervenors then filed motions to dismiss, one of which was granted in part, dismissing the complaint without prejudice. On April 30, 2021, the CFPB filed an amended complaint, adding clarifying allegations related to several issues raised in the motions to dismiss the original complaint. On May 21, 2021, defendants and certain intervenors filed a motion to dismiss the amended complaint. That motion and the case remain pending.
- *Consumer Financial Protection Bureau v. Ocwen Financial Corporation, Ocwen Mortgage Servicing, Inc., Ocwen Loan Servicing, LLC, and PHH Mortgage Corporation*

(*S.D. Fla. No. 17-cv-80495*). On April 20, 2017, the CFPB filed a complaint against mortgage loan servicer Ocwen Financial Corporation and its subsidiaries. The CFPB alleges that they used inaccurate and incomplete information to service loans, misrepresented to borrowers that their loans had certain amounts due, illegally foreclosed on homeowners that were performing on agreements on loss mitigation options, failed to adequately investigate and respond to borrower complaints, and engaged in other conduct in violation of the CFPA, TILA, FDCPA, RESPA, and Homeowners Protection Act (HPA). On June 23, 2017, Ocwen moved to dismiss. On September 5, 2019 the Court ruled on the motion to dismiss, rejecting the majority of Ocwen’s arguments but requiring the CFPB to re-plead its allegations, which the CFPB did on October 4, 2019. The case was partially consolidated with a related case against Ocwen brought by the Office of the Attorney General and Office of Financial Regulation for the State of Florida, and the Florida plaintiffs settled their claims against Ocwen. On March 4, 2021, the Court entered an Order Granting in Part the Defendants’ Motion for Summary Judgment as to Counts 1-9 of the CFPB’s First Amended Complaint, based on *res judicata*. On April 19, 2021, the CFPB filed a Second Amended Complaint that dropped Count 10 of its First Amended Complaint and limited the claims set forth in Counts 1 through 9 to allegations of violations for the time period of January 2014 through February 26, 2017. On April 21, 2021, in light of the CFPB’s recently filed Second Amended Complaint, the Court entered a Final Judgment in favor of the defendants. The CFPB filed a notice of appeal the same day. The case remains pending.

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

- *Consumer Financial Protection Bureau v. Navient Corporation, Navient Solutions, Inc., and Pioneer Credit Recovery, Inc. (M.D. Pa. No. 17-cv-0101)*. On January 18, 2017, the CFPB filed a complaint against Navient Corporation and its subsidiaries, Navient Solutions, Inc., and Pioneer Credit Recovery, Inc. The CFPB alleges that Navient Solutions and Navient Corporation steered borrowers toward repayment plans that resulted in borrowers paying more than other options; misreported to credit reporting agencies that severely and permanently disabled borrowers who had loans discharged under a federal program had defaulted on the loans when they had not; deceived private student loan borrowers about requirements to release their co-signer from the loan; and repeatedly incorrectly applied or misallocated borrower payments to their accounts. The CFPB also alleges that Pioneer and Navient Corporation misled borrowers about the effect of rehabilitation on their credit reports and the collection fees that would be forgiven in the federal loan rehabilitation program. The CFPB seeks consumer redress and injunctive relief. On March 24, 2017, Navient moved to dismiss the complaint. On August 4, 2017, the court denied Navient’s motion. On May 19, 2020, the CFPB and all three defendants moved for summary judgment and these motions are pending. On July 10, 2020, Navient filed a motion for judgment on the pleadings, which the court denied on January 13, 2021. On January 21, 2021, Navient filed a motion requesting that the court certify for interlocutory appeal its January 13, 2021 order denying its motion for judgment on the pleadings and stay the action pending resolution of the appeal. The court granted Navient’s motion on February 26, 2021, certifying for interlocutory appeal its January 13, 2021 order and staying the action pending a determination by the Third Circuit whether it would permit the interlocutory appeal, and if so, the resolution of the appeal. On July 12, 2021, the Third Circuit denied Navient’s petition for permission to pursue the interlocutory appeal, and on July 15, 2021, the court lifted the stay. The case remains pending.

- *Consumer Financial Protection Bureau v. Access Funding, LLC, Access Holding, LLC, Reliance Funding, LLC, Lee Jundanian, Raffi Boghosian, Michael Borkowski, and Charles Smith (D. Md. No. 1:16-cv-3759)*. On November 21, 2016, the CFPB filed a complaint against Access Funding, LLC, Access Holding, LLC, Reliance Funding, LLC, three of the companies’ principals—Lee Jundanian, Raffi Boghosian, and Michael Borkowski—and a Maryland attorney, Charles Smith. The CFPB alleges that they deceptively induced individuals to enter into settlement funding agreements, in which the individuals agreed to receive an immediate lump sum payment in exchange for significantly higher future settlement payments. The CFPB also alleges that the companies and their principals steered consumers to receive “independent advice” from Smith, who was paid directly by Access Funding and indicated to consumers that the transactions required very little scrutiny. The CFPB further alleges that Access Funding advanced money to some consumers and represented to those consumers that the

advances obligated them to go forward with transactions even if they realized that the transactions were not in their best interests. On September 13, 2017, the court granted defendants' motions to dismiss counts I–IV, arising out of Smith's conduct, on the grounds that he had attorney-client relationships with the consumers in question. The court denied the defendants' motions to dismiss the CFPB's claim relating to the advances Access Funding offered consumers. The court granted the CFPB's motion to file an amended complaint alleging Smith did not have attorney-client relationships with the consumers in question. Defendants again filed motions to dismiss, which the court denied. The defendants filed a motion for partial summary judgment, which the court denied on January 18, 2019. On May 24, 2019, the CFPB moved to modify the scheduling order and for leave to file a second amended complaint, which the court denied on November 26, 2019. On December 26, 2019, the court stayed the case pending the Supreme Court's decision in *Seila Law LLC v. Consumer Financial Protection Bureau*, No. 19-7 (cert. granted Oct. 18, 2019). On July 29, 2020, the court issued a scheduling order under which litigation in the case resumed. The CFPB moved for partial summary judgment on September 4, 2020, and the defendants filed a motion to dismiss and cross-motions for summary judgment on September 25, 2020. The Court denied all of these motions on July 12, 2021. On October 23, 2020, based on the parties' stipulation, the court dismissed the claims against Reliance Funding, LLC. The case remains pending.⁹⁷

