October 1, 2015 – March 31, 2016

Semi-annual report of the Consumer Financial Protection Bureau

Message from Richard Cordray

Director of the CFPB

At the Consumer Financial Protection Bureau, we are deeply committed to achieving our mission as the nation's first federal agency whose sole focus is protecting consumers in the financial marketplace. Financial products like mortgages, credit cards, and student loans involve some of the most important financial transactions in people's lives. Through the Dodd-Frank Wall Street and Consumer Protection Act, Congress created the Bureau to stand on the side of consumers and ensure they are treated fairly in the financial marketplace. Since we opened our doors, we have been focused on making consumer financial markets work better for the American people, and helping consumers improve their financial lives.

In this, our ninth Semi-Annual Report to Congress and the President, we provide an update on the Bureau's efforts to achieve this vital mission. Through fair rules, consistent oversight, appropriate enforcement of the law, and broad-based consumer engagement, the Bureau is helping to restore American families' trust in consumer financial markets, protect consumers from improper conduct, and ensure access to fair, transparent, and competitive markets.

In the six months covered by this report, our supervisory actions resulted in financial institutions providing more than $44 million in redress to over 177,000 consumers. During that timeframe we also announced orders through enforcement actions for approximately $82 million in total relief for consumers who fell victim to various violations of consumer financial protection laws. We brought numerous enforcement actions for various violations of the Dodd-Frank Act, including actions against Security National Automotive Acceptance Company and EZCORP for engaging in illegal debt collection tactics; a default judgment against Corinthian Colleges for engaging in a predatory lending scheme; a proceeding against online lender

Integrity Advance for misrepresenting the cost of loans; an action against Frederick J. Hanna & Associates for running an illegal debt collection lawsuit mill; an action against T3 Leads and Lead Publisher for reselling sensitive personal information to lenders and debt collectors that it had not properly vetted; actions against "buy here, pay here" dealer CarHop for providing damaging, inaccurate customer information to credit reporting companies and Herbies Auto Sales for abusive financing schemes, hiding auto finance charges, and misleading customers; an action against Clarity Services for illegally obtaining consumer credit reports and failing to appropriately investigate consumer disputes; and an action against Citibank for illegal debt sales and debt collection practices. Additionally, the CFPB and the Department of Justice reached a resolution with Toyota Motor Credit Corporation in which minority borrowers who paid higher rates than non-Hispanic White borrowers for their auto loans, without regard to their creditworthiness or other objective risk criteria, will receive up to $21.9 million in restitution.

The Bureau also issued a number of proposed and final rules. In October 2015, we issued a final rule to implement amendments to the Home Mortgage Disclosure Act (HMDA), adding new reporting requirements and clarifying several existing requirements. In December 2015, we issued a final rule making technical corrections to Regulation Z with respect to the Know Before You Owe rule. In January 2016 the Bureau published a notice and request for information regarding HMDA resubmission guidelines, which describe when supervised institutions should correct and resubmit HMDA data. Finally, the Bureau issued two rules in March 2016 to address the HELP Rural Communities Act, which was enacted on December 4, 2015. First, the Bureau issued a procedural rule that established a process to apply for an area to be designated as a rural area for purposes of a Federal consumer financial law. Second, the Bureau issued an interim final rule that expanded eligibility for special provisions and an exemption from requirements provided to certain small creditors operating in rural or underserved areas under the Bureau's mortgage rules.

As a data-driven institution, the Bureau published several reports and other publications during this reporting period. These reports highlighted several important topics in the consumer finance area, including the annual report of the CFPB student loan ombudsman, the CFPB Diversity and Inclusion Strategic Plan for 2016 – 2020, the 2015 financial literacy annual report, the CFPB's financial report for FY 2015, the Office of Servicemembers Affairs' semi-annual snapshot of servicemember complaints, the CFPB's biennial report on the consumer credit card market, the CFPB's report on college credit card agreements under the CARD Act, and an independent audit of the CFPB's operations and budget for FY 2015.

The premise that lies at the very heart of our mission is that consumers should have someone standing on their side to see that they are treated fairly in the financial marketplace. From July 21, 2011 through March 31, 2016, the CFPB has handled approximately 859,900 consumer complaints, including complaints on credit reporting, debt collection, money transfers, bank accounts and services, credit cards, mortgages, vehicle loans, payday loans, student loans, and certain other consumer financial products or services, including prepaid cards, debt settlement services, credit repair services, and pawn and title loans. We now also disclose consumer complaint narratives where consumers have "opted in" to share their accounts of what happened and optional public responses by companies.

The progress we have made has been possible thanks to the engagement of hundreds of thousands of Americans who have utilized our consumer education tools, submitted complaints, participated in rulemakings, and told us their stories through our website and at numerous public meetings from coast to coast. We have also benefited from an ongoing dialogue and constructive engagement with the Bureau's advisory groups, the institutions we supervise, with community banks and credit unions with whom we regularly meet, and with consumer advocates throughout the country. Our progress has also resulted from the extraordinary work of the Bureau's employees—dedicated public servants who are committed to promoting a healthy consumer financial marketplace. Each day, we work to accomplish the goals of renewing people's trust in the marketplace and ensuring that markets for consumer financial products and services are fair, transparent, and competitive. These goals not only support consumers in all financial circumstances, but also help responsible businesses compete on a level playing field, which helps to reinforce the stability of our economy as a whole.

In the years to come, we look forward to continuing to fulfill the vision of an agency dedicated to ensuring a consumer financial marketplace marked by transparency, responsible practices, sound innovation, and excellent customer service.

Sincerely,

Richard Cordray
Director

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1. Executive summary

The Consumer Financial Protection Bureau (CFPB or Bureau) presents this Semi-Annual Report to the President, Congress, and the American people in fulfillment of its statutory responsibility and commitment to accountability and transparency. This report provides an update on the Bureau's mission, activities, accomplishments, and publications since the last Semi-Annual Report, and provides additional information required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank or Dodd-Frank Act), for the period of October 1, 2015 through March 31, 2016.[1]

The Dodd-Frank Act created the Bureau as the nation's first federal agency with a mission of focusing solely on consumer financial protection and making consumer financial markets work for American consumers, responsible businesses, and the economy as a whole. In the wake of the financial crisis of 2008-2010, the President and Congress recognized the need to address widespread failures in consumer protection and the rapid growth in irresponsible lending practices that preceded the crisis. To remedy these failures, the Dodd-Frank Act consolidated most Federal consumer financial protection authority in the Bureau.[2] The Dodd-Frank Act

[1] Appendix B provides a guide to the Bureau's response to the reporting requirements of Section 1016(c) of the Dodd-Frank Act. The last Semi-Annual Report was published in November 2015 and may be viewed at: http://files.consumerfinance.gov/f/201511_cfpb_semi-annual-report-fall-2015.pdf.

[2] Previously, seven different federal agencies (the Federal Reserve Board (and the Federal Reserve Banks) (Board or FRB), Department of Housing and Urban Development (HUD), Federal Deposit Insurance Corporation (FDIC), Federal Trade Commission (FTC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), and Office of Thrift Supervision) were responsible for rulemaking, supervision, and enforcement relating to consumer financial protection.

charged the Bureau with, among other things:

- Ensuring that consumers have timely and understandable information to make responsible decisions about financial transactions;
- Protecting consumers from unfair, deceptive, or abusive acts and practices, and from discrimination;
- Monitoring compliance with Federal consumer financial law and taking appropriate enforcement action to address violations;
- Identifying and addressing outdated, unnecessary, or unduly burdensome regulations;
- Enforcing Federal consumer financial law consistently in order to promote fair competition;
- Ensuring that markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation; and
- Conducting financial education programs.[3]

The Bureau has continued its efforts to listen and respond to consumers and industry, to be a resource for the American consumer, and to develop into a great institution worthy of the responsibility conferred on it.

1.1 Listening to consumers

Listening and responding to consumers is central to the Bureau's mission. The Bureau continues to provide consumers with numerous ways to make their voices heard. Consumers nationwide have engaged with the Bureau through public field hearings, listening events, roundtables and town halls, and through our website, consumerfinance.gov. Consumer engagement strengthens

[3] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1021 (b) and (c).

the Bureau's understanding of current issues in the ever-changing consumer financial marketplace and informs every aspect of the Bureau's work, including research, rule writing, supervision, and enforcement.

The Bureau has continued to improve the capabilities of its Office of Consumer Response to receive, process, and facilitate responses to consumer complaints. Consumer Response has also continued to expand a robust public Consumer Complaint Database. The database updates nightly and as of March 31, 2016 was populated by over 543,800 complaints from consumers about financial products and services from all over the country. Our consumer complaint narrative database includes over 50,000 narratives. The CFPB gives companies the opportunity to respond publicly to the substance of the consumer complaints they receive from the CFPB by selecting from a set list of public-facing response categories. Companies are under no obligation to avail themselves of the opportunity.

Launched initially in July 2015, the Bureau's series of monthly complaint reports continues to highlight key trends from consumer complaints submitted to the Bureau. The monthly report includes complaint data on complaint volume, most-complained-about companies, state and local information, and product trends. Each month, the report highlights a particular product and geographic location and provides insight for the public into the hundreds of thousands of consumer complaints on financial products and services expected to be handled by the CFPB. The report uses a three-month rolling average, comparing the current average to the same period in the prior year where appropriate, to account for monthly and seasonal fluctuations. In some cases, month-to-month comparisons are used to highlight more immediate trends.

1.2 Delivering for American consumers and leveling the playing field

The Bureau has continued to expand its efforts to serve and protect consumers in the financial marketplace. The Bureau seeks to serve as a resource on the macro level, by writing clear rules of the road and enforcing consumer financial protection laws in ways that improve the consumer financial marketplace, and on the micro level, by helping individual consumers resolve their specific issues with financial products and services. While the various divisions of the Bureau play different roles in carrying out the Bureau's mission, they all work together to protect and educate consumers, help level the playing field for participants, and fulfill the

Bureau's statutory obligations and mission under the Dodd-Frank Act. In all of its work, the Bureau strives to act in ways that are fair, reasonable, and transparent.

We are working to provide tools and information directly to consumers to enable them to develop practical skills and support sound financial decision-making. These skills include being able to ask questions and to plan ahead. One way we are doing this is with our online tool, *Ask CFPB*. This tool provides answers to over 1,000 questions about financial products and services, including on topics such as mortgages, credit cards, and how to dispute errors in a credit report statement. This resource is found at consumerfinance.gov/askcfpb/. We are also focusing on helping consumers build the skills to plan ahead. For example, our Paying for College set of tools helps students and their families compare what their college costs will be down the road as they decide where to pursue a college education. Our Owning a Home set of tools helps consumers shop for a mortgage loan by helping them understand what mortgages are available to them, explore interest rates, compare loan offers, and by providing a closing checklist. The Money Smart for Older Adults curriculum, developed with the FDIC, includes resources to help people prevent elder financial exploitation and prepare financially for unexpected life events.

We are working with other government agencies, social service providers, and community service providers to develop channels to provide decision-making support in moments when consumers are most receptive to receiving information and developing financial decision-making skills. This support includes integrating financial capability into other programs and services where consumers may be seeking assistance. We are also tailoring our approaches to financial decision-making circumstances, challenges, and opportunities for specific populations, including servicemembers and veterans, students and young adults, older Americans, and lower-income and other economically vulnerable Americans.

When Federal consumer financial protection law is violated, the Bureau's Supervision, Enforcement, and Fair Lending Division is committed to holding the responsible parties accountable. In the six months covered by this report, our supervisory actions resulted in financial institutions providing approximately $44 million in redress to over 177,000 consumers. During that timeframe, we also have announced enforcement actions that resulted in orders for approximately $200 million in total relief for consumers who fell victim to various violations of consumer financial protection laws, along with over $70 million in civil money penalties. We brought numerous enforcement actions for various violations of the Dodd-Frank Act, including actions against Security National Automotive Acceptance Company and EZCORP for engaging in illegal debt collection tactics; a default judgment against Corinthian Colleges for

engaging in a predatory lending scheme; a proceeding against online lender Integrity Advance for misrepresenting the cost of loans; an action against Frederick J. Hanna & Associates for running an illegal debt collection lawsuit mill; an action against T3 Leads and Lead Publisher for reselling sensitive personal information to lenders and debt collectors that it hadn't properly vetted; actions against "buy here, pay here" dealer CarHop for providing damaging, inaccurate customer information to credit reporting companies and Herbies Auto Sales for abusive financing schemes, hiding auto finance charges, and misleading customers; an action against Clarity Services for illegally obtaining consumer credit reports and failing to appropriately investigate consumer disputes; and an action against Citibank for illegal debt-sales and debt-collection practices. Additionally, the CFPB and the Department of Justice reached a resolution with Toyota Motor Credit Corporation in which minority borrowers who paid higher rates than non-Hispanic White borrowers for their auto loans, without regard to their creditworthiness or other objective risk criteria, will receive up to $21.9 million in restitution. The Bureau has also continued to develop and refine its nationwide supervisory program for depository and nondepository financial institutions, through which those institutions are examined for compliance with Federal consumer financial protection law.

Continuing the CFPB's policy of transparency, the Bureau has released two editions of *Supervisory Highlights* during this reporting period. The Fall 2015 edition reported examination findings in the areas of consumer reporting, debt collection, mortgage origination, mortgage servicing, student loan servicing, and fair lending. The Winter 2016 edition shared recent examination findings related to consumer reporting, debt collection, mortgage origination, remittances, and student loan servicing. This issue also shares important updates to past fair lending settlements reached by the Bureau. This publication is intended to inform both industry and the public about the development of the Bureau's supervisory program and to discuss, in a manner consistent with the confidential nature of the supervisory process, broad trends in examination findings in key market or product areas.

The Bureau has also published new guidance documents, in partnership with other regulators where appropriate, to help institutions know what to expect and how to become, or remain, compliant with the law, including bulletins on Real Estate Settlement Procedures Act (RESPA) compliance and marketing services agreements, the revised supervisory matters appeal process, requirements for consumer authorizations for preauthorized electronic fund transfers, and on the furnisher Fair Credit Reporting Act (FCRA) obligation to have reasonable written policies and procedures.

Reasonable regulations are essential for protecting consumers from harmful practices and ensuring that consumer financial markets function in a fair, transparent, and competitive manner. The Research, Markets, and Regulations Division has focused its efforts on promoting markets in which consumers can shop effectively for financial products and services and are not subject to unfair, deceptive, or abusive acts or practices. During this reporting period, the Research and Markets teams released reports on the consumer credit card market, which is described in detail in Section 2.3, mobile financial services, and college credit card agreements. The Regulations office issued regulations modifying and clarifying a number of rules implementing changes made by the Dodd-Frank Act including a final rule to implement amendments to HMDA, adding new reporting requirements and clarifying several existing requirements; a final rule making technical corrections to Regulation Z with respect to the Know Before You Owe (KBYO) rule; and a final rule adopting a procedural rule establishing an application process under which a person may identify an area that has not been designated by the Bureau as a rural area for the purposes of a Federal consumer financial law and apply for such area to be so designated. In addition, the Bureau issued an interim final rule that expanded eligibility for special provisions and added an exemption from requirements provided to certain small creditors operating in rural or underserved areas under the Bureau's mortgage rules. The Bureau also issued a notice and request for information regarding HMDA resubmission guidelines, which describe when supervised institutions should correct and resubmit HMDA data.

To support the implementation of and industry compliance with its rules, the Bureau has published a number of plain-language compliance guides summarizing certain rules, and it has actively engaged in discussions with industry about ways to achieve compliance.[4] The Bureau also continued its efforts to streamline, modernize, and harmonize financial regulations that it inherited from other agencies.

In addition to implementing the Dodd-Frank Act, the Bureau continues to explore other areas where regulations may be needed to ensure that markets function properly and possibly harmful

[4] http://www.consumerfinance.gov/guidance/#compliance.

or inefficient practices are addressed. Over the next six months, the Bureau will continue implementing the Dodd-Frank Act and using its regulatory authority to ensure that consumers have access to consumer financial markets that are fair, transparent, and competitive.

1.3 Building a great institution

The Bureau continues to grow and evolve as an institution. As of March 19, 2016, the CFPB team consisted of 1,519 employees working to carry out the Bureau's mission. It has worked to build a human capital and organizational infrastructure that promotes – and will continue to promote – diversity, transparency, accountability, fairness, and service to the public. That infrastructure includes:

- Demonstrating a strong commitment to openness by utilizing the Bureau's website to share information on its operations;
- Recruiting highly-qualified, diverse personnel;
- Providing training and engagement opportunities for CFPB staff to improve skills, increase knowledge, and maintain excellence; and
- Further promoting diversity and inclusion in the CFPB's workforce and among its contractors, including through the Bureau's Office of Minority and Women Inclusion (OMWI).

The Bureau recognizes that the best way to effectively serve consumers is to ensure that its workforce reflects the ideas, backgrounds, and experiences of the American public. OMWI supports the Bureau's mission by working with the offices of Human Capital (OHC) and Civil Rights (OCR) to continue building a diverse and inclusive workforce that can foster broader and better thinking about how to approach markets.