- *Consumer Financial Protection Bureau v. All American Check Cashing, Inc., Mid-State Finance, Inc., and Michael E. Gray* (S.D. Miss. No. 16-cv-0356). On May 11, 2016, the CFPB filed a complaint against two companies, All American Check Cashing, Inc. and Mid-State Finance, Inc., which offer check-cashing services and payday loans, and their president and sole owner, Michael Gray. The CFPB alleges that All American tried to keep consumers from learning how much they would be charged to cash a check and used deceptive tactics to stop consumers from backing out of transactions. The CFPB also alleges that All American made deceptive statements about the benefits of its high-cost payday loans and failed to provide refunds after consumers made overpayments on their loans. The CFPB's lawsuit seeks injunctive relief, restitution, and the imposition of a civil money penalty. On July 15, 2016, the court denied defendants' motion for a more definite statement. The defendants moved for judgment on the pleadings on May 24, 2017, and the CFPB moved for summary judgment on August 4, 2017. The court has not yet ruled on the CFPB's summary judgment motion. On March 21, 2018, the court denied the defendants' motion for judgment on the pleadings, and on March 26, 2018, the defendants

⁹⁷ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here <https://www.consumerfinance.gov/enforcement/actions/access-funding-llc-access-holding-llc-reliance-funding-llc-lee-jundanian-raffi-boghosian-michael-borkowski-charles-smith/>

moved to certify that denial for interlocutory appeal. The next day, the court granted the defendants' motion in part, holding that interlocutory appeal was justified with respect to defendants' constitutional challenge to the CFPB's statutory structure. On April 24, 2018, the court of appeals granted the defendants' petition for permission to appeal the district court's interlocutory order. The district court action has been stayed pending the appeal. On March 3, 2020, the Fifth Circuit affirmed the district court's denial of All American's motion for judgment on the pleadings. On March 20, 2020 the court of appeals, *sua sponte*, vacated the panel's decision and decided to rehear the matter *en banc*. On September 8, 2020, the court placed the case in abeyance pending a decision by the Supreme Court in *Collins v. Mnuchin*, which is now captioned, *Collins v. Yellen*, No. 19-422. The Supreme Court issued its opinion in *Collins* on June 23, 2021, finding that the structure of the FHFA was unconstitutional. On June 21, 2021, the Fifth Circuit directed the parties to file supplemental briefing addressing the impact of the *Collins* decision on the present matter. Supplemental briefing was completed on September 8, 2021, and the case remains pending.

- *In the Matter of Integrity Advance, LLC and James R. Carnes (File No. 2015-CFPB-0029) (not a credit union or depository institution)*. On November 18, 2015, the CFPB filed a notice of charges against an online lender, Integrity Advance, LLC, and its CEO, James R. Carnes. The notice alleges that Integrity Advance and Carnes deceived consumers about the cost of short-term loans and that the company's contracts did not disclose the costs consumers would pay under the default terms of the contracts. The notice also alleges that the company unfairly used remotely created checks to debit consumers' bank accounts even after the consumers revoked authorization for automatic withdrawals. On September 27, 2016, the Administrative Law Judge issued a Recommended Decision finding liability and recommending injunctive and monetary relief. The Recommended Decision was appealed to the Director, but further activity on that appeal was held in abeyance pending a decision in *PHH Corp. v. CFPB*, No. 15-1177 (D.C. Cir.), and, subsequently, pending a decision in *Lucia v. SEC*, No. 17-0130 (S. Ct.). Subsequent to the Supreme Court's ruling in *Lucia* that suggested that the Administrative Law Judge that presided over the proceedings in this case may have been improperly appointed, the Director remanded the case for a new hearing and recommended decision by the CFPB's Administrative Law Judge. On March 26, 2020, Respondents moved to amend their answer, to reopen the record, and to dismiss the notice of charges. The Administrative Law Judge denied these motions on April 24, 2020. In response to cross motions for summary disposition, on August 4, 2020, the Administrative Law Judge issued a Recommended Decision finding in the CFPB's favor on all counts. Respondents noticed an appeal to the Director and filed their opening appeal brief on September 3, 2020. On January 11, 2021, the Director issued a Decision and Final Order, affirming in part and reversing in part the Recommended Decision. She affirmed the ALJ's conclusion

that Integrity Advance violated TILA and EFTA and that both respondents violated the CFPB. With respect to the appropriate remedy, she concluded that Integrity Advance and James Carnes were jointly and severally liable for more than \$38 million in restitution and imposed a \$7.5 million civil money penalty against Integrity Advance and \$5 million penalty against Carnes. The Director did not order restitution for conduct that pre-dated July 21, 2011, which is the CFPB's designated transfer date. On February 10, 2021, Integrity Advance filed a petition for review in the Tenth Circuit. On May 19, 2021, the CFPB filed a petition to enforce the CFPB Director's order in United States District Court for the Northern District of Kansas. The district court granted the CFPB's petition on July 30, 2021 and entered judgment for \$38,453,341.62 in restitution against Integrity Advance and Carnes, and a civil money penalty of \$7.5 million against Integrity and \$5 million against Carnes. The CFPB is currently pursuing asset discovery against Carnes in order to satisfy the judgment. The petition for review of the Director's order remains pending on appeal.

- *Consumer Financial Protection Bureau v. Global Financial Support, Inc., d/b/a Student Financial Resource Center, d/b/a College Financial Advisory; and Armond Aria a/k/a Armond Amir Aria, individually, and as owner and CEO of Global Financial Support, Inc. (S.D. Cal. No. 15-cv-2440)*. On October 29, 2015, the CFPB filed a complaint against Global Financial Support, Inc., which operates under the names Student Financial Resource Center and College Financial Advisory, and Armond Aria. The CFPB alleges that Global Financial Support, Inc., issued marketing letters instructing students to fill out a form and pay a fee in exchange for the company conducting extensive searches to target or match them with individualized financial aid opportunities. The CFPB also alleges that consumers who paid the fee received nothing or a generic booklet that failed to provide individualized advice. The CFPB also alleges that the defendants misrepresented their affiliation with government and university financial aid offices and pressured consumers to enroll through deceptive statements. A stay was entered by the court on May 17, 2016, pending an ongoing criminal proceeding involving one of the defendants. The court lifted the stay on May 27, 2019. On August 24, 2020, the CFPB moved for default judgment against the corporate defendants and for summary judgment against the individual defendant. On January 25, 2021, the court granted the CFPB's motions and ordered the defendants to provide \$4.7 million in restitution to harmed consumers, pay a \$10 million civil money penalty, and imposed a permanent injunction. On March 26, 2021, the court denied the individual defendant's Motion for Reconsideration of its Summary Judgment Order and on March 29, 2021, the court denied the individual defendant's Motion for Stay of the Order. Individual defendant Armond Aria filed an appeal with the Ninth Circuit on May 19, 2021. The case remains pending.

- *Consumer Financial Protection Bureau v. Nationwide Biweekly Administration, Inc., et al.* (N.D. Cal. No. 3:15-cv-2106). On May 11, 2015, the CFPB filed a complaint against Nationwide Biweekly Administration, Inc., Loan Payment Administration LLC, and Daniel S. Lipsky. The CFPB alleged that they engaged in abusive and deceptive acts and practices in violation of the CFPB and the TSR regarding a mortgage payment product known as the “Interest Minimizer Program,” or IM Program. The CFPB alleged that the defendants misrepresented their affiliation with consumers’ mortgage lenders; the amount of interest savings consumers would realize, and when consumers would achieve savings on the IM Program; consumers’ ability to attain the purported savings on their own or through a low- or no-cost option offered by the consumers’ servicer; and fees for the program. The CFPB sought a permanent injunction, consumer redress, and civil money penalties. A trial was held beginning on April 24, 2017, and on September 8, 2017, the court issued an opinion and order finding that the defendants had engaged in deceptive and abusive conduct in violation of the CFPB and TSR. The court imposed a \$7.93 million civil money penalty but denied the CFPB’s request for restitution and disgorgement. On November 9, 2017, the court reduced the previous order to a judgment that included a permanent injunction forbidding defendants from engaging in specified acts or practices. The court denied defendants’ post-trial motions on March 12, 2018, and both parties have filed a notice of appeal. On January 23, 2020, the United States Court of Appeals for the Ninth Circuit held the parties’ appeals in abeyance pending the Supreme Court’s decision in *Seila Law LLC v. Consumer Financial Protection Bureau*, No. 19-7 (cert. granted Oct. 18, 2019). In September 2020, the Ninth Circuit scheduled oral argument for November 18, 2020 and ordered supplemental briefing regarding the sufficiency of a ratification the CFPB filed after the Supreme Court’s decision in *Seila Law LLC*. The Ninth Circuit held oral argument on November 18, 2020 and, the following day, vacated submission of the case pending the court’s resolution of *Seila Law LLC*, which the Supreme Court had remanded to the Ninth Circuit. On December 29, 2020, the Ninth Circuit issued its opinion in *Seila Law LLC*, and on January 12, 2021, the court continued its vacatur of submission of the case pending the Ninth Circuit’s decision in *CFPB v. CashCall, Inc.* (No. 18-55407). The case remains on appeal to the U.S. Court of Appeals for the Ninth Circuit.
- *Consumer Financial Protection Bureau v. Universal Debt & Payment Solutions, LLC, et al.* (N.D. Ga. No. 15-cv-0859). On March 26, 2015, the CFPB filed a complaint against a group of seven debt collection agencies, six individual debt collectors, four payment processors, and a telephone marketing service provider alleging unlawful conduct related to a phantom debt collection operation. Phantom debt is debt consumers do not actually owe or debt that is not payable to those attempting to collect it. The CFPB alleges that the individuals, acting through a network of corporate entities, used threats and harassment to collect “phantom” debt from consumers. The CFPB alleges the defendants violated the

FDCPA and the CFPA's prohibition on unfair and deceptive acts and practices and provided substantial assistance to unfair or deceptive conduct. The CFPB is seeking permanent injunctive relief, restitution, and the imposition of a civil money penalty. On April 7, 2015, the CFPB obtained a preliminary injunction against the debt collectors that froze their assets and enjoined their unlawful conduct. On September 1, 2015, the court denied the defendants' motion to dismiss. On August 25, 2017, the court dismissed the CFPB's claims against the payment processors as a discovery sanction against the CFPB. On November 15, 2017, the CFPB, and two remaining defendants moved for summary judgment. On March 21, 2019, the court granted the CFPB's motion for summary judgment on all its claims against five of the debt collector defendants, and one of its claims against two other debt collector defendants. The court denied the CFPB's motion for summary judgment on its other claims against the latter two debt collector defendants and denied those two defendants' motion for summary judgment against the CFPB. The court has not ruled on the CFPB's requested relief. On August 21, 2019, the court entered a stipulated final judgment and order as to two debt collector defendants. Among other things, the August 21, 2019 stipulated judgment ordered the settling defendants to transfer all of the funds in their various bank accounts in partial satisfaction of a judgment of equitable monetary relief and damages in the amount of \$633,710, which was partially suspended based on inability to pay, permanently banned them from engaging in debt collection activities, and prohibited them from making certain misrepresentations. On November 15, 2019, the court entered a stipulated final judgment and order as to another debt collector defendant. Among other things, the November 15, 2019 stipulated judgment imposed a suspended judgment of equitable monetary relief and damages in the amount of \$5,261,484, ordered the settling defendant to pay a \$1 civil penalty, permanently banned him from engaging in debt collection activities, and prohibited him from making certain misrepresentations. The suspension of the judgment and the \$1 civil penalty are based on the settling defendant's inability to pay. On February 19, 2020, the court granted the CFPB's motion for contempt against three debt collector defendants for violating the court's preliminary injunction, ordered one of the defendants to pay \$100,000 into the court's registry as a sanction, and appointed a receiver to take control of various companies owned by those defendants in order to preserve assets for consumer redress. On September 27, 2021, the CFPB filed a motion for consumer redress, injunctive relief, civil money penalties, and entry of final judgment against the three defendants who had not previously settled, defaulted, or been dismissed, and a motion for

default judgment against five defendants who had previously defaulted. As of the end of the reporting period, the case remains pending.⁹⁸

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

⁹⁸ Additional activity has occurred with this matter since the end of this reporting period. More information can be found here <https://www.consumerfinance.gov/enforcement/actions/lrs-litigation-services/>

Circuit on December 4, 2019. On July 23, 2021, the Seventh Circuit affirmed the district court’s rulings that defendants violated Regulation O, vacated the remedial order, and remanded to the district court for further proceedings on remedies. The case remains pending.