We will continue working hard to ensure that the American people are treated fairly in the consumer financial marketplace. We encourage you to visit consumerfinance.gov for updates.

2. Consumer challenges in obtaining financial products and services

The challenges consumers face in navigating and obtaining financial products and services are a driving force behind the CFPB's efforts to make consumer financial markets work better. Listening and responding to consumers are integral components of our mission, and the Bureau provides numerous ways for consumers to make their voices heard.

2.1 Consumer concerns

The Bureau's long-term vision for consumer finance markets is one where consumer protections and business opportunities work in tandem, where financial firms lead through responsible business practices, and where educated consumers can make well-informed decisions. It is critical for the stability of the marketplace and the well-being of consumers to ensure that everyone is playing by the same rules.

As markets and consumers continue to emerge from the continuing effects of the devastating financial crisis of 2008, the Bureau finds that debt collection is central and cuts across virtually all credit products: credit cards, mortgages, student loans, payday loans, and other consumer loans. Currently, about 30 million consumers – nearly one out of every ten Americans – are subject to debt collection, for amounts that average about $1,500 each.

Many companies in this industry play by the rules. But others cut corners and seek to gain an advantage by ignoring the rules. These bad actors are a detriment to every company that is faithfully following the law, and their actions harm consumers.

During the reporting period covered by this report, consumers shared with the CFPB their experiences – positive and negative – with financial products and services. Consumers have the opportunity to provide the Bureau with such feedback through a variety of forums, including the Tell Your Story feature on the CFPB's website, and by participating in roundtables, town halls, and field hearings. This feedback is critical to our efforts to understand the challenges consumers face in obtaining access to the financial products and services they need.

The Bureau's monthly complaint reports highlight problems faced by consumers for various financial products. These reports indicate that consumers continue to experience issues with credit card late fees, debt collectors' communication tactics, and bank account and overdraft fees.

In addition to Tell Your Story, consumers have opportunities to voice concerns and share their experiences in person at field hearings and public meetings, which focus on particular consumer finance issues. During this reporting period,[5] consumers and advocates participated in large Bureau-sponsored field hearings in Denver, CO and Louisville, KY. These events drew hundreds of participants, many of whom shared their personal experiences with arbitration agreements, checking accounts, and other consumer financial issues.

The CFPB's Office of Community Affairs has also hosted roundtable conversations with leaders of consumer, civil rights, community, housing, faith-based, student, and other organizations. The roundtables provided opportunities for stakeholders to meet with Director Cordray and other senior Bureau staff to share their first-hand perspectives on key consumer finance issues that affect their communities.

Collecting, investigating, and responding to consumer complaints are integral parts of the CFPB's work, as set forth in the Dodd-Frank Act.[6] The Bureau hears directly from consumers about the challenges they face in the marketplace, brings their concerns to the attention of companies, and assists in addressing their complaints.

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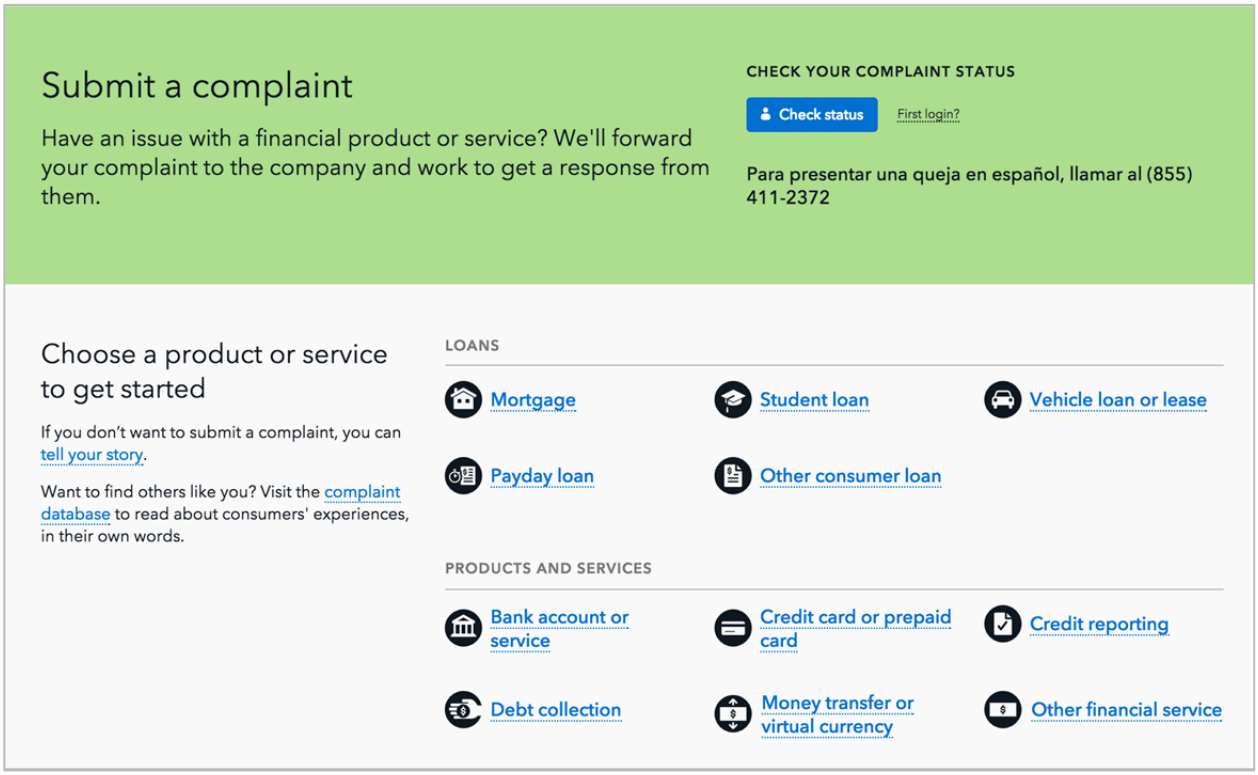
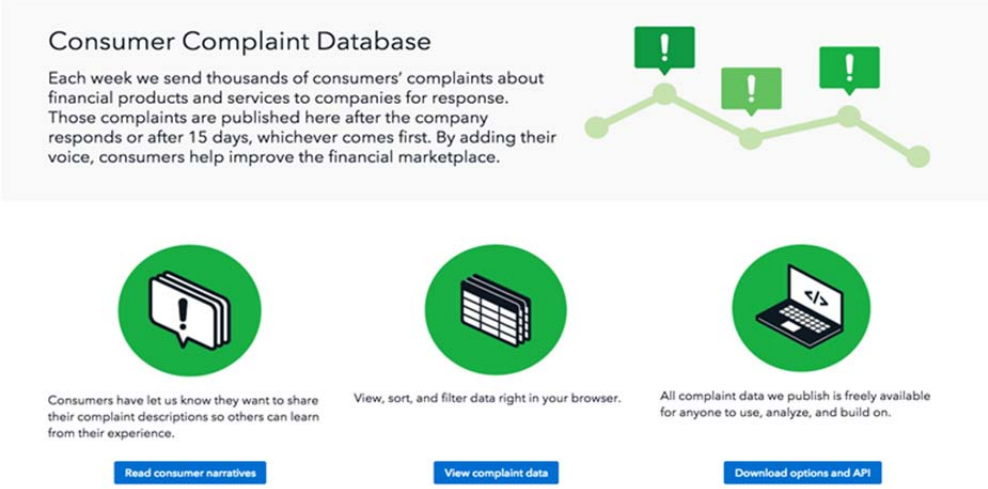
[5] Between October 1, 2015 and March 31, 2016.

[6] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1021(c)(2).



consumerfinance.gov/complaint

The CFPB began Consumer Response operations on July 21, 2011, by accepting consumer complaints about credit cards. The Bureau now accepts complaints about mortgages, bank accounts and services, student loans, vehicle and other consumer loans, credit reporting, money transfers, debt collection, payday loans, prepaid cards, additional nonbank products (including debt settlement services, credit repair services, and pawn and title loans), and digital currency. Consumers may also contact the CFPB with questions about other products and services. The Bureau answers questions and refers consumers to other regulators or additional resources as appropriate.



consumerfinance.gov/complaintdatabase

Information about consumer complaints is available to the public through the Bureau's public Consumer Complaint Database (the database), launched on June 19, 2012. The database was initially populated with credit card complaints received on and after June 1, 2012, and has been expanded over time:

- October 2012: added credit card complaints dating back to December 1, 2011;
- March 2013: added mortgage complaints dating back to December 1, 2011, bank account and service complaints, student loan complaints, vehicle and other consumer loan complaints, all dating back to March 1, 2012;
- May 2013: added credit reporting complaints dating back to October 22, 2012 and money transfer complaints dating back to April 4, 2013;
- November 2013: added debt collection complaints dating back to July 10, 2013;
- July 2014: added payday loan complaints dating back to November 6, 2013;
- January 2015: added prepaid cards, other consumer loans (pawn and title), and other financial services dating back to July 19, 2014;
- June 2015: added consumer complaint narratives and optional company public responses;

- February 2016: added tags to identify complaints submitted by older Americans and servicemembers and a field indicating whether the consumer consented to the publication of the narrative; and
- March 2016: added consumer loans from marketplace lenders.

A complaint is listed in the database when the company responds to the complaint, or after the company has had the complaint for 15 days, whichever comes first. Complaints are not published if they do not meet all of the publication criteria.[7]

The database updates nightly, and contains certain individual complaint-level data collected by the CFPB, including the type of complaint, the date of submission, the consumer's state, and the company that the complaint concerns. The database also includes information about the actions taken by a company in response to a complaint – whether the company's response was timely, how the company responded, and whether the consumer disputed the company's response. The database does not include confidential information about consumers' identities.

On June 25, 2015, the CFPB began to publish consumer complaint narratives in the Consumer Complaint Database. Consumers now have the choice to share in their own words their experiences with the consumer financial marketplace. Only those narratives for which opt-in consumer consent is obtained and to which a robust personal information scrubbing process is applied are eligible for disclosure. The CFPB gives companies the option to respond publicly to the substance of the consumer complaints they receive from the CFPB by selecting from a set list of public-facing response categories.

Web-based features of the database facilitate the ability to filter data based on specific search criteria, to aggregate data in various ways, such as by complaint type, company, state, date, or any combination of available variables, and to download data. Information from the database has been shared on social media and evaluated using other new applications.

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[7] *See* Disclosure of Certain Credit Card Complaint Data, 77 Fed. Reg. 37,558 (June 22, 2012).

The Bureau continually strives to improve data quality and protect sensitive information, while making data increasingly available through reports to Congress and to the public about the complaints the CFPB receives and by sharing certain data with the public through the Consumer Complaint Database.

2.2 How the CFPB handles complaints

In keeping with the CFPB's statutory responsibility and its commitment to accountability, the following pages provide an overview of the handling and analysis of complaints received by the Bureau from April 1, 2015 through March 31, 2016.[8]

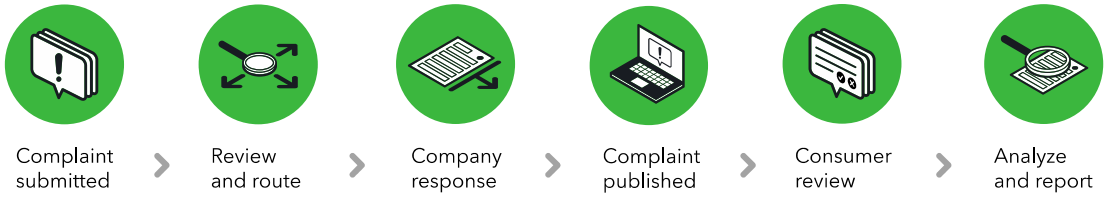
The CFPB's Consumer Response team screens complaints submitted by consumers based on several criteria, including whether the complaint falls within the Bureau's authority and whether the complaint is complete. Screened complaints are forwarded via a secure web portal to the appropriate company.[9] The company reviews the information, communicates with the consumer as needed, and determines what action to take in response. The company then reports back to the consumer and the CFPB via the secure company portal, and the Bureau invites the consumer to review the response and provide feedback.[10] Consumers who have submitted complaints to

[8] While the reporting period for this Semi-Annual Report is six months, Dodd-Frank Act § 1016(c)(4) requires "an analysis of complaints about consumer financial products or services that the Bureau has received and collected in its central database on complaints during the preceding year." Therefore, this section reports on the time period April 1, 2015 through March 31, 2016.

[9] In some cases, Consumer Response refers or sends a complaint to another regulator, for example, if a particular complaint does not involve a product or market that is within the Bureau's jurisdiction or one that is not currently being handled by the Bureau, or in cases where the company is not yet registered to respond to complaints in our system. Complaints handled by the Bureau, including those sent to other regulators, serve to inform the Bureau in its work to supervise companies, to enforce consumer financial laws, to write better rules and regulations, and to educate and engage consumers.

[10] The CFPB requests that companies respond to complaints within 15 calendar days. If a complaint cannot be closed within 15 calendar days, a company may indicate that its work on the complaint is "In progress" and provide a final response within 60 calendar days.

the Bureau through Consumer Response can log onto the secure consumer portal available on the CFPB's website, or call a toll-free number, to receive status updates, provide additional information, and review responses provided to the consumer by the company. Consumer Response analyzes complaints, company responses, and consumer feedback to spot trends and identify risks to consumers, and to inform the Bureau's overall work, including the identification of supervisory and enforcement priorities that lead to resolutions that benefit large numbers of consumers.



The process seeks to ensure that consumers receive timely responses to their complaints and that the Bureau, other regulators, consumers, and the marketplace have the complaint information needed to improve the functioning of the consumer financial markets for such products and services.

Throughout this process, subject-matter experts help monitor certain complaints. For example, the Office of Servicemember Affairs coordinates with Consumer Response on complaints submitted by servicemembers or their spouses and dependents.

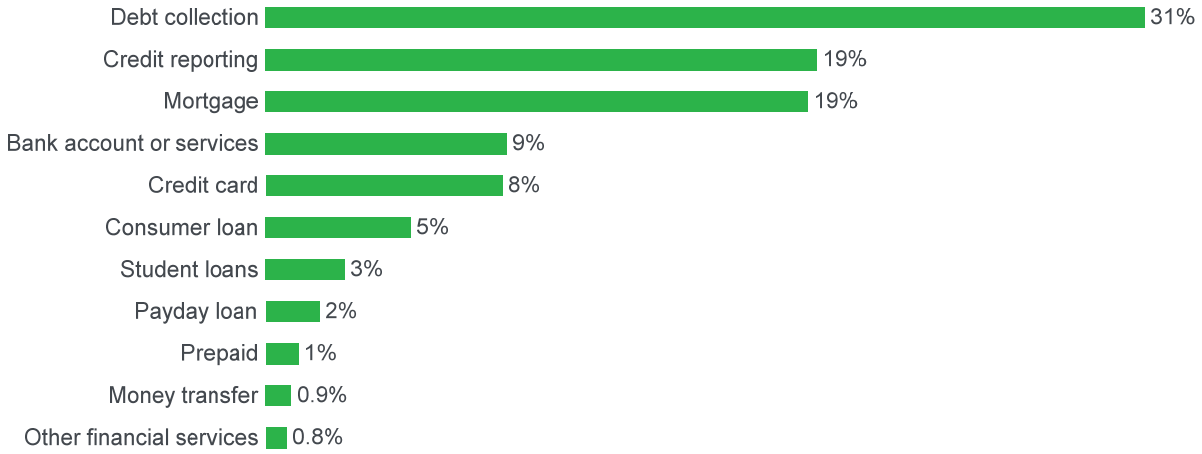
2.2.1 Complaints received by the CFPB

Between April 1, 2015 and March 31, 2016, the CFPB received approximately 277,700 consumer complaints.[11] Approximately 71% of all consumer complaints were submitted through the CFPB's website and 7% via telephone calls. Referrals accounted for 13% of all complaints

[11] Unless otherwise noted or the context suggests otherwise, the various tables and complaint tabulations appearing herein cover this period.

received, with the remainder submitted by mail, email, and fax.[12]

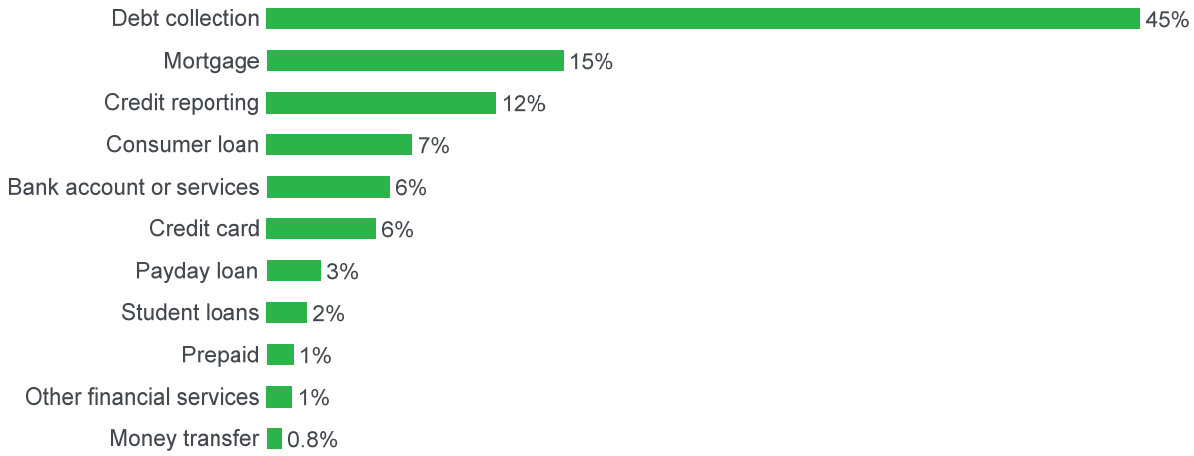
FIGURE 1: CONSUMER COMPLAINTS BY PRODUCT



The Dodd-Frank Act created the Office of Servicemember Affairs to address the specific challenges faced by servicemembers, veterans, and their families (collectively "servicemembers"). The Office of Servicemember Affairs monitors complaints from servicemembers in conjunction with Consumer Response. Between April 1, 2015 and March 31, 2016, approximately 18,400 complaints were submitted by servicemembers.

[12] This analysis excludes multiple complaints submitted by a given consumer on the same issue and whistleblower tips. All data are current through March 31, 2016. Since launching Consumer Response operations on July 21, 2011 through March 31, 2016, the CFPB received approximately 859,900 consumer complaints.

FIGURE 2: SERVICEMEMBER COMPLAINTS BY PRODUCT



The tables and figures presented below show complaints by type, actions taken, company responses, and consumers' feedback about company responses.[13]

Consumers' debt collection complaints

Figure 3 and Table 1 show the types of debt collection complaints reported by consumers for the approximately 86,100 debt collection complaints the CFPB has received. Approximately 39,500 (or 46%) of all debt collection complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (41%), found to be incomplete (6%), or are pending with the consumer or the CFPB (1% and 7%, respectively).

[13] Percentages may not sum to 100% due to rounding.

FIGURE 3: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS

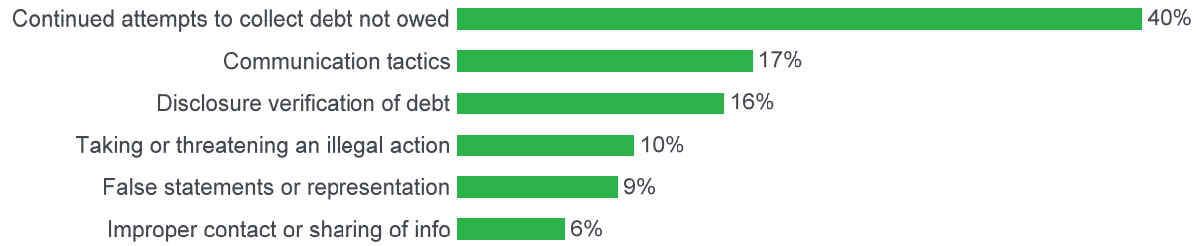


TABLE 1: TYPES OF DEBT COLLECTION COMPLAINTS REPORTED BY CONSUMERS

Types of Debt Collection Complaints	%
Continued attempts to collect debt not owed (Debt was discharged in bankruptcy, debt resulted from identity theft, debt was paid, debt is not mine)	40%
Communication tactics (Frequent or repeated calls, called outside of 8am-9pm, used obscene, profane or other abusive language, threatened to take legal action, called after sent written cease of communication notice)	17%
Disclosure verification of debt (Did not receive notice of right to dispute, not enough information to verify debt, did not disclose communication was an attempt to collect a debt)	16%
Taking/threatening an illegal action (Threatened to arrest me or take me to jail if I do not pay, threatened to sue me on debt that is too old to be sued on, sued me without properly notifying me of lawsuit, sued me where I did not live or did not sign for the debt, attempted to/collected exempt funds, seized or attempted to seize property)	10%
False statements or representation (Attempted to collect wrong amount, impersonated attorney, law enforcement or government official, indicated committing crime by not paying debt, indicated should not respond to lawsuit)	9%
Improper contact or sharing of information (Contacted me after I asked not to, contacted my employer, contacted me instead of my attorney, talked to a third party about my debt)	6%
Total debt collection complaints	98%

The most common type of debt collection complaint is about continued attempts to collect a debt that the consumer reports is not owed. In many of these cases, the attempt to collect the debt is not itself the problem; rather, consumers assert that the calculation of the amount of underlying debt is inaccurate or unfair. In other cases, the consumer complains about the furnishing of information to credit reporting agencies. These complaints, which are often consistent with complaints consumers submit to the Bureau about credit reporting, suggest that consumers frequently only learn about debt collection accounts when they check their credit reports.

Complaints about debt collectors' communications tactics (telephone collections especially) are also still very common. In addition to the frequent complaints about collection calls, which consumers say are too frequent or at inconvenient times of the day, there were a significant number of complaints about calls to third parties, calls to the consumer's place of employment, or calls where the collector threatened to take legal action.

Consumers also complained about the lack of debt validation received from debt collectors. Consumers often ask collectors for additional documentation to support the debt. The lack of documentation provided by some debt collectors appears to frustrate consumers, especially when the documentation is a simple invoice or bill for the services or goods that were the subject of the debt being collected. There are a number of collectors who reportedly respond to any consumer complaints by closing the account and returning it to their client.

Consumers' mortgage complaints

Figure 4 and Table 2 show the types of mortgage complaints reported by consumers for the approximately 53,100 mortgage complaints the CFPB has received. Approximately 45,100 (or 85%) of all mortgage complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (10%), found to be incomplete (3%), or are pending with the consumer or the CFPB (0.4% and 2%, respectively).

FIGURE 4: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

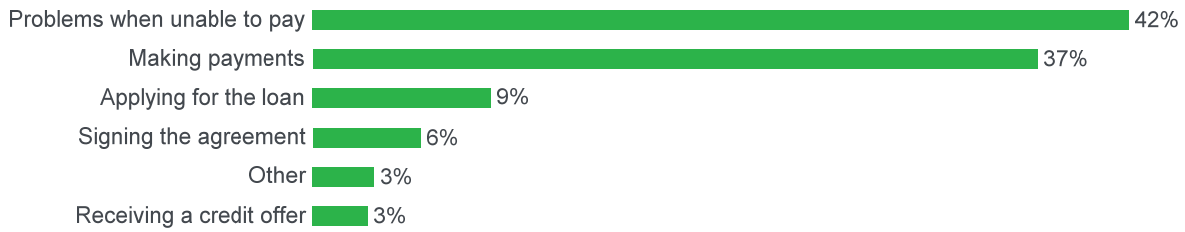


TABLE 2: TYPES OF MORTGAGE COMPLAINTS REPORTED BY CONSUMERS

Types of Mortgage Complaints	%
Problems when you are unable to pay (Loan modification, collection, foreclosure)	42%
Making payments (Loan servicing, payments, escrow accounts)	37%
Applying for the loan (Application, originator, mortgage broker)	9%
Signing the agreement (Settlement process and costs)	6%
Other	3%
Receiving a credit offer (Credit decision/Underwriting)	3%
Total mortgage complaints	100%

The most common type of mortgage complaint involves problems consumers face when they are unable to make payments, such as issues relating to loan modifications, collections, or foreclosures. In particular, consumers continue to complain about delays and ambiguity in the review of their modification applications. Some consumers complained that they were not considered for all available loss mitigation options, were incorrectly denied a modification, or that the terms of the approved modification were unfavorable. Consumers with successfully completed loan modifications have complained that some servicers do not amend derogatory credit reporting accrued by consumers during trial periods although documents provided to the consumers by servicers indicated that they would do so.

Other common types of mortgage complaints address issues related to making payments, including loan servicing, posting of payments, or management of escrow accounts. For example, consumers expressed concerns over difficulties they experience when the servicing of their loan is transferred, including complaints about fees charged by the prior servicer, unexplained

escrow deficiencies, issues with the new servicer accepting the previous servicer's modification, and communication between the old and new servicer (especially when loss mitigation efforts are ongoing).

Consumer complaints about mortgage originations tend to involve the lengthy application and approval processes and unauthorized credit inquiries. Consumers also complained about delayed loan denials that occurred just before settlement but were based upon information that was disclosed early in the application process (*e.g.*, bankruptcy, lack of employment history, etc.). They expressed frustration that fees were charged even though they believe the loan originator knew that the loan would not be approved. A number of complaints involved the lender's refusal to honor rate-locks, and concerns about disclosure of the terms of loans with variable interest rates.

Consumers' credit reporting complaints

Figure 5 and Table 3 show the types of credit reporting complaints reported by consumers for the approximately 54,000 credit reporting complaints the CFPB has received. Approximately 36,600 (or 67%) of all credit reporting complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (1%), found to be incomplete (30%), or are pending with the consumer or the CFPB (2% and 1%, respectively).

FIGURE 5: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

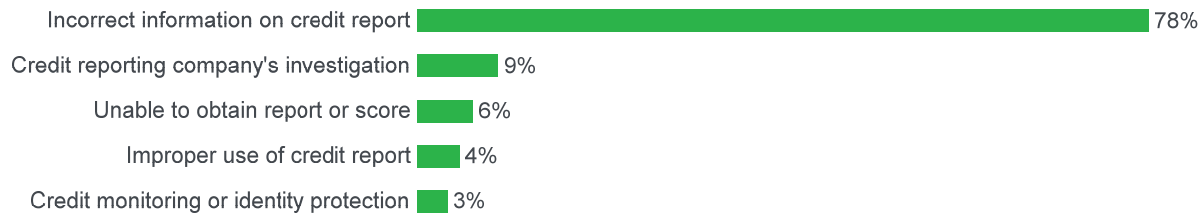


TABLE 3: TYPES OF CREDIT REPORTING COMPLAINTS REPORTED BY CONSUMERS

Types of Credit Reporting Complaints	%
Incorrect information on credit report (Information is not mine, Account terms, Account status, Personal information, Public record, Reinserted previously deleted information)	78%

Types of Credit Reporting Complaints	%
Credit reporting company's investigation (Investigation took too long, did not get proper notice of investigation status or results, did not receive adequate help over the phone, problem with statement of dispute)	9%
Unable to get my credit report or credit score (Problem getting free annual report, problem getting report or credit score)	6%
Credit monitoring or identity protection services (Problem cancelling or closing account, billing dispute, receiving unwanted marketing or advertising, account or product terms and changes, problem with fraud alerts)	4%
Improper use of my credit report (Report improperly shared by credit reporting company, received marketing offers after opting out, report provided to employer without written authorization)	3%
Total credit reporting complaints	100%

This table illustrates that the most common type of credit reporting complaint is about incorrect information appearing on the consumer's credit report, such as information that does not belong to the consumer, incorrect account status, and incorrect personal information. Of the approximately 42,100 such complaints submitted by consumers, approximately 29,500 (70%) were submitted against the three nationwide credit reporting companies.

Other common complaints are about issues with credit reporting companies' investigations of information disputed by consumers and difficulties in obtaining a credit report or credit score. Consumers report that credit reporting companies sometimes return findings on their disputes within only a few days, and consumers question the depth and validity of such quick investigations. Additionally, consumers report frustration when they have submitted documentation that they believe proves that the information provided by the data furnisher was inaccurate, but no change is made to their credit report.

Consumers' bank account and service complaints

Figure 6 and Table 4 show types of bank account and service complaints, such as complaints about checking and savings accounts, reported by consumers for the approximately 23,600 bank

account and service complaints received by the CFPB. Approximately 18,300 (or 77%) of all bank account or services complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (16%), found to be incomplete (4%), or are pending with the consumer or the CFPB (0.5% and 1.5%, respectively).

FIGURE 6: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

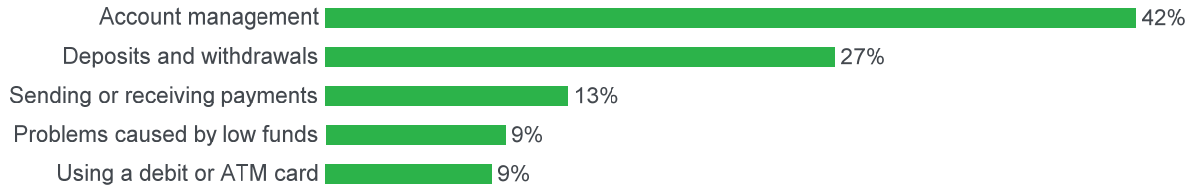


TABLE 4: TYPES OF BANK ACCOUNT AND SERVICE COMPLAINTS REPORTED BY CONSUMERS

Types of Bank Account and Service Complaints	%
Account opening, closing, or management (Confusing marketing, denial, disclosure, fees, closure, interest, statements, joint accounts)	42%
Deposits and withdrawals (Availability of deposits, withdrawal problems and penalties, unauthorized transactions, check cashing, payroll deposit problems, lost or missing funds, transaction holds)	27%
Making or receiving payments, sending money to others (Problems with payments by check, card, phone or online, unauthorized or fraudulent transactions, money/wire transfers)	13%
Problems caused by my funds being low (Overdraft fees, late fees, bounced checks, credit reporting)	9%
Using a debit or ATM card (Disputed transaction, unauthorized card use, ATM or debit card fees, ATM problems)	9%
Total bank account and service complaints	100%

As the table illustrates, the most common type of bank account and service complaint relates to opening, closing, or managing the account. These complaints address issues such as account maintenance fees, legal processing fees for judgments and levies, changes in account terms,

confusing marketing, early withdrawal penalties for certificates of deposit, and involuntary account closures. Other common complaints relate to deposit and withdrawal issues, such as transaction holds, the company's right to offset deposit accounts, and unauthorized debit card charges. In this area, many consumers are frustrated by companies' handling of error disputes and requests to stop payment on preauthorized electronic debits. Another common type of complaint relates to problems caused by a consumer's funds being low, including overdraft fees, bounced checks, charged-off accounts, and negative reporting to credit reporting agencies. In this area, many consumers are frustrated by the way some companies appear to manipulate the order in which deposits and withdrawals are posted to consumers' accounts to maximize overdraft fees.

Consumers' credit card complaints

Table 5 shows the most common types of credit card complaints that the CFPB has received as reported by consumers. About 75% of the approximately 23,100 credit card complaints fell into these 10 categories. Approximately 18,200 (or 79%) of all credit card complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (15%), found to be incomplete (4%), or are pending with the consumer or the CFPB (0.6% and 1.6%, respectively).

TABLE 5: MOST COMMON CREDIT CARD COMPLAINTS REPORTED BY CONSUMERS

Complaint	%
Billing disputes	17%
Other	14%
Identity theft/Fraud/Embezzlement	12%
Closing/Cancelling account	7%
APR or interest rate	5%
Advertising and marketing	5%
Customer service/Customer relations	5%

Complaint	%
Delinquent account	4%
Late fee	4%
Bill Statement	3%
Credit card complaints in top 10 types	76%

As the table illustrates, billing disputes are the most common type of credit card complaint. Consumers continue to be confused and frustrated by the process and by their limited ability to challenge inaccuracies on their monthly credit card billing statements. For example, some consumers realize only after their claim has been denied that they needed to notify their credit card companies within 60 days of any billing errors. In other cases, consumers are not aware that companies typically do not stop a merchant charge once the cardholder has authorized it, or do not override a merchant's "no-return policy." Other common types of credit card complaints relate to identity theft, fraud, or embezzlement; closing or cancelling an account; and annual percentage rates or interest rates.

Consumers' consumer loan complaints

Figure 7 and Table 6 show the types of consumer loan complaints, such as complaints about installment loans, vehicle loans and leases, personal lines of credit, and pawn and title loans reported by consumers for the approximately 14,200 consumer loan complaints received by the CFPB.[14] Approximately 8,400 (or 59%) of all consumer loan complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (29%), found to be incomplete (6%), or are pending with the consumer or the CFPB (1% and 4%,

[14] The Bureau began handling complaints about pawn and title loans as part of the consumer loan complaint category on July 19, 2014.

respectively).