- *Consumer Financial Protection Bureau v. CashCall, Inc., et al. (C.D. Cal. No. 15-cv-7522)*. On December 16, 2013, the CFPB filed a complaint against online lender CashCall Inc., its owner, a subsidiary, and an affiliate. The CFPB alleged that they violated the CFPA’s prohibition against unfair, deceptive, and abusive acts and practices by collecting and attempting to collect consumer-installment loans that were void or partially nullified because they violated either state caps on interest rates or state licensing requirements for lenders. The CFPB alleges that CashCall serviced loans it made in the name of an entity, Western Sky, which was located on the Cheyenne River Sioux Tribe’s land. On August 31, 2016, the court granted the CFPB’s motion for partial summary judgment, concluding that CashCall was the true lender on the Western Sky loans. Based in part on that finding, the court concluded that the choice-of-law provision in the loan agreements was not enforceable, found that the law of the borrowers’ states applied, and that the loans were void. Because the loans were void, the court found that the defendants engaged in deceptive acts or practices by demanding and collecting payment on debts that consumers did not owe. A trial was held from October 17 to 18, 2017, on the issue of appropriate relief. On January 19, 2018, the court issued findings of fact and conclusions of law imposing a \$10.28 million civil money penalty but denying the CFPB’s request for restitution and an injunction. The CFPB and the defendants appealed. Oral argument was heard on September 9, 2019. After the Supreme Court decided *Seila Law* and the Ninth Circuit decided that case on remand, the court in this case invited supplemental briefing, which concluded in April 2021. The Ninth Circuit heard oral argument on the supplemental briefing on September 23, 2021 and took the appeal under submission. The case remains pending.

Actions by state attorneys general or state regulators relating to federal consumer financial law

Section 1016(c)(7) requires the CFPB to determine whether any actions asserting claims pursuant to Section 1042 of the Dodd-Frank Act are “significant.” The CFPB is aware of the following State actions asserting Dodd-Frank Act claims that were initiated during the April 1, 2021 through September 30, 2021 reporting period.

- *Consumer Financial Protection Bureau; Commonwealth of Massachusetts; The People of the of New York, by Letitia James, Attorney General of the State of New York; and Commonwealth of Virginia, ex rel. Mark R. Herring, Attorney General v. Nexus Services,*

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

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

- *Bureau of Consumer Financial Protection and the Commonwealth of Massachusetts ex rel. Maura Healey, Attorney General v. Commonwealth Equity Group, LLC (d/b/a Key Credit Repair); Nikitas Tsoukales (a/k/a Nikitas Tsoukalis) (D. Mass. 1:20-cv-10991)*. On May 22, 2020, the 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. An amended complaint was filed on September 16, 2020. As the amended complaint alleges, from 2016 through 2019 alone, Key Credit Repair enrolled nearly 40,000 consumers nationwide, and since 2011, it collected at least \$23 million in fees from consumers. The CFPB and Commonwealth allege that in their telemarketing of credit-repair services, the defendants violated the CFPA’s prohibition against deceptive acts or practices and the TSR’s prohibitions against deceptive and abusive telemarketing acts or practices. Massachusetts also alleges violations of Massachusetts laws. The amended complaint seeks redress to consumers, an injunction, and the imposition of civil money penalties. The defendants filed a motion to dismiss the amended complaint on September 30, 2020, which the court denied on August 10, 2021. On September 9, 2021, the defendants moved for reconsideration of the order denying the motion to dismiss. On September 23, 2021, the defendants answered the amended complaint. The motion for reconsideration was pending as of the end of the reporting period, and the case remains pending.

Rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions

The CFPB’s *Supervisory Highlights* publications provide general information about the CFPB’s supervisory activities at banks and nonbanks without identifying specific companies. The CFPB published two issues of *Supervisory Highlights* between October 1, 2020, and September 30, 2021.⁹⁹

All public enforcement actions are listed in Section 1.6.1 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.

Efforts to fulfill the fair lending mission of the CFPB

The CFPB’s Fair Lending Supervision program assesses compliance with federal fair lending consumer financial laws and regulations at banks and nonbanks, over which the CFPB has

⁹⁹ *Supervisory Highlights: COVID-19 Prioritized Assessments Special Edition*, https://files.consumerfinance.gov/documents/cfpb_supervisory-highlights_issue-23_2021-01.pdf; *Supervisory Highlights, Summer 2021*, https://files.consumerfinance.gov/documents/cfpb_supervisory-highlights_issue-24_2021-06.pdf.

supervisory authority. To fulfill its fair lending mission during this reporting period, the CFPB initiated 13 supervisory activities onsite at financial services institutions under the CFPB’s jurisdiction to determine compliance with federal laws, including ECOA and HMDA, intended to ensure fair, equitable and nondiscriminatory access to credit for both individuals and communities.

For supervisory communications issued by Supervision during the reporting period, the most frequently identified issues related to the CFPB’s Prioritized Assessments. Through Prioritized Assessments, the CFPB continued to expand its supervisory approach to cover a greater number of institutions than its typical examination schedule allows, gain a greater understanding of industry responses to pandemic-related challenges, and help ensure that entities are attentive to practices that may result in consumer harm. Certain Prioritized Assessments evaluated fair lending risks in the small business lending market.

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

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

The CFPB has the statutory authority to bring actions to enforce HMDA and ECOA. This includes the authority to engage in research, conduct investigations, file administrative complaints, hold hearings, and adjudicate claims through the CFPB’s administrative enforcement process. The CFPB also has independent litigating authority and can file cases in federal or state court alleging violations of fair lending laws under the CFPB’s jurisdiction. Like other federal agencies responsible for enforcing ECOA, the CFPB is required to refer matters to the U.S. Department of Justice (DOJ) when it has reason to believe that a creditor has engaged in a pattern or practice of lending discrimination.¹⁰⁰

¹⁰⁰ See 15 U.S.C. § 1691e(h).

During the reporting period, the CFPB filed three fair lending public enforcement actions:

- *In re Washington Federal Bank, N.A., CFPB No. 2020-BCFP-0019, 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)*
- *Consumer Financial Protection Bureau v. LendUp Loans, LLC, (N.D. Cal. 3:21-cv-06945)*
- *United States of America and Consumer Financial Protection Bureau v. Trustmark National Bank (W.D. Tenn. 2:21-cv-2664).*¹⁰¹

During this reporting period,¹⁰² the CFPB did not refer any matters regarding a pattern or practice of lending discrimination to the DOJ pursuant to Section 706(g) of ECOA.

¹⁰¹ See *supra*

¹⁰² April 1, 2021, through September 30, 2021.

Appendix

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)¹⁰³ and the Electronic Fund Transfer Act (EFTA)¹⁰⁴ require the 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)¹⁰⁵ requires reporting on supervisory and enforcement activities with respect to compliance by credit card issuers with applicable Federal consumer protection statutes and regulations.¹⁰⁶

This report provides the information required by TILA, EFTA, and the CARD Act for calendar year 2020.¹⁰⁷ 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),¹⁰⁸ 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.

¹⁰³ 15 U.S.C. § 1613.

¹⁰⁴ 15 U.S.C. § 1693p.

¹⁰⁵ 15 U.S.C. § 1616(e).

¹⁰⁶ In 2012, the Federal Reserve Board (FRB) 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.

¹⁰⁷ In order to facilitate reporting on an interagency basis, this TILA, EFTA, and CARD Act Report is based on the full calendar year of 2020 (January 1-December 31). The TILA, EFTA, and CARD Act Report containing 2019 calendar year information can be found in the CFPB's 2020 Fall Semi-Annual Report to Congress, https://files.consumerfinance.gov/f/documents/cfpb_semi-annual-report-to-congress_fall-2020.pdf.

¹⁰⁸ 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.

Public enforcement actions and reimbursements – TILA, EFTA, CARD Act

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 unfair credit billing and credit card practices. 15 U.S.C. § 1601(a).

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

(USDA).¹⁰⁹

During the reporting period of January 1, 2020, through December 31, 2020, the following agencies reported public enforcement actions under TILA:

TABLE 1: 2020 PUBLIC ENFORCEMENT ACTIONS RELATED TO TILA

Agency	Summary
CFPB	<p>Filed a complaint against a bank for allegedly failing to properly manage and respond to consumers' credit card disputes and fraud claims as well as for allegedly not providing credit counseling referrals to consumers, in violation of TILA and Regulation Z.</p> <p>Filed a complaint against a bank for, among other violations, allegedly issuing credit cards to consumers without their knowledge or consent and not in response to an oral or written request or application for the card, in violation of TILA and Regulation Z.</p> <p>Issued a consent order against a retail lender for, among other violations, violating TILA and Regulation Z in the course of marketing high-interest payday, auto-title, and unsecured consumer-installment loans.</p> <p>Issued a consent order against a lender and its subsidiaries for, among other violations, providing deceptive finance charge disclosures and for failing to refund overpayments on its loans, in violation of TILA and Regulation Z.</p> <p>Issued eight consent orders against mortgage lenders and brokers for, among other violations, sending consumers mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures in violation of Regulation Z.</p> <p>Issued a consent order against a mortgage lender and broker for, among other violations, sending consumers numerous advertisements of VA-guaranteed mortgages that, among other things, promoted mortgage products that were not actually available; failed to properly disclose rates and</p>

¹⁰⁹ The Grain Inspection, Packers, and Stockyards Administration (GIPSA) was eliminated as a standalone agency within the U.S. Department of Agriculture (USDA) in 2017. The functions previously performed by GIPSA have been incorporated into the Agricultural Marketing Service (AMS), and TILA and EFTA reporting now comes from the Packers and Stockyards Division, Fair Trade Practices Program, AMS.

repayment terms; used misleading descriptions of rates; and used misleading representations regarding the savings or financial benefits available to consumers in violation of Regulation Z.

FTC

Filed a complaint and obtained stipulated orders against a car dealer and its general manager for, among other things, allegedly advertising monthly payment amounts without disclosing other key terms required by law such as the down payment amount, terms of repayment, and APR, and stating a rate of finance charge but failing to disclose the rate as an “annual percentage rate,” in violation of TILA and Regulation Z..

Obtained a partial settlement and court-approved order against a group of four auto dealers for, among other violations, allegedly failing to disclose required terms in credit and lease advertisements including online and social media, in violation of TILA and Regulation Z and CLA and Regulation M.

Issued an administrative complaint against a marketer and its owner for, among other violations, allegedly failing to clearly disclose required credit information in their advertising, in violation of TILA and Regulation Z.

Filed a complaint against a payday lending enterprise for, among other violations, allegedly failing to make required loan disclosures in violation of TILA and Regulation Z. This action also appears at Table 2: Public Enforcement Actions Related to EFTA.

Obtained settlements with the defendants in a credit repair scheme for, among other violations and in connection with the advertisement of closed-end credit, allegedly failing to state the annual percentage rate in violation of TILA and Regulation Z. This action also appears at Table 2: Public Enforcement Actions Related to EFTA.

DOT

Obtained a default judgment against an airline that violated Regulation Z by failing to provide credit card refunds to its customers after it ceased operations.

No other agencies with TILA enforcement authority reported taking any public enforcement actions relating to TILA during the January 1, 2020, through December 31, 2020 time period. For TILA and Regulation Z violations found during this time period, the CFPB,

FDIC, FRB, and NCUA required 40 institutions to reimburse an estimated 20,242¹¹⁰ consumers approximately \$4.4 million. This amount includes reimbursements required by the enforcement actions noted in Table 1, as well as non-public supervisory or enforcement actions, and includes violations of other Federal consumer financial laws.

EFTA: Public enforcement actions and reimbursements

The purpose of the Electronic Fund Transfer Act (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. 15 U.S.C. § 1693(b).