FIGURE 7: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

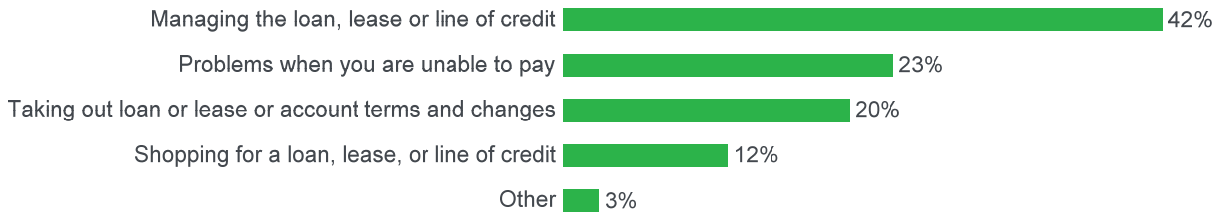


TABLE 6: TYPES OF CONSUMER LOAN COMPLAINTS REPORTED BY CONSUMERS

Types of Consumer Loan Complaints	%
Managing the loan, lease, or line of credit (Billing, late fees, damage or loss, insurance (GAP, credit, etc.), credit reporting, privacy)	42%
Problems when you are unable to pay (Debt collection, repossession, set-off from bank account, deficiency, bankruptcy, default, fraud)	23%
Taking out the loan or lease / Account terms and changes (Term changes (mid-deal changes, changes after closing, rates, fees, etc.), required add-on products, trade-in payoff, fraud)	20%
Shopping for a loan, lease, or line of credit (Sales tactics or pressure, credit denial, confusing advertising or marketing)	12%
Other (Charged fees or interest I did not expect, identity theft/fraud/embezzlement, billing disputes, credit reporting, other)	3%
Total consumer loan complaints	100%

The table illustrates that the most common type of consumer loan complaint pertains to managing the loan, lease, or line of credit. Other common types of complaints address problems consumers have when they are unable to pay (including issues related to debt collection, bankruptcy, and default) and problems when taking out the loan or lease, such as term changes.

Consumers' student loan complaints

Figure 8 and Table 7 show the types of student loan complaints reported by consumers for the

approximately 7,700 student loan complaints received by the CFPB. Approximately 5,300 (or 69%) of all student loans complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (21%), found to be incomplete (5%), or are pending with the consumer or the CFPB (1% and 3%, respectively).

FIGURE 8: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS

TABLE 7: TYPES OF STUDENT LOAN COMPLAINTS REPORTED BY CONSUMERS

Types of Student Loan Complaints	%
Dealing with my lender or servicer (Making payments, getting information about my loan, managing my account)	65%
Can't repay my loan (Deferment, forbearance, default, bankruptcy, payment plan, refinancing)	30%
Getting a loan (Confusing terms, rates, denial, confusing advertising or marketing, sales tactics or pressure, financial aid services, recruiting)	4%
Total student loan complaints	99%

The most common type of student loan complaint concerns problems consumers confront when they are dealing with lenders or servicers. Consumers also report problems when they are unable to pay, such as issues related to default, student debt collection, and bankruptcy. Consumers report that they continue to struggle with the limited affordable payment options permitted in their loan agreements. Specifically, some consumers say they are unable to refinance or restructure the repayment terms of their loan, either to lower monthly payments during periods of financial hardship or to improve existing terms based upon the consumer's improved credit profile and credit-worthiness. Some consumers also express confusion about the difference between their private loans and public loans, specifically when it comes to forbearance and deferment options.

Consumers' payday loan complaints

Figures 9-10 and Table 8 show the types of payday loan complaints reported by consumers for the approximately 5,300 payday loan complaints the CFPB has received. Approximately 1,800 (or 33%) of all payday complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (40%), found to be incomplete (13%), or are pending with the consumer or the CFPB (1% and 12%, respectively).

FIGURE 9: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS

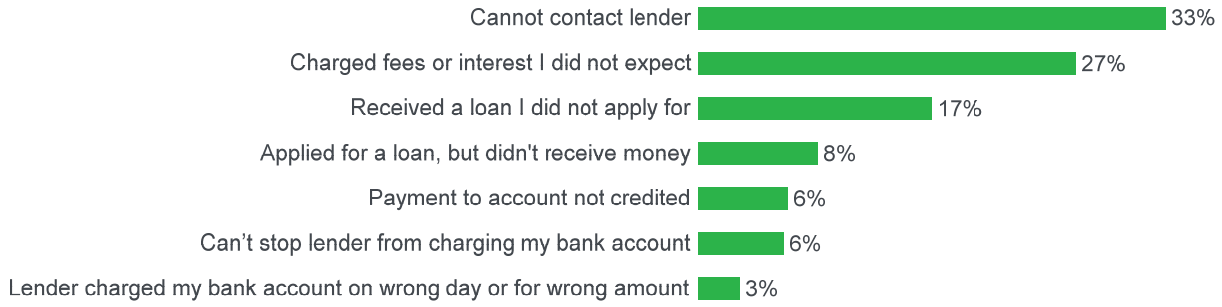


FIGURE 10: TYPES OF PAYDAY LOANS CONSUMERS COMPLAIN ABOUT

TABLE 8: TYPES OF PAYDAY LOAN COMPLAINTS REPORTED BY CONSUMERS, BY TYPE OF LOAN

Type of Payday Complaint	In person / at a store	Online	Not Stated	Total
Cannot contact lender	29%	30%	40%	33%
Charged fees or interest I did not expect	33%	31%	16%	27%
Received a loan I did not apply for	7%	12%	29%	17%
Applied for a loan, but didn't receive money	5%	10%	6%	8%
Payment to account not credited	11%	6%	4%	6%

Type of Payday Complaint	In person / at a store	Online	Not Stated	Total
Can't stop lender from charging my bank account	9%	7%	2%	6%
Lender charged my bank account on wrong day or for wrong amount	6%	3%	2%	3%
Total	100%	99%	99%	100%

Of the 5,300 payday loan complaints submitted by consumers, approximately 55% were about problems consumers experienced after obtaining a payday loan online. Approximately 15% reported problems when obtaining a payday loan in person or at a store. For the remaining approximately 30% of complaints, the consumer did not indicate how the loan was obtained.

The most common type of payday loan or deposit advance (*i.e.*, bank payday advance loan) complaint is about problems with contacting the lender. Consumers also complain about being charged unexpected fees or interest. Other common types of consumer complaints involve receiving loans for which they did not apply and issues with applying for the loan, but not receiving the money.

Consumers also submit debt collection complaints to the Bureau that are related to payday loans. In addition to the 5,300 payday complaints received during this reporting period, the CFPB also handled approximately 9500 debt collection complaints related to a payday loan or loans.

Consumers' money transfer complaints

Figure 11 and Table 9 show the types of money transfer complaints reported by consumers for the approximately 2,500 money transfer complaints the CFPB has received. Approximately 1,700 (or 69%) of all money transfer complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (21%), found to be incomplete (7%), or are pending with the consumer or the CFPB (0.5% and 2.5%, respectively).

FIGURE 11: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS

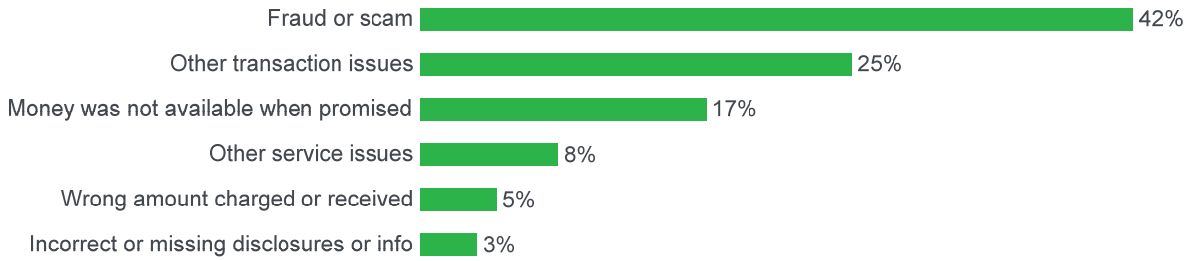


TABLE 9: TYPES OF MONEY TRANSFER COMPLAINTS REPORTED BY CONSUMERS

Types of Money Transfer Complaints	%
Fraud or scam	42%
Other transaction issues (Unauthorized transaction, cancellation, refund, etc.)	23%
Money was not available when promised	17%
Other service issues (Advertising or marketing, pricing, privacy, etc.)	8%
Incorrect/missing disclosures or info	5%
Wrong amount charged or received (Transfer amounts, fees, exchange rates, taxes, etc.)	3%
Total money transfer complaints	98%

This table illustrates that the most common type of money transfer complaint was about fraud or scams. In these cases, the consumer is prompted to send funds as a result of a scam, and someone other than the consumer's intended recipient ultimately receives the funds. For example, consumers often complain that they were prompted to transfer funds in response to a request for help from a family member or friend; for the purchase of goods or services, the rental of an apartment, a loan, or a job opportunity; or to pay taxes on lottery earnings. In response to such complaints, companies engaged in money transfers suggest that they have no liability when someone other than the intended recipient receives the funds, as long as the company complied with its policies and procedures and the minimum identification requirements were satisfied by the recipient. Another common type of complaint involves issues with other transactions, such as the refusal to cancel transactions or honor refunds when the consumer believes the company should provide them.

Consumers' prepaid card complaints

Figure 12 and Table 10 show the types of prepaid card complaints reported by consumers for the approximately 3,200 prepaid card complaints the CFPB has received.[15] Approximately 1,900 (or 59%) of all prepaid complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (30%), found to be incomplete (7%), or are pending with the consumer or the CFPB (1% and 3%, respectively).

FIGURE 12: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS

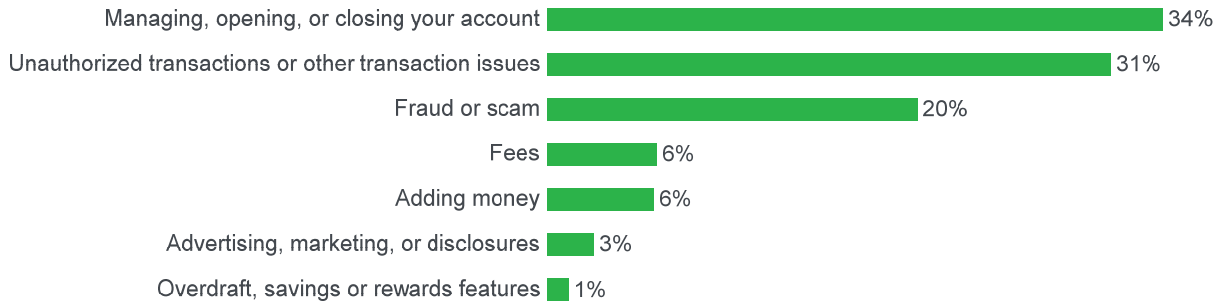


TABLE 10: TYPES OF PREPAID CARD COMPLAINTS REPORTED BY CONSUMERS

Types of Prepaid Card Complaints	%
Managing, opening, or closing your account	34%
Unauthorized transactions or other transaction issues	31%
Fraud or scam	20%
Fees	6%

[15] CFPB began accepting complaints about prepaid cards on July 19, 2014.

Types of Prepaid Card Complaints	%
Adding money	6%
Advertising, marketing, or disclosures	3%
Overdraft, savings or rewards features	1%
Total prepaid card complaints	100%

The most common types of prepaid card complaints involved managing, opening, or closing a prepaid card account and unauthorized transactions or other transaction issues. Another common type of complaint is about unauthorized transactions or other transaction issues. Consumers also complain about frauds and scams in relation to prepaid cards. Consumers are frustrated that they are charged an inquiry fee when they call to obtain the balance on the card. Consumers appear to be confused about the application of various fees related to the maintenance of the account, including fees that are assessed when funds are deposited on the card or withdrawn from the card. The remaining complaints involved issues with adding money to a reloadable prepaid card, dealing with misleading advertising or marketing, or not being properly compensated on rewards.

Other financial services complaints

Figure 13 and Table 11 show the types of other financial services complaints reported by consumers for the approximately 2,100 other financial services complaints the CFPB has received.[16] Approximately 400 (or 17%) of all other financial services complaints received from April 1, 2015 through March 31, 2016 were sent by Consumer Response to companies for review and response. The remaining complaints have been referred to other regulatory agencies (60%), found to be incomplete (12%), or are pending with the consumer or the CFPB (1% and 10%,

[16] CFPB began accepting complaints about check cashing, credit repair, debt settlement, foreign currency exchange, money orders, refund anticipation checks, and travelers' and cashiers' checks on July 19, 2014.

respectively).

FIGURE 13: TYPES OF OTHER FINANCIAL SERVICES COMPLAINTS REPORTED BY CONSUMERS

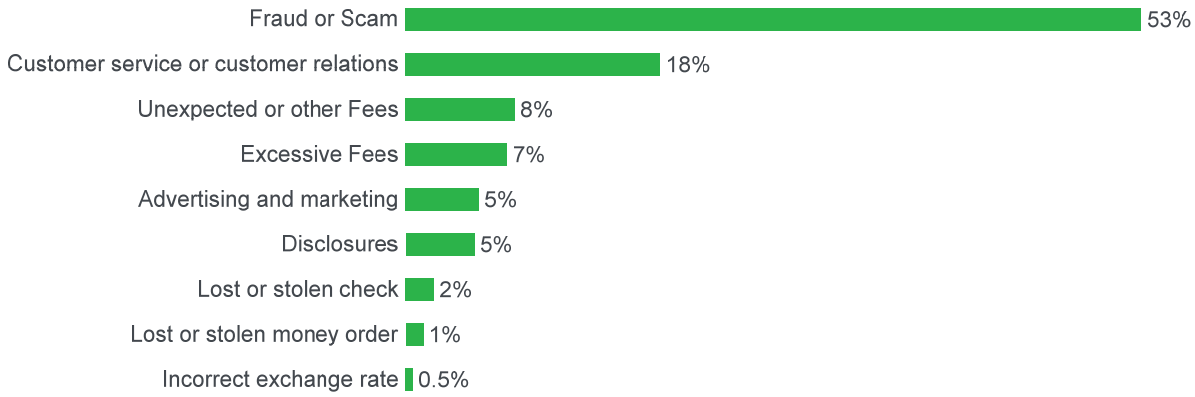


TABLE 11: TYPES OF OTHER FINANCIAL SERVICES COMPLAINTS REPORTED BY CONSUMERS

Types of Other Financial Services Complaints	%
Fraud or scam	53%
Customer service or customer relations	18%
Unexpected or other fees	8%
Excessive fees	7%
Advertising and marketing	5%
Disclosures	5%
Lost or stolen check	2%
Lost or stolen money order	1%
Incorrect exchange rate	0.5%

Total other financial services complaints	99%

Of the 2,100 other financial services complaints submitted by consumers, approximately 53% dealt with fraud or scams. Approximately 18% of complaints were about customer service issues, while approximately 8% of complaints dealt with unexpected or other fees. The remaining complaints for other financial services involved issues with excessive fees, advertising and marketing, disclosures, lost or stolen checks or money orders, and incorrect exchange rates.

How companies respond to consumer complaints

Approximately 177,100 (or 64%) of all complaints received between April 1, 2015 and March 31, 2016 were sent by Consumer Response to companies for review and response.[17] Table 12 shows how companies responded to these complaints during this time period.

Company responses include descriptions of steps taken or that will be taken, communications received from the consumer, any follow-up actions or planned follow-up actions, and a categorization of the response. Response category options include "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," "Closed," "In progress," and other administrative options. "Monetary relief" is defined as objective, measurable, and verifiable monetary relief to the consumer as a direct result of the steps taken or that will be taken in response to the complaint. "Closed with non-monetary relief" indicates that the steps taken by the company in response to the complaint did not result in monetary relief to the consumer that is objective, measurable, and verifiable, but may have addressed some or all of the consumer's complaint involving non-monetary requests. "Non-monetary relief" is defined as other objective and verifiable relief to the consumer as a direct result of the steps taken or that will be taken in response to the complaint. "Closed with explanation" indicates that the steps taken by the company in response to the complaint included an explanation that was tailored to the

[17] The remaining complaints have been referred to other regulatory agencies (22%), found to be incomplete (10%), or are pending with the consumer or the CFPB (1% and 4%, respectively).

individual consumer's complaint. For example, this category would be used if the explanation substantively meets the consumer's desired resolution or explains why no further action will be taken. "Closed" indicates that the company closed the complaint without relief – monetary or non-monetary – or explanation. Consumers are given the option to review and dispute all company closure responses.

Companies have responded to approximately 94% of complaints[18] sent to them and report having closed 90% of the complaints sent to them. Table 12 shows how companies have responded to consumer complaints, and Table 13 shows untimely company responses as a percentage of complaints sent to companies for response.

TABLE 12: HOW COMPANIES HAVE RESPONDED TO CONSUMER COMPLAINTS

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administ-rative response	Company reviewing	Company did not provide a timely response
Debt collection	<1%	14%	67%	4%	2%	4%	8%
Credit reporting	<1%	23%	70%	<1%	<1%	5%	<1%
Mortgage	3%	4%	80%	2%	3%	6%	1%
Bank account or services	19%	5%	67%	3%	1%	4%	<1%
Credit card	19%	11%	64%	<1%	1%	4%	<1%
Consumer loan	6%	8%	75%	1%	2%	5%	3%

[18] Companies have responded to approximately 167,200 of the 177,100 sent to them for response.

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administ-rative response	Company reviewing	Company did not provide a timely response
Student loans	4%	5%	79%	<1%	<1%	9%	1%
Payday loan	5%	3%	60%	3%	16%	3%	10%
Prepaid	36%	20%	38%	<1%	1%	3%	1%
Money transfer	10%	4%	79%	<1%	<1%	3%	2%
Other financial services	11%	3%	67%	2%	1%	8%	7%
All	6%	11%	71%	2%	2%	5%	3%

TABLE 13: UNTIMELY COMPANY RESPONSES AS A PERCENTAGE OF COMPLAINTS SENT TO COMPANY

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administ-rative response	Company reviewing	No response
Debt collection	<1%	5%	51%	11%	<1%	<1%	31%
Credit reporting	3%	13%	52%	6%	0%	3%	23%
Mortgage	3%	2%	62%	7%	2%	2%	22%
Bank account or services	17%	2%	73%	3%	1%	<1%	4%
Credit card	12%	6%	62%	4%	1%	0%	15%
Consumer loan	3%	7%	52%	5%	<1%	1%	30%
Student loans	5%	1%	76%	1%	0%	1%	15%
Payday loan	1%	<1%	49%	5%	0%	<1%	43%

	Closed with monetary relief	Closed with non-monetary relief	Closed with explanation	Closed (without relief or explanation)	Administ-rative response	Company reviewing	No response
Prepaid	15%	15%	70%	0%	0%	0%	0%
Money transfer	5%	0%	63%	0%	0%	0%	32%
Other financial services	4%	4%	42%	8%	0%	4%	38%
All	2%	4%	54%	9%	1%	<1%	29%

After Consumer Response forwards complaints to companies, the company has 15 days to respond and 60 days to provide a final response, where applicable. Company responses provided outside of these windows are deemed untimely. As shown in Table 12, consumers did not receive a timely response in 3% of cases. Where companies eventually responded to the consumer, most often they provided a response of "Closed with explanation." However, Table 13 shows that 29% of complaints with untimely company responses never received a response. Payday loan complaints were the most likely to receive no response, with 43% of complaints with an untimely company response never receiving a response.

Companies also have the option to provide non-monetary relief in response to complaints. Consumers have received a range of non-monetary relief in response to their complaints, such as:

- providing mortgage foreclosure alternatives that did not include direct monetary payments to the consumer, but that help them to keep their home;
- stopping harassment from debt collectors;
- cleaning up consumers' credit reports by correcting submissions to credit bureaus;
- restoring or removing a credit line;
- correcting account information, including in credit reports; and
- addressing formerly unmet customer service issues.

Companies also have the option to report an amount of monetary relief, where applicable. From April 1, 2015 through March 31, 2016, companies provided relief amounts in response to more than 10,400 complaints. For companies which have reported monetary relief, the median amount of relief reported was $122; however, the amount varies by product.

TABLE 14: MONETARY RELIEF REPORTED BY COMPANIES

Product	Number of complaints	Median amount
Debt collection	370	$301
Credit reporting	170	$24
Mortgage	1,220	$500
Credit card	3,530	$100
Bank account or service	3,470	$105
Consumer loan	480	$202
Student loans	210	$216
Payday loan	80	$380
Money transfers	170	$100
Prepaid	680	$25
Other financial services	40	$219
Overall	10,420	$122

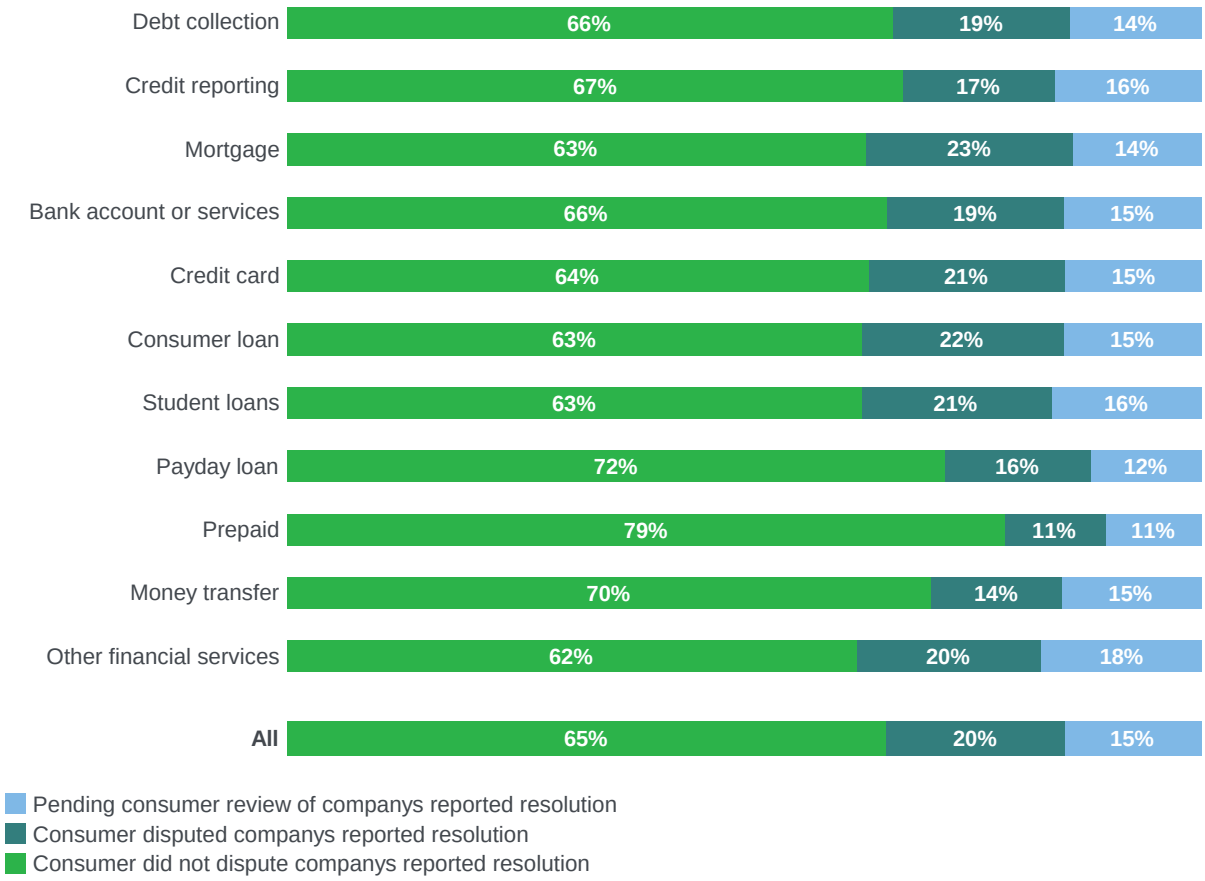
Consumers' feedback about companies' responses

Once the company responds, the CFPB provides the company's response to the consumer for review. Where the company responds "Closed with monetary relief," "Closed with non-monetary relief," "Closed with explanation," or "Closed," consumers are given the option to provide feedback on the company's response. Figure 14 shows how consumers responded to the approximately 159,900 complaints where they were given the option to provide feedback.

Approximately 65% of such consumers did not dispute the responses provided, while approximately 20% of consumers did dispute the response provided. The rest were pending with

consumers at the end of this period.

FIGURE 14: CONSUMER FEEDBACK ABOUT COMPANY RESPONSES



Consumer response investigation and analysis

Consumer Response analyzes consumer complaints, including the accuracy, completeness, and timeliness of a company's responses as well as consumers' feedback about that company's responses, to ensure that consumers receive timely responses to their complaints and that the Bureau and other regulators, consumers, and the marketplace have the complaint information needed to improve the functioning of the consumer financial markets for such products and services. Consumer Response uses a variety of approaches to analyze consumer complaints including, for example, cohort and text analytics to identify trends and possible consumer harm. Complaint analysis may prompt investigation of individual complaints or groups of complaints and possible referral to colleagues in the CFPB's Division of Supervision, Enforcement, and Fair Lending for further consideration.

Consumer Response shares complaint data, analyzes, and offers insights to other offices to help the Bureau:

- Understand problems consumers are experiencing in the marketplace and the impact of those experiences on their lives;
- Develop tools to empower people to know their rights and protect themselves;
- Scope and prioritize examinations and ask targeted questions when examining companies' records and practices;
- Identify and stop unfair practices before they become major issues; and
- Investigate issues and take action when we find problems.

Listening to consumers and reviewing and analyzing their complaints is an integral part of the CFPB's work in understanding issues in the consumer financial marketplace, and in helping the market work better for consumers. The information shared by consumers and companies throughout the complaint process informs the Bureau about business practices that may pose risks to consumers and helps the Bureau supervise companies, enforce federal consumer financial laws, and write better rules and regulations.

2.3 Shopping challenges

The challenges that consumers face in the marketplace highlight the importance of a tenet that is central to the CFPB's mission – promoting markets in which consumers can understand and anticipate the risks, costs, and other terms of financial products and services. When the costs, risks, and other key features of financial products are transparent and understandable, consumers are better able to compare products and choose the best ones for their situation.

Prior Semi-Annual reports highlighted challenges consumers faced shopping for a particular lending or deposit product, including the markets for mortgages, credit cards, student loans, checking accounts, and small-dollar credit. In the Fall 2015 Semi-Annual report, we focused on how consumers with limited credit histories can face substantially reduced access to credit. Work completed by the CFPB over the past six months sheds light on areas of concern for consumers in the credit card market. The following describes findings from the Bureau's Consumer Credit Card Market report, published in December 2015.

2.3.1 Consumer credit card market

Overall, the credit card market is a success story for consumers. Since the recession, by almost all metrics, the market has recovered for consumers across the credit spectrum. Costs are lower than they were, and many of the most troublesome forms of back-end pricing have declined in prominence or vanished altogether. Approval rates and credit lines are both increasing. However, there are still risks for consumers in this market. The report highlighted challenges consumers face related to deferred interest pricing, credit card debt collection, and rewards programs.

Deferred Interest

Many consumers are offered and accept "deferred interest" promotional financing on private label cards. These programs generally offer "0% interest if paid in full" during a defined promotional period, which is generally six or 12 months. Consumers who repay the full promotional purchase in this window obtain free financing on what is often a large purchase. Those consumers who do not fully pay off the promotional balance by the end of the promotion, however, are subject to the same interest rate they would have paid on that credit card in the absence of the promotion, which is assessed retroactively for the entire period. Given that the interest rate on these cards is generally around 25%, the magnitude of the interest charge—if and when it is assessed—can be substantial.

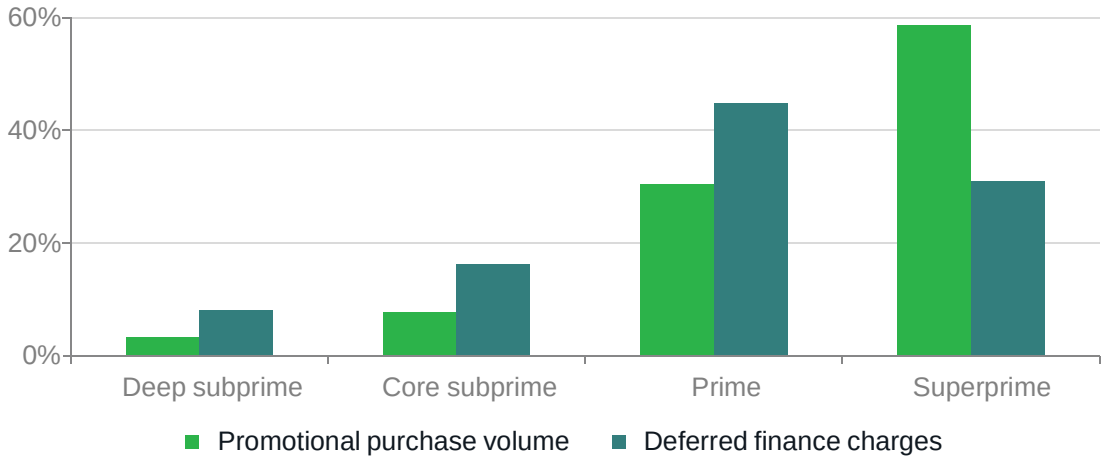
Data available to the Bureau indicate that nearly 90% of deferred interest promotional spending is made by consumers with prime or superprime credit scores. Consumers with deep subprime scores and core subprime scores account for 3% and 8% of deferred interest promotional spending, respectively. In addition, payoff rates vary significantly according to the credit score of the consumer holding the account. (Payoff rates capture the share of accounts or of promotional balances that are paid in full before the expiration of the promotional period.) Promotional offers taken by consumers with superprime scores consistently have payoff rates well in excess of 80%. Those offers taken by consumers with deep subprime scores fall below 50% on some payoff measures. Those consumers are not getting the "no interest" benefit that they may have expected when they accepted the promotion.

Some data suggest that error or confusion may be playing a part in non-payment. Consumers who fail to pay off their promotion in the promotional period tend to repay the full remaining balance, including the deferred finance charge, quite rapidly. Almost a third do so within two

months and almost half within four months. That rapid repayment does not prove consumer error. But it appears to be in some tension with the behavior that might be expected of a consumer who understood that interest would be assessed retroactively if the balance was not paid in full by the end of the promotional period and who nonetheless chose to revolve that balance beyond the promotional period. We were able to discern little if any evidence that consumers improve their payoff rates by "learning" from repeated use of the product.

Non-payment in the promotional period can be costly. The longer the promotional period, the higher the cost. While the aggregate costs assessed to all deferred interest users are comparable, or even less expensive, than revolving the same balances on general purpose cards, the costs are almost all concentrated on a small share of promotions. These promotions are taken, disproportionally, by consumers with lower credit scores. Figure 15 compares the share of promotional purchase volume accounted for by consumers in each credit score range with their share of deferred interest charges. It shows that while consumers with subprime scores comprise only 11% of total promotional spending in our dataset, they incur 24% of the aggregate deferred interest charges. Consumers with prime scores also incur a share of deferred interest charges greater than their share of promotional spending. Consumers with superprime scores, however, have a share of promotional spending that is nearly double their share of deferred interest charges.

FIGURE 15: SHARE OF PROMOTIONAL SPENDING AND DEFERRED INTEREST CHARGES, BY CONSUMER CREDIT SCORE, 2009-2013 (DI)



Preliminary results show that accounts with promotions that are not paid in full during the promotional period experience significantly higher delinquency rates after the promotion ends than accounts that pay in full during the promotion. They also experience delinquency well above background rates for private label balances generally. These same results hold across all credit score ranges.

Rewards

Credit card rewards programs have rapidly increased in prevalence over the past decade. As of 2014, accounts with rewards programs represent nearly two-thirds of all credit card balances and four-fifths of all credit card spending. Issuer are offering a greater diversity of rewards programs—and in many cases more compelling value propositions—to match the increasing popularity of these products with consumers. For many consumers, rewards have become central to the decision of which credit cards to acquire and how to use them.

There are also areas for potential concern in this market. It is not always clear when, where, and from whom consumers can expect to find or receive key program terms and conditions. Seemingly simple programs may have caveats or complexities glossed over by marketing materials. Consumers may not understand when and why rewards might expire or be forfeited, or what their options are when they do. Many rewards cards are based on partnerships between issuers and other companies, such as airlines and hotels, and it may not always be clear to consumers which institutions determine and control certain aspects of the product that they are using. The less that consumers can evaluate the value proposition associated with different rewards programs, the less able they are to select between cards on a rational basis—especially if they are likely to carry a balance on the card at some point in the future.

3. Delivering for American consumers and leveling the playing field

The CFPB exercises its authorities under Federal consumer financial laws to administer, implement, and promote compliance with those laws. The Bureau also works to expand the resources it makes available to consumers to build the foundation necessary to empower consumers to take control over their financial lives.

3.1 Resources for consumers

The CFPB provides financial education initiatives designed to provide consumers with opportunities to access a broad range of financial information, tools, services, and other resources to support financial capability. The Bureau provides tools, resources, and information to consumers based on their specific issues with financial products and services, with a goal of improved financial literacy and capability – among the public as a whole, and among consumers who have experienced particular challenges in the financial markets.

3.1.1 Consumer response

As detailed in the previous section, Consumer Response receives complaints and inquiries directly from consumers. Complaints are accepted through the CFPB website, consumerfinance.gov, and by telephone, mail, email, fax, and referral.

Consumers submit complaints on the CFPB website using complaint forms tailored to specific products, and can also log on to the secure consumer portal to check the status of a complaint

and review a company's response. While on the website, consumers can chat with a live agent to receive help completing a complaint form. Consumers can also call the Bureau's toll-free number to ask questions, submit a complaint, check the status of a complaint, and more.[19] The CFPB's U.S.-based contact centers handle calls with little-to-no wait times, provide services to consumers in more than 180 languages, and serve hearing and speech-impaired consumers via a toll-free telephone number. Cutting-edge technology, including the secure company and consumer portals, makes the process efficient and user-friendly for consumers and companies. The CFPB also provides secure channels for companies to communicate directly with dedicated staff about technical issues.

The CFPB's phased-in approach to taking complaints has allowed Consumer Response to develop strong foundations over time. By applying the lessons learned through previous complaint function rollouts, Consumer Response has continued to improve its intake process, enhanced its communication with companies, and ensured the system's ease-of-use and effectiveness for consumers. Based on feedback from consumers and companies, as well as from its own observations, Consumer Response identifies new opportunities to improve its processes and implement changes with each product launch.