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.

Overall adoption of electronic payment methods remained mostly stable in 2020, with only a small decrease in the frequency of non-electronic payment methods. According to the 2020 Survey of Consumer Payment Choice, for the average consumer, 62.6 percent of payments use a debit, credit, or prepaid card; 25.4 percent use cash, paper checks, or some other paper payment instrument; and 12 percent use some other form.¹¹¹ Consumer use of cash has gradually declined since 2010 and this trend continued into 2020. The number of debit card payments made by consumers exceeded the number of cash payments made by consumers, 22.5 payments in a typical month versus 14.2. Debit and credit card payments

¹¹⁰ Several of the CFPB's orders require the respondents to develop compliance plans that include identifying and, in some cases, remediating affected consumers. Accordingly, this figure may not reflect the total number of consumers remediated through those actions. In addition, the CFPB obtained civil money penalties in several matters to deter future violations. Funds in the CFPB's CMP Fund are available to provide redress to consumers whose injuries are not able to be remediated in other actions.

¹¹¹ "The 2020 Survey of Consumer Payment Choice: Summary Results: 2020 SCPC Tables" Available at: https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-of-consumer-payment-choice/2020/tables_spc2020.pdf, pp. T-7.

have generally increased to replace the declining check and cash share.¹¹²

Other evidence shows that consumers altered the way that they used electronic payment methods in 2020. According to the 2020 Diary of Consumer Payment Choice, there was a statistically significant decrease in the number of both debit card and cash payments made by consumers between October 2019 and October 2020.¹¹³ A study of debit card issuers similarly showed a 2.5 percent decrease in the number of debit card transactions in 2020, from 78.1 billion to 76.1 billion.¹¹⁴ Debit card transactions fell in the second quarter of 2020 and subsequently increased in the third and fourth quarters.¹¹⁵ However, total spending using debit cards increased from \$3.20 trillion in 2019 to \$3.66 trillion 2020, reflecting a higher average value per debit card transaction.¹¹⁶

Although consumers tend to conduct fewer ACH transactions relative to card transactions, the consumer dollar volume over ACH is higher. ACH volume totaled approximately 26.8 billion transactions and \$61.9 trillion in 2019.¹¹⁷ These totals increased approximately 8.2 percent and 10.8 percent, respectively, from 2019.¹¹⁸ The CFPB estimates consumer account debits represent slightly more than half of all ACH transaction volume and over 40 percent of ACH dollar volume.¹¹⁹

Consumer adoption of digital payment forms may have accelerated in 2020. According to the 2020 Survey of Consumer Payment Choice, 46.1 percent of consumers made use of a mobile payment, regardless of the underlying electronic method.¹²⁰ This is an increase from 2019, when 37.5 percent of consumers reported using mobile payment.¹²¹

¹¹² Id.

¹¹³ “The 2020 Diary of Consumer Payment Choice” Available at: <https://www.atlantafed.org/-/media/documents/banking/consumer-payments/diary-of-consumer-payment-choice/2020/2020-diary-of-consumer-payment-choice.pdf>

¹¹⁴ Pulse, “2021 Debit Issuer Study,” Figure 2.

¹¹⁵ Id.

¹¹⁶ *Id.* Debit card spending exceeded credit card spending for the first time in 2020. Total credit card spending declined to \$3.61 trillion in 2020.

¹¹⁷ NACHA press release. Available at <https://www.nacha.org/news/ach-network-sees-record-growth-2020-268-billion-payments>.

¹¹⁸ Id.

¹¹⁹ For reference, in 2015, consumer ACH debit volume totaled approximately 12.5 billion transactions at \$18.3 trillion, while the ACH Network processed a total of 24B transactions totaling \$41.6T volume. See NACHA press release. Available at <https://www.nacha.org/news/ach-volume-grows-56-percent-adding-13-billion-payments-2015-0>.

¹²⁰ “The 2020 Survey of Consumer Payment Choice: Summary Results: 2020 SCPC Tables” Available at: https://www.atlantafed.org/-/media/documents/banking/consumer-payments/survey-of-consumer-payment-choice/2020/tables_scpc2020.pdf

¹²¹ Id.

One digital payment form, electronic person-to-person payments (P2P), represents an emerging and fast-growing category of EFTs. The P2P EFT marketplace is challenging to 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. An industry analyst reported, based on survey results and estimates, 70 percent of U.S. consumers made a P2P payment in 2020.

In response to government agencies distributing aid to consumers in response to the COVID-19 pandemic, the CFPB in April 2020 issued an interpretive rule that concluded that certain pandemic-relief payments are not “government benefits” for purposes of Regulation E and the Electronic Fund Transfer Act (EFTA) and are therefore not subject to the compulsory use prohibition in EFTA, if certain conditions are met.

In addition, in May 2020 the CFPB amended the Remittance Rule in Regulation E to provide tailored exceptions to address compliance challenges that insured institutions may face in certain circumstances upon the expiration of a statutory exception that allows insured institutions to disclose estimates instead of exact amounts to consumers. That exception expired on July 21, 2020. The final rule also increased a safe harbor threshold related to whether a person makes remittance transfers in the normal course of its business.

The incremental costs associated with the EFTA are difficult to quantify because it is difficult to determine how industry practices would have evolved in the absence of statutory requirements. The benefits of the 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,
- the FDIC,
- the FRB,
- the NCUA,
- the OCC,
- the FTC,

- the DOT, and
- the Securities and Exchange Commission.