3.1.2 Consumer education and engagement

An essential part of the mission of the CFPB is to empower consumers to take control over their financial lives. The CFPB's Consumer Education and Engagement Division (CEE) develops and implements initiatives to educate and empower consumers to make choices about money to meet their own life goals. Despite the availability of a wide range of information about managing money and about financial products and services, many consumers still struggle to make the financial decisions that serve their life goals. The Bureau hears every day from people experiencing difficulty in their financial lives, who often express regret that they did not know more about the risks involved in particular financial decisions at the time they made those decisions. Research indicates that significant numbers of Americans are worried about their

[19] To find more information about submitting a complaint, please see Appendix A.

household finances – from not being able to cover regular expenses, to not having savings to cover a financial shock, to not having enough money to retire.

The Bureau works to improve the financial literacy of consumers in America. The Bureau has developed a strategy and a range of initiatives to help consumers take more control over their financial lives. Broadly, this strategy recognizes that financial literacy and financial capability require more than simply providing consumers with more information. Being able to manage one's financial life and make the financial decisions that will serve one's life goals requires a combination of knowledge, skills, and action.

The Bureau's strategy to improve financial literacy has two key aspects. First, the Bureau is seeking to provide assistance to consumers at important points in their financial lives. This includes building channels with a broad range of entities that consumers trust and may look to for financial and related guidance. Second, the Bureau is moving forward on research to identify effective approaches to financial education and better define how to measure and develop financial well-being. Fundamental to this strategy is developing approaches to provide youth with opportunities to develop the knowledge, skills, and attitudes that will serve them as adults. This strategy has been informed by the Bureau's consultations with the Financial Literacy and Education Commission (FLEC), and is aligned with FLEC's guiding vision of sustained financial well-being for U.S. individuals and families.

The Bureau's financial education strategy focuses on identifying opportune moments to engage consumers about their financial decisions and providing information, tools, or other decision-making supports to help with those decisions. The Bureau strives to provide consumers with financial decision-making resources and skills that will serve them today and in the future. The Bureau is working to address financial decision-making issues that affect consumers generally, and also issues that affect specific populations – servicemembers, students and young adults, older adults, and consumers who are low-income or economically vulnerable.

The Bureau seeks to provide consumers with assistance directly, and also works with others who can provide consumers with financial educational assistance in connection with other types of services consumers may seek. The Bureau is targeting its direct-to-consumer educational tools and resources toward assisting consumers with the financial aspects of large life decisions, starting with going to college, moving on to buying a home and, later in life, retiring; and on smaller decisions that can have large life consequences, such as starting a habit of savings, managing debt, and developing financial life skills to pass on to one's children. The Bureau also

provides a robust tool, *Ask CFPB*, to answer common consumer questions that arise as people make choices about their financial lives and about financial products and services.

As part of its efforts to assist consumers in their financial lives, the Bureau engages in a rich and ongoing dialogue with stakeholders to share information, learn about promising practices, and identify opportunities to create or strengthen channels to bring financial education and financial capability programming to consumers. These stakeholders include financial education practitioners; federal, state, and local government agencies; and various other private and nonprofit organizations.

The Bureau's financial education research program focuses on: determining how to define and measure financial well-being as the end goal of financial education; identifying the knowledge, skills, and habits associated with financially capable consumers; and identifying effective approaches to improving financial capability and well-being. The Bureau will use the results of this research to refine how it supports consumers' financial decisions. The Bureau is sharing the results as they become available so others can look to the Bureau's findings as they make choices about how to provide financial education that can lead to better outcomes for consumers in America.

Highlights of financial education initiatives

The Bureau has undertaken a broad array of financial education initiatives this reporting period, as well as continued or expanded upon prior initiatives. Highlights of these initiatives are described below.

Bureau tools and information to assist consumers directly in making financial decisions:

- *Ask CFPB* (consumerfinance.gov/askcfpb/) is an interactive online tool that gives consumers "when you need it" answers to questions about financial products and services including credit cards, mortgages, student loans, bank accounts, credit reports, payday loans, and debt collection.
- *Paying for College* (consumerfinance.gov/paying-for-college/) is a set of online tools for students and families evaluating their higher education financing options – comparing college costs and financial aid, learning about college money and loan options, and assessing repayment options.

- *Owning a Home* (consumerfinance.gov/owning-a-home/) is a set of online tools for consumers to use as they begin and pursue the process of finding a home mortgage product that fits their needs and their budget. It helps consumers understand the basics of mortgages, orient themselves in the market and process, and consider various factors that may affect their own mortgage decision.

- *CFPB en Español* (consumerfinance.gov/es/) provides Spanish-speaking consumers, who make up the second largest language group in the United States, a central point of access to the Bureau's most-used consumer resources available in Spanish.

- *Planning for Retirement* (consumerfinance.gov/retirement/before-you-claim/) is a new interactive tool launched during the reporting period to help consumers make an informed decision about when to claim Social Security. Users see an estimate of how their claiming age affects their benefits and get tips relevant to their situation, which can help them prepare for a secure retirement.

- *Money Smart for Older Adults* (consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf) is a stand-alone module in the FDIC's *Money Smart* financial education program that provides information for older adults and their caregivers on preventing and responding to financial exploitation such as scams and identity theft, and resources on how to prepare financially for unexpected life events.

The Bureau is working with community institutions, government agencies, and other organizations to integrate financial education or capability strategies into existing service programs or consumer relationships:

- Schools provide the opportunity to transform the financial lives of a generation of Americans by introducing key money and finance-related concepts early, and building on that foundation consistently through the kindergarten through grade 12 (K-12) school years. The Bureau has launched a youth financial education initiative to build on existing efforts to integrate financial education into K-12 curricula and undertake other approaches to improving youth financial capability. This work includes a guide to help policymakers connect with tools, information, and insights to enhance K-12 financial education efforts available at consumerfinance.gov/reports/advancing-k-12-financial-education-a-guide-for-policymakers/; and a tool for analyzing and identifying appropriate and promising youth financial education curricula available at consumerfinance.gov/reports/youth-financial-education-curriculum-review-tool/.

- The Bureau is working with the FDIC to engage teachers, parents and caregivers, and financial institutions to improve the financial futures of young people. With the Bureau's participation, the FDIC released a new education series for youth, *Money Smart for Young People*, along with a new series of guides for parents and caregivers. *Money Smart for Young People* is available for download from the FDIC website at fdic.gov/consumers/education/torc/curriculumtools.html; the guides for parents and caregivers are also available at consumerfinance.gov/parents/. The collaboration includes a CFPB-hosted web page for parents and caregivers at consumerfinance.gov/parents/, and an FDIC-hosted web page for teachers at fdic.gov/teachers.

- Employers, including the federal government as an employer, can play an important role in helping people avoid financial distress and in promoting long-term financial well-being. Employers can do this by implementing practices in the workplace that strengthen financial capability, including making it easier for employees to adopt positive saving and investing habits. The Bureau has developed information about these practices in its report, *Financial wellness at work*. The report is available at consumerfinance.gov/reports/financial-wellness-at-work/.

  - The Bureau continues its workplace initiative focused on empowering public service organizations to help their employees tackle their student debt. As part of this initiative, the Bureau developed a toolkit, *Employer's guide to assisting employees with student loan repayment*. Public service organizations can use the toolkit to help employees learn about their options and work toward qualifying for federal loan repayment benefits available for student debt, including public service loan forgiveness. The Bureau is asking public service employers to take a pledge to help their employees in this effort. The pledge can be found at consumerfinance.gov/pledge/.

  - The Bureau is working with the Department of Labor's Employment and Training Administration to assist municipal leaders and local workforce boards in 25 communities over the next two years to integrate financial capability services into their year-round youth employment programs. Innovations and lessons from this work will be shared with the Department of Labor's broader Workforce System, which includes American Job Centers nationwide.

- Community organizations often serve as first responders in times of financial crisis for American families. Libraries are trusted institutions, and serve as a central neighborhood resource. The Bureau is working with libraries and national organizations with community networks to identify resources and community partnerships that can help libraries develop financial education programming. The Bureau is providing information and trainings for librarians. These efforts will help libraries build the expertise to help consumers research their financial questions. Resources for libraries are available at consumerfinance.gov/library-resources/. The Bureau is also working with faith communities and other neighborhood organizations to inform them about CFPB resources that individuals and community groups may use.

- Volunteer Income Tax Assistance (VITA) sites assist more than 3.5 million low-income households each year to prepare and file their tax returns free of charge and, if the filer is eligible, apply for the Earned Income Tax Credit. For the fourth year, the Bureau offered training and materials that site managers and volunteer tax preparers at VITA sites could use to encourage consumers to save a portion of their tax refunds. The Bureau also engaged in a large-scale pilot with 41 VITA programs around the country to test promising practices for promoting tax time savings. The training was offered to VITA site managers and their volunteer tax preparers via four webinars presented in late 2015 and early 2016. After the end of the tax season, participating sites will help the Bureau assess how to support the saving behavior of tax customers. The Bureau offered an array of educational materials for taxpayers as well, in English and Spanish, explaining available savings options, such as enrollment in new myRA starter retirement account product, and suggestions for purchasing Series I savings bonds. The Bureau made these materials available free via download or order at http://www.consumerfinance.gov/tax-preparer-resources/.

- To support consumers and the mortgage industry in transitioning to new residential mortgage disclosure forms effective for applications for home purchase mortgage loans received beginning October 3, 2015, the Bureau developed a new consumer information booklet, *Your home loan toolkit: A step-by-step guide (The Toolkit)*. The *Toolkit* is designed to help consumers purchasing a house to use the new forms to guide them through the process of shopping for a mortgage and buying a home. The *Toolkit* integrates new requirements under the Dodd-Frank Act. Lenders can use the *Toolkit* to satisfy requirements under RESPA, Regulation X, and Regulation Z, requiring them to provide special information booklets to help consumers better understand the nature

and costs of real estate settlement services. Because the booklet is delivered to millions of consumers each year, it will help spread plain-language educational information at a time when consumers are entering into a major financial transaction. The *Toolkit* is available in print-ready and web-ready versions, in English and Spanish, at consumerfinance.gov/learnmore/#respa.

- The Bureau expanded its offerings for financial education practitioners by establishing the *CFPB Financial Education Exchange* (*CFPB FinEx*). *CFPB FinEx* is an online and in-person information exchange designed to provide financial education practitioners with centralized access to CFPB tools, resources, and research on consumer financial behavior and effective practices. *CFPB FinEx* facilitates discussion among financial educators and allows the Bureau to gather feedback on financial education tools and approaches. Financial educators can access CFPB tools, resources, and research through a *Resources for financial educators* web page, which is available at consumerfinance.gov/adult-financial-education/. This web page includes a printable, shareable inventory of Bureau tools, resources, and reports, which is available at consumerfinance.gov/f/201505_cfpb_finex-resource-inventory.pdf.

- The Bureau launched a toolkit, *Your Money, Your Goals*, for use by frontline staff in social services organizations. The toolkit allows social services organizations to help the people they serve strengthen their financial capability and personal money management skills. Entities, including federal, state, tribal, and local agencies and national organizations, participated in the initial rollout by training frontline staff across the country. The Bureau also developed, field-tested, and released versions adapted for specific types of users – legal aid organizations, community volunteers, and workers – and has worked with various entities to expand the reach of these adapted versions. More information is available at consumerfinance.gov/your-money-your-goals/.

- The *ROADS to Financial Independence* initiative (*Reach Outcomes. Achieve Dreams. Succeed.*) was developed so that more Americans with disabilities have the tools, resources, and support to improve their financial lives and build a brighter economic future. This initiative integrates financial education counseling with employment, independent living, and other support services provided to individuals with disabilities. Participants obtained the opportunity to make more informed financial decisions, set financial goals, and work toward improving their financial lives through improved credit, reduced debt, and increased savings.

- The Bureau hosted a series of virtual *Military financial educator forums* on consumer financial topics for service providers who deliver financial, educational, or legal counseling to servicemembers and their families worldwide. The Bureau makes these forums available as on-demand video trainings on the Bureau's website at consumerfinance.gov/servicemembers/on-demand-forums-and-tools/. These trainings currently cover issues in debt collection, credit reporting, veteran consumer issues, the consumer complaint process, and solutions for servicemembers with troubled mortgages.

- The Bureau and the FDIC collaborate in serving older adults and distribute a financial education tool, *Money Smart for Older Adults* (MSOA), as a stand-alone module in the FDIC's *Money Smart* financial education program. MSOA provides information for older adults and their caregivers on preventing and responding to financial exploitation such as scams and identity theft, and resources on how to prepare financially for unexpected life events. MSOA is offered by community organizations around the country that interact with older adults, family members, or caregivers. The FDIC and CFPB released the Spanish version of this program in 2014. Participant guides are available for download at consumerfinance.gov/f/201306_cfpb_msoa-participant-guide.pdf and are available for order through promotions.usa.gov/cfpbpubs.html. Community organizations that wish to offer the course in their communities can order the instructor materials from the FDIC at fdic.gov/consumers/consumer/moneysmart/olderadult.html.

- The Bureau developed educational guides, *Managing Someone Else's Money,* designed to help financial caregivers of older adults to manage money or property of someone who is unable to make their own financial decisions. We created guides tailored to the needs of people in four different fiduciary capacities: agents under a power of attorney, court-appointed guardians, trustees, and government fiduciaries (Social Security representative payees and VA fiduciaries). Each guide contains information on the fiduciary's responsibilities and tips on how to spot financial exploitation and avoid scams. We also created six sets of state-specific *Managing Someone Else's Money* guides to provide information on state law, practice, and resources, as well as a set of tips and templates to help legal and aging experts in the remaining states create state-specific versions. Guides and tips for states are available for download at consumerfinance.gov/managing-someone-elses-money.

- The Bureau launched a *Safe Student Account Toolkit* to assist colleges and universities seeking to enter into agreements with financial institutions to provide safer and more affordable co-branded financial products for students. This toolkit can help schools when developing a request for proposals to solicit bids to provide these financial products by empowering schools to solicit bids that clearly outline account features, fees and costs to students and, based on this information, to select a vendor that meets their students' needs. This toolkit is available for download at http://files.consumerfinance.gov/f/201512_cfpb_safe-student-account-toolkit.pdf and interested schools are encouraged to contact the Bureau at students@cfpb.gov.

The Bureau is conducting evidence-based research to build on current knowledge of what approaches to financial education are effective and how to measure effectiveness:

- A growing consensus is emerging that the ultimate measure of success for financial literacy efforts should be improvement in individual financial well-being. The Bureau has formally defined financial well-being in a way that allows it to be measured and for meaningful comparisons among approaches to achieving it, and identifies the specific types of knowledge, behavior, and personal traits that help people achieve greater financial well-being. The Bureau released the first findings of this research in a report entitled *Financial well-being: The goal of financial* education, which is available at consumerfinance.gov/reports/financial-well-being/.

- The Bureau developed and tested a set of questions – a "scale" – to measure financial well-being. The scale is designed to allow financial education practitioners and researchers to accurately and consistently quantify, and therefore observe, something that is not directly observable – the extent to which someone's financial situation and the financial capability that they have developed provide them with security and freedom of choice. The Bureau's user guide describes the research behind the CFPB *Financial Well-Being Scale* and provides detailed steps for using it, including how to score individuals' responses and compare their scores. The scale and guide are available at consumerfinance.gov/reports/financial-well-being-scale/.

3.2 Outreach

In addition to its efforts to engage specific populations, the CFPB regularly hosts public events

across the country to discuss CFPB initiatives and to solicit input about issues related to consumer financial products and services. During this reporting period, the public participated in a field hearing on arbitration in Denver, CO and on checking accounts in Louisville, KY.

An audience member participates during the public session at a field hearing on checking accounts in Louisville, KY.

In conjunction with these public events, Director Cordray and senior Bureau officials held roundtables with community leaders, legal services attorneys, housing counselors, state and local officials, community banks, credit unions, housing industry participants, and others as part of the CFPB's commitment to engage with the public. The CFPB also hosted two public meetings of its Credit Union Advisory Council; both were located in Washington, D.C. and occurred on October 8, 2015 and March 24, 2016. Additionally, the CFPB held two public meetings of its Consumer Advisory Board in Washington, D.C., on October 22, 2015 and February 25, 2016.

The Bureau has also actively solicited the perspectives of consumer and civil rights groups,

including holding roundtables with community-based organizations across the country. During this reporting period, the Bureau's Office of Community Affairs has engaged thousands of community group representatives through hundreds of meetings, briefing calls, and public appearances.

The Bureau's Office of Financial Institutions and Business Liaison was established in April 2013 to facilitate and coordinate dialogue with all industry participants, and has hosted hundreds of meetings, briefing calls, and public appearances with financial institutions and financial industry trade associations.

Director Cordray and senior CFPB leadership have also delivered several speeches at widely-attended industry and nonprofit conferences.[20] In addition to direct outreach through field events, roundtables, public meetings, speeches, and briefing calls, the CFPB launched Project Catalyst in November 2012 to support innovators in creating consumer-friendly financial products and services. The Bureau believes that markets work best when they are open to new ideas, and that the insights and innovations that come from looking at problems and solutions from new angles hold great potential in our efforts to achieve our mission of making the consumer finance market work for all consumers. Project Catalyst is designed to open lines of communication and foster collaborations that promote consumer-friendly innovation.

To these ends, Project Catalyst has continued to develop its outreach efforts and policy tools. Through popular "office hours" events, which are held in San Francisco, CA; New York, NY; and Austin, TX four to five times per year, the CFPB is able to keep up to date with the fast-paced development in the FinTech space while the FinTech startups benefit from the Bureau's knowledge of the regulatory environment and other considerations. Project Catalyst has developed three policy tools over the years. The first policy tool is the "research collaboration" program in which CFPB subject matter experts work with entrepreneurial companies to better understand what works for consumers and to inform our policy making. Since its launching, Project Catalyst has entered six such collaborations with companies large and small. The second policy tool is a trial disclosure program in which the CFPB provides waivers of federal disclosure

[20] A list of speeches given in this reporting period by CFPB personnel may be found in Appendix H of this report.

requirements for successful applicants to allow them to develop and test innovative and consumer-friendly disclosures. More recently, the Bureau published a third tool, a no-action letter policy which aims to reduce regulatory uncertainty for new products and services that offer the potential for significant consumer benefit. More information about Project Catalyst is available on the CFPB's website.[21]

3.3 Partnerships

The Bureau has furthered many existing partnerships and formalized several new ones.

To date, the Bureau has signed numerous memoranda of understanding (MOUs) with intergovernmental partners, including federal agencies, state financial regulatory entities, state and tribal attorneys general, and municipal law enforcement agencies. The Bureau has also actively solicited the perspectives of consumer and civil rights groups.

3.3.1 Office of the Consumer Advisory Board and Councils

The CFPB's Office of the Consumer Advisory Board and Councils is charged with managing the Bureau's advisory groups and serving as the liaison between advisory group members and the Bureau.[22] In addition to its regular engagements with external stakeholders, the Bureau's outreach also includes the:

- Consumer Advisory Board (CAB);
- Community Bank Advisory Council (CBAC);
- Credit Union Advisory Council (CUAC); and

[21] http://www.consumerfinance.gov/ProjectCatalyst/.

[22] http://www.consumerfinance.gov/blog/category/consumer-advisory-board/.

- Academic Research Council (ARC).

Among its responsibilities, the Office of the Consumer Advisory Board and Councils:

- Manages the policies and procedures for the constitution and management of the advisory board and councils;
- Manages the selection process for the Bureau's advisory board and councils;
- Conducts agenda setting for advisory board and council meetings;
- Regularly facilitates discussions between the Bureau and advisory board/council members; and
- Recommends policy and associated strategies as suggested by the advisory board and councils.

The Consumer Advisory Board and Councils offer vital insight and perspective of financial service providers as the Bureau strives to issue thoughtful, research-based rules.

The Consumer Advisory Board meets at least twice per year. The Credit Union Advisory Council and Community Bank Advisory Council each meet, on average, twice per year in person and twice per year by conference call. The Academic Research Council meets once a year.

Board members at the Consumer Advisory Board meeting on October 22, 2015 in Washington, D.C.

Role of the Consumer Advisory Board

Section 1014(a) of the Dodd-Frank Act states:

> *The Director shall establish a Consumer Advisory Board to advise and consult with the Bureau in the exercise of its functions under the Federal consumer financial laws, and to provide information on emerging practices in the consumer financial products or services industry, including regional trends, concerns, and other relevant information.*[23]

The Advisory Board and Councils help the Bureau solicit external stakeholder feedback on a range of topics, including consumer engagement, policy development, and research, and from a

[23] Dodd-Frank Act, Pub. L. No. 111-203, § 1014(a).

range of actors, including academics, industry, community members, and advocates. The advisory boards and councils consult on a variety of cross-cutting topics and report on meetings, and the CFPB provides minutes and/or summaries of their meetings on the Bureau's website. Members of the Bureau's board and councils serve for limited, specified terms.

Membership and public application process of the Consumer Advisory Board and Councils

Section 1014(b) of the Dodd-Frank Act states:

In appointing the members of the Consumer Advisory Board, the Director shall seek to assemble experts in consumer protection, financial services, community development, fair lending and civil rights, and consumer financial products or services and representatives of depository institutions that primarily serve underserved communities, and representatives of communities that have been significantly impacted by higher-priced mortgage loans, and seek representation of the interests of covered persons and consumers, without regard to party affiliation.[24]

Membership to all of the Bureau's advisory groups is facilitated through a public process whereby members of the public may apply to serve on a board or council. The Bureau will accept applications for these four advisory groups on a yearly basis. New CAB members will serve a three-year term and new ARC, CBAC, and CUAC members will serve two-year terms. On September 18, 2015, the Bureau was pleased to announce the appointment of these new board and council members.[25]

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[24] Dodd-Frank Act, Pub. L. No. 111-203, § 1014(b).

[25] http://www.consumerfinance.gov/newsroom/cfpb-announces-new-members-of-the-consumer-advisory-board-community-bank-advisory-council-and-credit-union-advisory-council/.

Meetings of the Consumer Advisory Board and Councils

The Bureau has held four meetings of the Advisory Board and Councils during this reporting period:

- Two CAB meetings – October 2015 and February 2016 in Washington, D.C.
- Two CUAC meetings – October 2015 and March 2016 in Washington, D.C.

Generally, Director Cordray provides remarks at Bureau Board and Council meetings, which are made available on our website. The Bureau now makes full advisory committee meetings open and accessible to the public. These meetings provide an opportunity for members of the public to hear the information and expertise CAB and Council members provide to the Bureau on the financial issues affecting their communities or constituencies. Any subcommittee meetings or discussions are also reported out and posted to consumerfinance.gov in meeting minutes and the CAB's annual report to the Bureau.

Topics covered with our Consumer Advisory Board and the other councils

In October 2015, the CBAC met to discuss reaching limited English speaking consumers, trends and themes in the marketplace, and arbitration.

In February 2016, the CAB met to discuss the Bureau's strategic outlook for the next two years as well as tools for measuring financial well-being.

In March 2016, the CUAC met to discuss the Bureau's strategic outlook for the next two years as well as ways for preventing and responding to elder financial abuse.

For more information about the CAB and the other CFPB advisory groups, please visit our website.

4. Regulations and guidance

The Bureau has continued to issue a number of proposed and final rules that relate to the Dodd-Frank Act, including a final rule amending Regulation C, implementing HMDA, and to work on proposed and final rules on various other matters within its authority that would address longstanding consumer protection concerns in a number of consumer financial services markets. In addition, the Bureau continues to follow up on an earlier Request for Information seeking public comment on potential projects to streamline regulations. The Bureau also continues its efforts to assist industry with the implementation of Dodd-Frank Act requirements, including the Bureau's KBYO and HMDA regulations.

4.1 Implementing statutory protections

The CFPB continues to engage in significant activities designed to implement the Dodd-Frank Act consumer protection provisions. Following the Bureau's issuance of mortgage rules in January 2013[26] and the KBYO rule in November 2013, the Bureau has continued to engage in activities to support the implementation process for these rules with both industry and consumers, as described further in Section 4.3. Other statutory implementation efforts have

[26] In January 2013, the Bureau issued several rules implementing changes made by the Dodd-Frank Act to the laws governing various aspects of the mortgage market, including assessments of consumers' ability to repay their loans, mortgage servicing, loan originator compensation, and other topics. These rules, all of which took effect by January 18, 2014, are now providing significant improvements in the mortgage process that benefit both consumers and the mortgage industry alike through strengthened consumer protections and increased efficiencies. The Bureau's implementation activities for these rules are further discussed in section 4.3.

included issuing additional rules pursuant to Dodd-Frank Act mandates. Much of the Bureau's recent activity continues to be mortgage-related:

- In October 2015, the Bureau finalized amendments to Regulation C to, among other things, implement Dodd-Frank Act revisions to HMDA. On October 28, 2015, these changes were published in the *Federal Register*. Prior to issuing the finalized rule, the Bureau, along with the Small Business Administration's Office of Advocacy and the Office of Management and Budget, launched a small business review panel process to gather input on the rulemaking in February 2014. The comment period for the proposed rule closed at the end of October 2014. The Bureau is also planning efforts to assist the industry with implementation of a final HMDA rule, similar to the Bureau's efforts on the KBYO rule and the 2013 mortgage rules.
- In November 2014, the Bureau proposed amendments to certain mortgage servicing rules issued in 2013 in part to implement Dodd-Frank Act amendments to RESPA and the Truth in Lending Act (TILA). These proposed amendments focus primarily on clarifying, revising, or amending provisions regarding force-placed insurance notices, policies and procedures, early intervention, and loss mitigation requirements under Regulation X's servicing provisions; and periodic statement requirements under Regulation Z's servicing provisions. The proposed amendments would also address proper compliance regarding certain servicing requirements when a consumer is a potential or confirmed successor in interest, is in bankruptcy, or sends a cease communication request under the Fair Debt Collection Practices Act (FDCPA). The proposed rule would also make technical corrections to several provisions of Regulations X and Z.
- The Bureau issued two rules in March 2016 to address the HELP Rural Communities Act, which was enacted on December 4, 2015. First, the Bureau issued a procedural rule that established a process to apply for an area to be designated as a rural area for purposes of a Federal consumer financial law. Second, the Bureau issued an interim final rule that expanded eligibility for special provisions and an exemption from requirements provided to certain small creditors operating in rural or underserved areas under the Bureau's mortgage rules.

4.2 Addressing longstanding consumer protection and regulatory burden concerns in other markets

In addition to work implementing Dodd-Frank Act mandates relating to mortgages, the Bureau has continued to focus attention on a number of issues in other consumer financial products and services markets. This work includes rulemakings to revise regulations the Bureau inherited from other agencies and the issuance of a proposed rule governing prepaid accounts, as well as continued research and other preparations for rulemakings to address several longstanding issues regarding debt collection, payday loans and deposit advance programs, and overdraft features on deposit accounts.

As reflected in its Fall 2015 regulatory agenda, the Bureau has continued work on a number of projects to address longstanding concerns in other consumer financial services markets. For example:

- In November 2014, the Bureau proposed amendments to Regulations E and Z to create a comprehensive set of consumer protections for prepaid financial products, which are increasingly being used by consumers in place of traditional checking accounts. The proposed rule would expressly bring prepaid products within the ambit of Regulation E, which implements the Electronic Fund Transfer Act (EFTA), as prepaid accounts and create new provisions specific to such accounts. The proposed rule would also amend Regulation E and Regulation Z, which implements TILA, to regulate prepaid accounts with overdraft services or credit features. The comment period for the proposed rule closed at the end of March 2015, and the Bureau is reviewing the feedback provided by the public.
- The Bureau is considering developing a proposed rule on debt collection, building upon the comments received concerning an Advance Notice of Proposed Rulemaking on debt collection issued in November 2013, and is conducting research, analysis, and outreach as appropriate on this topic. Debt collection generates more complaints to the Federal Government each year than any other consumer financial services market. The Bureau distributed a survey to consumers to learn about their experiences with credit and debt, including debt collection. The results of the survey will provide information related to debt collection on a broad cross-section of consumers that is not available elsewhere. The

Bureau has conducted further industry outreach by soliciting cost information from debt collection industry participants. The Bureau is also undertaking consumer testing initiatives to determine what information would be useful for consumers to have about debt collection and their debts and how that information should be provided to them.

- The Bureau is developing a proposed rule to address consumer harms from practices related to payday, vehicle title, and certain high-cost installment loans, including failure to determine whether consumers have the ability to repay their loans and certain payment collection practices. Under the Small Business Regulatory Enforcement Fairness Act (SBREFA), the Bureau released in March 2015 an outline of proposals under consideration for the rulemaking. As part of the SBREFA process, in April 2015, the Bureau along with the Office of Management and Budget and the Small Business Administration's Chief Counsel for Advocacy, met with small lenders that may be affected by the rulemaking to obtain feedback on the proposals. This rulemaking builds on Bureau research, including a white paper the Bureau published on these products in April 2013, a data point providing additional research in March 2014, and ongoing analysis. The Bureau expects to issue a Notice of Proposed Rulemaking during Spring 2016 after additional outreach and analysis.

- Building on Bureau research and other sources, the Bureau is engaged in policy analysis and further research initiatives in preparation for a rulemaking on overdraft programs on checking accounts. The CFPB issued a white paper in June 2013 based primarily on supervisory data from several large banks that highlighted a number of possible consumer protection concerns, including how consumers opt in to overdraft coverage for ATM and one-time debit card transactions, overdraft coverage limits, transaction posting order, overdraft and insufficient funds fee structure, and involuntary account closures. In July 2014, the CFPB released a report, based on data from the same sources, providing additional information about the outcomes of consumers who do and do not opt in to overdraft coverage for ATM and one-time debit card transactions. The July 2014 report also explored the transactions that overdraw consumer accounts. The CFPB is continuing to engage in additional research and has begun consumer testing initiatives relating to overdraft disclosure forms.

- The Bureau is developing regulations concerning the use of pre-dispute arbitration agreements in connection with the offering or providing of consumer financial products or services. In October 2015, the Bureau released an Outline of Proposals under

Consideration and convened a Small Business Review Panel, through which it obtained feedback from small entity representatives on the proposals under consideration. After additional outreach and analysis of the feedback provided by the Small Business Review Panel, the Bureau expects to issue a Notice of Proposed Rulemaking in Spring 2016.

The Bureau has continued to work on defining larger participants in markets for consumer financial services and products. Under Title X of the Dodd-Frank Act, the Bureau is authorized to exercise supervisory authority over larger participants that it defines by rule.

With regard to regulations that the CFPB inherited, the Bureau issued a Request for Information in December 2011 seeking comment on opportunities to streamline, modernize, and harmonize regulations inherited from other federal agencies. The Bureau has sought to address such issues in the course of its rulemakings; for instance, by using the rulemakings to consolidate mortgage disclosures under TILA and RESPA to clarify or reduce the burden of existing regulations, and by exploring opportunities to reduce unwanted regulatory burden as part of the HMDA rulemaking.

The Bureau has also continued to launch other rulemaking and guidance initiatives designed to streamline existing regulations and reduce regulatory burden.

4.3 Facilitating implementation of new regulations

As the Bureau has issued regulations to implement Dodd-Frank Act requirements, it has focused intently on supporting the implementation process for these rules with both industry and consumers. The Bureau has continued to provide implementation support, including engaging in public outreach, speaking at industry conferences, and providing training to housing counselors. The Bureau has developed regulatory implementation materials and reference aids that support and assist regulatory implementation efforts for the mortgage rules issued under Title XIV of the Dodd-Frank Act, which went into effect by January 18, 2014, the KBYO

mortgage disclosure rule, which went into effect in October 2015, the recently-issued Home Mortgage Disclosure Act rule, the rule revising the definitions of small creditor and rural area under Regulation Z, and other rules. These implementation materials, which are publicly available on a section of the Bureau's website dedicated to regulatory implementation,[27] along with other communications and outreach efforts, facilitate industry access to information on regulatory requirements and developments, particularly for smaller businesses that may have limited legal and compliance staff. The Bureau plans to develop additional tools and resources to facilitate implementation and compliance with new rules, and to update existing resources to reflect regulatory amendments.

In October 2015, the Bureau issued the HMDA rule along with a number of resources to assist industry with understanding and implementing the new rule's requirements:

- A summary and overview of the final rule;
- A timeline of the rule's effective dates;
- Coverage charts to assist a financial institution in determining whether it is a HMDA reporter for purposes of the final rule;
- A summary of reportable data explaining the HMDA data points required to be collected, recorded, and reported under the rule;
- A reference chart explaining when data points may be reported as "not applicable" for certain loan types; and
- A Small Entity Compliance Guide providing a plain-language explanation of the rule in a form that makes the content more accessible for industry constituents, especially smaller businesses with limited legal and compliance staff.

The Bureau also engaged in outreach activities, including speaking at conferences and other events, to support the implementation of new HMDA mortgage lending data reporting rules and

[27] http://www.consumerfinance.gov/regulatory-implementation/.

to identify and address implementation issues. The Bureau will monitor implementation progress and publish additional regulatory implementation tools and resources on its website to support implementation needs. The Bureau is also developing a number of data submission resources for HMDA reporters and vendors which will be published on the Resources for HMDA Filers website at http://www.consumerfinance.gov/hmda/.

The Bureau has also continued to support the implementation of the KBYO rule, which took effect in October 2015. Since the issuance of the KBYO rule, the Bureau has released a plain-language small entity compliance guide providing an overview and summary of key aspects of the KBYO rule; a plain-language guide to forms providing detailed, illustrated instructions on completing the new Loan Estimate and Closing Disclosure forms; a number of sample forms and timelines; examination manual and readiness materials; and other resources. The Bureau created a special real estate web page with informati0n and resources to help professionals understand regulatory changes and work with consumers to ensure smooth and on-time closings. The Bureau also released an "Owning a Home" website, which features an interactive guide to the mortgage loan process and loan options, a calculator to explore interest rates, checklists, and other resources to help consumers and others understand the loan process and disclosure requirements.