During the reporting period of January 1, 2020, through December 31, 2020, the following agencies reported public enforcement actions under EFTA:

TABLE 2: 2020 PUBLIC ENFORCEMENT ACTIONS RELATED TO EFTA

Agency	Summary
CFPB	<p>Issued a consent order against a bank for, among other things, violating EFTA and Regulation E by charging consumers overdraft fees for ATM and one-time debit card transactions without obtaining their affirmative consent.</p> <p>Issued a consent order against a bank and its subsidiaries for, among other violations, failing to provide numerous required disclosures, in violation of EFTA and Regulation E.</p> <p>Issued a consent order against a remittance transfer provider for, among other violations, failing to adhere to error resolution requirements and properly respond to cancellation requests, failing to provide required refunds, failing to maintain required policies and procedures, and failing to provide required disclosures, in violation of EFTA and Regulation E.</p> <p>Issued a consent order against a remittance transfer provider for, among other violations, failing to properly honor cancellation requests, failing to develop and maintain required policies and procedures for error resolution, failing to investigate and make error determinations, failing to provide consumers with written reports of its investigation findings, failing to refund certain fees and taxes, failing to treat international bill pay services as remittance transfers, failing to disclose the appropriate currency on repayment disclosures and receipts, failing to use the term “transfer fees” or a substantially similar term in certain disclosures, and issuing receipts that failed to disclose the date on which remittance transfers would be available for pick-up, in violation of EFTA and Regulation E.</p> <p>Issued a consent order against a bank and its affiliates for, among other things, withdrawing preauthorized EFTs from consumers’ accounts without a valid authorization, including withdrawing amounts that were higher than authorized or withdrawing the same payment twice, in violation of EFTA and</p>

Regulation E.

Issued a consent order against a lender for, among other violations, violating EFTA's prohibition against requiring that consumers repay by preauthorized electronic-fund transfers as a condition of receiving credit.

FTC

Entered into a settlement with operators of an online subscription scheme for, among other things, allegedly failing to obtain written authorization before initiating preauthorized electronic fund transfers from consumers' accounts, and failing to provide consumers with a copy of a valid written authorization in violation of EFTA and Regulation E.

Obtained a settlement with the remaining defendants, a payment processor and its former CEO for, among other violations, illegally maintaining merchant accounts in the name of shell companies and enabling defendants' violations of EFTA and Regulation E by allegedly debiting consumers' bank accounts on a recurring basis without obtaining a written authorization signed or similarly authenticated from consumers for preauthorized electronic fund transfers, and failing to provide them with a copy of the authorization.

Filed a complaint and obtained a temporary restraining order against a payday lending enterprise for allegedly withdrawing money repeatedly from consumers' bank accounts without consumers' proper authorization, in violation of EFTA and Regulation E. This action also appears at Table 1: Public Enforcement Actions Related to TILA.

Settled with defendants in a credit repair scheme for violating EFTA and Regulation E by allegedly debiting consumers' bank accounts on a recurring basis without obtaining a written authorization or providing consumers with a copy of the authorization. This action also appears at Table 1: Public Enforcement Actions Related to TILA.

No other agencies with EFTA enforcement authority reported taking any public enforcement actions related to EFTA during the January 1, 2020, through December 31, 2020 time period.

For EFTA and Regulation E violations found during this time period, the CFPB and NCUA

required 10 institutions to reimburse an estimated 1.6 million¹²² consumers approximately \$107 million. These amounts include reimbursements required by the enforcement actions noted in Table 2 as well as non-public supervisory or enforcement actions and includes violations for other Federal consumer financial laws.

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 FRB, 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, 2020, through December 31, 2020, no agencies reported public enforcement actions under the applicable federal consumer financial protection laws.

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.¹²³ The agencies did report, however, that more institutions were cited for violations of Regulation Z than Regulation E over the 2020 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

¹²² Several of the CFPB's orders require the respondents to develop compliance plans that include identifying and, in some cases, remediating affected consumers. Accordingly, this figure may not reflect the total number of consumers remediated through those actions. In addition, the CFPB obtained civil money penalties in several matters to deter future violations. Funds in the CFPB's CMP Fund are available to provide redress to consumers whose injuries are not able to be remediated in other actions.

¹²³ 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.

FFIEC agencies for the reporting period.¹²⁴

For the reporting period of January 1, 2020, through December 31, 2020, the most frequently cited violations of Regulation Z across the FFIEC agencies were:

- 12 C.F.R. § 1026.18 – On closed-end credit, failure to provide consumers with content of disclosures.
- 12 C.F.R. § 1026.19(e) – On closed-end credit, failure to disclose good faith estimates of the disclosures.
- 12 C.F.R. § 1026.38 – Failure to provide consumers with content of disclosures for certain mortgage transactions (Closing Disclosure).

For the reporting period of January 1, 2020, through December 31, 2020, 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.

¹²⁴ Because the FFIEC agencies use different methods to compile data, the information presented here supports only general conclusions.

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 2020, the FTC announced two staff reports on consumers' experiences related to buying and financing automobiles at dealerships based, in part, on a study of auto buyers conducted by the FTC that consisted of in-depth interviews with 38 consumers about the car buying and financing process. The CFPB staff report noted that consumers were sometimes not aware of key terms of sales and financing contracts, and that later stages of the buying and financing process, including involving "add-ons" like extended warranties, service plans, and (GAP) guaranteed asset protection, also present issues. The Bureau of Economics and Bureau of Consumer Protection joint staff report described the study's methodology and analysis of results of in-depth consumer interviews, discussed how the study fits within the existing framework of academic research into the car buying and financing processes, and noted a number of areas where consumers did not understand the process, including what terms were negotiable and the terms and conditions of add-ons.

The FTC hosted several public events discussing issues related to TILA, such as a conference in cooperation with the Offices of the Attorney Generals in several states about a variety of issues facing heartland consumers. The FTC also issued a Staff Perspective outlining a number of topics discussed in a small business financing forum held in 2019. Among other things, the Staff Perspective noted that inconsistent information is provided to business owners, and while TILA requires disclosure of the APR and other key information in personal credit transactions, it generally applies in transactions involving personal, family, or household credit. The Staff Perspective also observed that small business consumers likely would benefit from more uniform and understandable financing disclosures to help them compare costs and other features of products in the small business marketplace. The FTC also published several blog posts discussing the FTC's cases and other initiatives in the areas of auto financing, payday lending, and car title loans.

List of Director remarks from speaking engagements during the reporting period

Acting Director Uejio delivered remarks during the following external engagements:

- Tuesday, April 27, 2021: University of MN, Humphrey School of Public Affairs: Brustad Lecture
- Thursday, April 29, 2021: Asian Real Estate Association of America (AREAA): Diversity and Fair Housing Summit
- Tuesday, May 11, 2021: National Association of Attorneys General (NAAG): Consumer Protection Spring Conference
- Tuesday, May 25, 2021: Mortgage Bankers Association: Legal Issues and Regulatory Compliance Conference
- Thursday, June 3, 2021: AARP: Virtual Townhall
- Wednesday, June 9, 2021: Asian Real Estate Association of America (AREAA): Virtual Policy Summit
- Monday, July 19, 2021: Americans for Financial Reform (AFR): CFPB 10 Year Anniversary Virtual Event
- Wednesday, September 1, 2021: National Fair Housing Alliance (NFHA), Urban Institute, and Mortgage Bankers Association (MBA): Virtual Forum on Special Purpose Credit Programs (SPCP)

Congressional engagement activity

Director Rohit Chopra testified twice before Congress on the Semi-Annual Report:

- House Financial Services Committee¹²⁵ [testimony¹²⁶]; and
- Senate Banking, Housing, and Urban Affairs Committee¹²⁷ [testimony¹²⁸].

The CFPB submitted the following reports and analyses to Congress, the House Financial Services Committee, and the Senate Banking, Housing, and Urban Affairs Committee during the reporting period:

- April 14, 2021: Fair Lending Report 2020¹²⁹
- April 19, 2021: Equal Employment Opportunity (EEO) program status report for fiscal year (FY) 2020¹³⁰
- April 28, 2021: Bureau of Consumer Financial Protection Independent Audit of Selected Operations and Budget, Fiscal Year 2019¹³¹
- May 4, 2021: Complaint Bulletin: Mortgage forbearance issues described in consumer complaints¹³²
- May 4, 2021: Characteristics of Mortgage Borrowers During the COVID-19 Pandemic¹³³

¹²⁵ <https://financialservices.house.gov/events/eventsingle.aspx?EventID=408560>

¹²⁶ <https://www.consumerfinance.gov/about-us/newsroom/written-testimony-director-rohit-chopra-before-house-committee-financial-services/>

¹²⁷ <https://www.banking.senate.gov/hearings/new-era-for-consumer-protection-the-consumer-financial-protection-bureaus-semi-annual-report-to-congress>

¹²⁸ <https://www.consumerfinance.gov/about-us/newsroom/written-testimony-director-rohit-chopra-before-senate-committee-banking-housing-urban-affairs/>

¹²⁹ <https://www.consumerfinance.gov/data-research/research-reports/fair-lending-report-2020/>

¹³⁰ <https://www.consumerfinance.gov/data-research/research-reports/equal-employment-opportunity-eeo-program-status-report-fiscal-year-fy-2020/>

¹³¹ <https://www.consumerfinance.gov/data-research/research-reports/bureau-independent-audit-selected-operations-and-budget-fy2019/>

¹³² <https://www.consumerfinance.gov/data-research/research-reports/complaint-bulletin-mortgage-forbearance-issues-described-consumer-complaints/>

¹³³ <https://www.consumerfinance.gov/data-research/research-reports/characteristics-mortgage-borrowers-during-covid-19-pandemic/>

- May 6, 2021: Office of Servicemember Affairs Annual Report¹³⁴
- May 27, 2021: Manufactured Housing Loan Borrowers Face Higher Interest Rates, Risks, and Barriers to Credit¹³⁵
- June 29, 2021: Supervisory Highlights, Issue 24, Summer 2021¹³⁶
- June 30, 2021: Commercial Credit on Consumer Credit Reports¹³⁷
- August 10, 2021: Mortgage Servicing COVID-19 Pandemic Response Metrics: Observations from Data Reported by Sixteen Servicers¹³⁸
- September 9, 2021: 2021 College Credit Card Agreements¹³⁹
- September 29, 2021: The Consumer Credit Card Market¹⁴⁰

In addition, during the reporting period, the CFPB’s Legislative Section shared a range of CFPB resources with Members of Congress to assist in answering inquiries and requests from their constituents. For example, the CFPB shared the following resources with congressional offices for their use in responding to requests for information and assistance from constituents:

- A Rental Assistance Finder¹⁴¹, providing state and local program information for renters and landlords seeking assistance

¹³⁴ <https://www.consumerfinance.gov/about-us/blog/office-of-servicemember-affairs-year-review-protect-servicemembers-veterans-military-families/>

¹³⁵ <https://www.consumerfinance.gov/about-us/newsroom/manufactured-housing-loan-borrowers-face-higher-interest-rates-risks-and-barriers-to-credit/>

¹³⁶ <https://www.consumerfinance.gov/data-research/research-reports/supervisory-highlights-issue-24-summer-2021/>

¹³⁷ <https://www.consumerfinance.gov/data-research/research-reports/commercial-credit-on-consumer-credit-reports/>

¹³⁸ <https://www.consumerfinance.gov/data-research/research-reports/mortgage-servicing-covid-19-pandemic-response-metrics/>

¹³⁹ <https://www.consumerfinance.gov/data-research/research-reports/2021-college-credit-card-agreements/>

¹⁴⁰ <https://www.consumerfinance.gov/data-research/research-reports/consumer-credit-card-market/>

¹⁴¹ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/renter-protections/find-help-with-rent-and-utilities/>

- Resources to learn about requesting¹⁴², extending¹⁴³, or repaying¹⁴⁴ forbearance; and options to avoid foreclosure¹⁴⁵ including our new rules on mortgage servicing
- Tools for constituents, community, tribal, and faith-based organizations:
 - Housing and rental relief emails¹⁴⁶
 - Social media posts for renters and homeowners¹⁴⁷
 - Videos in both English and Spanish¹⁴⁸
 - Printed handouts in both English and Spanish¹⁴⁹
 - The complete digital housing media toolkit¹⁵⁰
 - The multiagency housing portal hosted by CPF¹⁵¹

¹⁴² <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/request-forbearance-or-mortgage-relief/>

¹⁴³ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/extend-forbearance/>

¹⁴⁴ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/repay-forbearance/>

¹⁴⁵ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/help-for-homeowners/avoid-foreclosure/>

¹⁴⁶ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/#emails-english>

¹⁴⁷ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/#social-media-english>

¹⁴⁸ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/#videos>

¹⁴⁹ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/#handouts>

¹⁵⁰ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/housing-insecurity-media-toolkit/>

¹⁵¹ <https://www.consumerfinance.gov/coronavirus/mortgage-and-housing-assistance/>