In conjunction with the Federal Reserve System, the Bureau has conducted a series of webinars on the KBYO rule, which are available to the public through the regulatory implementation section of the Bureau's website. In March 2016, the Bureau conducted a webinar on construction lending. In addition, in January 2016 the Bureau published a construction loan factsheet providing a written overview of how the integrated disclosure rule may be applied to construction loans.

Bureau staff continues to speak at a number of industry conferences, roundtables, and other formal events, and to engage in extensive outreach to discuss the mortgage rules, identify and address implementation issues as they arise, and provide informal oral guidance in response to interpretive inquiries from a myriad of stakeholders. Bureau staff is monitoring implementation of the new rules to promote a consistent regulatory experience for industry. With respect to the KBYO rule, the Bureau continues to ensure that institutions have made any business process, operational, and technological systems changes that may be necessary to comply with requirements of the rule and generate the new forms, and to assess the impacts of the rule over time. This information will assist the Bureau in assessing the need for follow up with the mortgage markets participants and for improving its rulewriting process. The Bureau will also

continue to coordinate with other Federal Government regulators that also conduct examinations of mortgage companies to develop examination procedures for the KBYO rule and to promote a consistent regulatory experience for industry.

Finally, the Bureau continues to develop online tools to support industry compliance efforts. In December 2015, the Bureau released an automated, online Rural and Underserved Areas tool to assist creditors in determining whether a property is in a "rural or underserved" area. Creditors may rely on this tool to provide a safe harbor determination that a property is located in a rural or underserved area. In addition, the Bureau continues to develop and expand its eRegulations project, which is a web-based, open source tool that aims to make regulations easier to navigate, read, and understand. eRegulations presents regulation text and commentary in a clear format, and allows users to compare different versions to identify changes. The Bureau began this effort in October 2013 with the online release of Regulation E (including the new remittance transfer rules) with the goals of increased compliance, more efficient supervision, and improved accessibility.[28] The Bureau unveiled Regulation Z in May 2014 and Regulations B, D, J, K, L and M in November 2015.[29]

[28] http://www.consumerfinance.gov/eregulations/1005.

[29] http://www.consumerfinance.gov/eregulations/1026.

5. Supervision

The CFPB's supervisory authority extends to banks, thrifts, and credit unions with assets of more than $10 billion, as well as affiliates of those institutions. In addition, the CFPB supervises nonbank mortgage originators and servicers, payday lenders, and private student lenders of regardless of size, and also supervises larger nonbank participants of other markets as the CFPB defines by rule. To date, the CFPB has promulgated larger-participant rules with respect to the following nonbank markets: debt collection, consumer reporting, student loan servicing, international money transfers, and automobile financing.

The CFPB's Offices of Supervision Examinations and Supervision Policy are located within the Division of Supervision, Enforcement, and Fair Lending. These two offices develop and administer the CFPB's nationwide supervisory program for depository and nondepository financial institutions. In conducting its supervisory activities, the CFPB focuses on maintaining consistency across markets, industries, charters, and regions, as well as on ensuring efficient and effective examinations and supervisory work. The CFPB follows a risk-based approach to examinations, prioritizing consumer products and markets that pose significant risks to consumers.

5.1 Supervisory activities

Since the last Semi-Annual Report was released in November 2015, the CFPB has issued the following public documents:

Supervisory Highlights

Supervision periodically publishes a document entitled "Supervisory Highlights," that discusses the CFPB's supervisory program and identifies examination findings in key markets, industries, and product areas.

In November 2015,[30] the Bureau issued the Fall 2015 edition of Supervisory Highlights, which covered supervision work generally completed between May 2015 and August 2015. This edition reported examination findings in the areas of consumer reporting, debt collection, mortgage origination, mortgage servicing, student loan servicing, and fair lending. The Winter 2016 edition, issued in March 2016,[31] shared recent supervisory findings related to consumer reporting, debt collection, mortgage origination, remittances, student loan servicing, and fair lending.

Both editions also included information on supervision program developments, such as updated mortgage origination examination procedures reflecting upcoming mortgage disclosure rule changes, new automobile finance examination procedures, and more information on recently released bulletins and guidance documents.

5.2 Supervisory guidance

Guidance on submission of credit card agreements under the Truth in Lending Act (Regulation Z)[32]

TILA and Regulation Z require credit card issuers to submit their currently-offered credit card agreements to the Bureau, to be posted on the Bureau's website. In April 2015, the Bureau suspended that submission obligation for a period of one year. That suspension has expired, and the next submission is due on the first business day on or after April 30, 2016. Credit card issuers should visit the Bureau's website for instructions on submitting credit card agreements

[30] http://www.consumerfinance.gov/reports/supervisory-highlights-fall-2015/.

[31] http://files.consumerfinance.gov/f/201603_cfpb_supervisory-highlights.pdf.

[32] http://files.consumerfinance.gov/f/201604_cfpb_submission-of-credit-card-agreements-under-the-truth-in-lending-act-regulation-z.pdf.

Bulletin on furnisher Fair Credit Reporting Act obligation to have reasonable written policies and procedures

In February 2016, the CFPB issued this bulletin[33] to emphasize the obligation of furnishers under Regulation V to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information relating to consumers that they furnish to consumer reporting agencies.

Bulletin on in-person collection of consumer debt

In December 2015, the CFPB issued a compliance bulletin[34] to provide guidance to creditors, debt buyers, and third-party collectors about compliance with sections 1031 and 1036 of the Dodd-Frank Act and the FDCPA when collecting debt from consumers.

Bulletin on requirements for consumer authorizations for preauthorized electronic fund transfers

In November 2015, the CFPB issued a compliance bulletin[35] to remind entities of their obligations under the EFTA and Regulation E when obtaining consumer authorizations for preauthorized electronic fund transfers from a consumer's account.

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[33] http://files.consumerfinance.gov/f/201602_cfpb_supervisory-bulletin-furnisher-accuracy-obligations.pdf.

[34] http://files.consumerfinance.gov/f/201512_cfpb_compliance-bulletin-in-person-collection-of-consumer-debt.pdf.

[35] http://files.consumerfinance.gov/f/201511_cfpb_compliance-bulletin-2015-06-requirements-for-consumer-authorizations-for-preauthorized-electronic-fund-transfers.pdf.

Revised Supervisory Matters Appeal Process

On November 3, 2015, the CFPB issued revised guidance[36] to supervised entities regarding the process by which entities may appeal final CFPB compliance ratings that are less than satisfactory (a 3, 4, or 5) or any underlying adverse finding, or adverse findings conveyed to an entity in a supervisory letter.

Bulletin on RESPA compliance and Marketing Services Agreements

In October 2015, the CFPB issued a compliance bulletin[37] to remind participants in the mortgage industry of the prohibition on kickbacks and referral fees under RESPA[38] and to describe risks posed by entering into marketing services agreements.

5.3 Coordination and information sharing with other government agencies

The CFPB and state regulators coordinate on examinations under a framework for coordination on supervision and enforcement entered into by the CFPB and the Conference of State Bank Supervisors (CSBS), acting on behalf of state financial regulatory authorities.[39] Examination coordination under the framework may occur where the CFPB and state regulators each have supervisory jurisdiction over particular depository or nondepository financial institutions. The framework is an outgrowth of information sharing MOUs entered into by the CFPB and 63 state financial regulatory authorities in all 50 states, Puerto Rico, the District of Columbia, and Guam.

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[36] http://files.consumerfinance.gov/f/201510_cfpb_appeals-of-supervisory-matters.pdf.

[37] http://files.consumerfinance.gov/f/201510_cfpb_compliance-bulletin-2015-05-respa-compliance-and-marketing-services-agreements1.pdf.

[38] 12 U.S.C. 2601, *et seq*.

[39] http://files.consumerfinance.gov/f/201305_cfpb_state-supervisory-coordination-framework.pdf.

The MOUs provide that state regulators and the CFPB will work together to achieve examination efficiencies and to avoid duplication of time and resources expended. The MOUs also establish safeguards and restrictions on the treatment of any shared information.

In addition, the CFPB coordinates with federal prudential regulators[40] on examination planning and policy considerations. Representatives of the CFPB and the federal prudential regulators meet regularly to coordinate supervisory and other activities. The CFPB also coordinates and collaborates with federal prudential regulators and federal law enforcement agencies, such as the DOJ, HUD, and the FTC, in enforcement investigations and actions, including in the fair lending context.

The Director of the CFPB is a member of the Federal Financial Institutions Examination Council (FFIEC). As part of its mission, the FFIEC facilitates the development of consistent examination principles, standards, procedures, and report formats, and otherwise makes recommendations to promote uniformity in the supervision of financial institutions. As discussed in Section 4.3, in 2015, the FFIEC member agencies updated examination procedures for TILA and RESPA. The updated procedures reflect regulatory amendments, including those related to the KBYO rule.

5.4 Examiner training and commissioning

The CFPB's Supervision Learning & Development team is responsible for training and commissioning the CFPB's field examination staff. The primary vehicle for commissioning is the Examiner Commissioning Program (ECP), which became effective as of October 27, 2014. The finalized ECP policy replaced the previous Interim Commissioning Policy (ICP), which allowed regional directors to submit executive review nomination memos for highly experienced examiners and field managers. The CFPB issued 173 commissions under the ICP to examiners, field managers, and headquarters staff. Under the new ECP, an additional 20 examiners have

[40] FRB, FDIC, NCUA, and OCC.

achieved commissioned examiner status, bringing the total number of commissioned examiners to 187, which accounts for attrition through retirement and departures from the CFPB.

The ECP includes five instructor-led, classroom-based courses, as well as formal on-the-job training modules, Acting Examiner-in-Charge (EIC) assignments, and a comprehensive multiple-choice test. The ECP finishes with a case study assessment. Within 12-18 months of achieving commissioned examiner status under ECP, examiners will complete a 120 day rotational assignment in any of a variety of offices in the Washington D.C. headquarters. Completed and fully-implemented components of the ECP currently include the following instructor-led classroom-based courses: Operations and Deposits/Prepaid Products, Lending Principles, Fair Lending Examination Techniques, Advanced Communications, and EIC Capstone course.

Now that all parts of the ECP are finished and fully implemented there are two paths to a commission. One is through successful completion of the ECP, including the comprehensive test and case study assessment. The second is an abbreviated program for examiners commissioned at other agencies that are required to complete the two-week EIC Capstone course within one year of joining the CFPB in order to better understand processes and reports specific to CFPB.

5.5 Technology

The CFPB is working to replace its existing examination management software (known as the "Supervision and Examination System"). The new system will aid the CFPB in supervising and enforcing Federal consumer financial law by utilizing current technology to support monitoring of bank and nonbank entities and collaboration across Bureau offices, and to improve the efficiency of the supervisory process.

The CFPB is using a Compliance Tool (the Tool) to assist in conducting examinations of entities subject to CFPB supervision. The Tool provides for secure and standardized data submissions to the CFPB, and supports consistency in the examination process across institutions. The Tool is a software system that collects, validates, and analyzes loan portfolio and deposit account data through an electronic system. It enables covered entities to upload data securely and improves the ability of CFPB examiners to conduct risk-based and targeted compliance reviews.

5.6 Reporting on Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (SAFE Act)[41]

The SAFE Act requires the CFPB to report annually on the effectiveness of the provisions of the Act, including legislative recommendations, if any, for strengthening consumer protections, enhancing examinations standards, and streamlining communications between all stakeholders involved in residential mortgage loan origination and processing, and establishing performance based bonding requirements for mortgage originators or institutions that employ such brokers. In 2015, the SAFE Act was effective in all of these areas, and particularly in streamlining communications, which has primarily been accomplished through regular coordination between CFPB officials and the management of the Nationwide Mortgage Licensing System and Registry (NMLSR). The streamlined communications have, for example, resulted in faster and more efficient responses to consumer and industry questions and concerns about the SAFE Act. CFPB and NMLSR officials also successfully negotiated a comprehensive review and renewal of the contract for the operation of the NMLSR, which strengthens the system and its operations.

The NMLSR is the system established under the SAFE Act to accomplish several objectives, including providing uniform license applications and reporting requirements for State-licensed loan originators and a comprehensive licensing and supervisory database. The NMLSR is also used by the public to access public information about loan originators. The NMLSR is managed by the CSBS through its wholly owned subsidiary, the State Regulatory Registry, LLC.

During 2015, NMLSR officials, in coordination with the CFPB, began the development of plans to modernize the technology used to operate the NMLSR. The technology modernization includes improvement and enhancement to the way stakeholders access and use information in the NMLSR. The modernization is intended to, among other things, provide mortgage financial institutions and their loan originators with more user-friendly reporting functions and provide

[41] The SAFE Act calls for an annual report to Congress on the effectiveness of the Act. 12 U.S.C. § 5115(a). This section of the CFPB's Semi-Annual Report constitutes the annual SAFE Act Report for 2015.

consumers public information about loan originators that is easier to read by presenting it with more clarity.

The modernization effort will include changes related to issues identified by the CFPB through various channels including inquiries and consultation with industry and consumers. The CFPB's regulations guidance function and the SAFE Act Inquiries email box continue to be a primary tool for identifying issues related to the operation of the NMLSR. During 2015, there was an increase in activity of the SAFE Act Inquiries email box with an average of 30 inquiries each month. Many of the inquiries are from compliance officers at small banks. The CFPB typically responds within two business days, and works with NMLSR officials to the extent systemic issues are highlighted by the inquiries.

Officials from the CFPB and the CSBS continue to meet monthly, and CFPB staff regularly participates in trainings offered by the CSBS related to the operation of the NMLSR.

6. Enforcement

The CFPB aims to enforce the consumer protection laws within the Bureau's jurisdiction consistently and to support consumer-protection efforts nationwide by investigating potential violations both independently and in conjunction with other federal and state law enforcement agencies.

6.1 Conducting investigations

Since the CFPB's launch, the Offices of Enforcement (Enforcement) and Fair Lending and Equal Opportunity (Fair Lending) have been investigating potential violations of federal consumer financial laws. Some investigations were transferred to the Bureau by the prudential regulators and HUD, while the Bureau initiated other investigations based on potentially problematic practices that Bureau staff identified or consumers and others reported. In utilizing its investigation resources, the Bureau considers many factors, including amount of consumer harm and the significance of the potential law violation. Investigations currently underway span the full breadth of the Bureau's enforcement jurisdiction. Further detail about ongoing investigations will not generally be made public by the Bureau until a public enforcement action is filed.

6.2 Enforcement actions

Section 1016(c)(5) of the Dodd-Frank Act requires the Bureau to include in the semi-annual report "a list, with a brief statement of the issues, of the public supervisory and enforcement actions to which the Bureau was a party during the preceding year." The Bureau was a party in 65 public enforcement actions from April 1, 2015 through March 31, 2016, detailed as follows:

In the Matter of Student Aid Institute, Inc. (File No. 2016-CFPB-0008) (consent order entered March 30, 2016)

The CFPB took action against a student loan debt relief company that tricked borrowers into paying fees for federal loan benefits and misrepresented to consumers that it was affiliated with the Department of Education. The company ultimately reaped millions of dollars in advance fees from thousands of consumers. The Bureau's consent order requires Student Aid Institute and its chief executive officer, Steven Lamont, to shut down debt-relief operations, cancel all contracts with consumers and stop charging them, stop participating in the debt relief industry, ensure student loan borrowers do not miss important repayment benefits, and pay a $50,000 Civil Monetary Penalty.

In the Matter of Dwolla, Inc. (File No. 2016-CFPB-0007) (consent order entered March 2, 2016)

The CFPB took action against an online payment platform, Dwolla, for deceiving consumers about its data security practices and the safety of its online payment system. This was the Bureau's first case addressing data security practices. From December 2010 until 2014, Dwolla misrepresented the security of its systems and the steps it took to protect consumers' information and thereby violated the Consumer Financial Protection Act's (CFPA) prohibition against deception. The Bureau's consent order requires Dwolla to stop misrepresenting its data security practices, train employees on the company's data security policies and procedures, and pay a $100,000 Civil Monetary Penalty.

In the Matter of Citibank, N.A., Department Stores National Bank, and Citifinancial Servicing, LLC (File No. 2016-CFPB-0004) (consent order entered February 23, 2016); ***In the Matter of Faloni & Associates, LLC*** (File No. 2016-CFPB-0006) (consent order entered February 23, 2016); ***In the Matter of Solomon & Solomon*** , P.C. (File No. 2016-CFPB-0005) (consent order entered February 23, 2016)

The CFPB took action against both Citibank and two debt collection law firms it used that falsified court documents filed in debt collection cases in New Jersey state courts. Citibank retained Faloni & Associates, LLC, and Solomon & Solomon, P.C. to collect credit card debt on its behalf in New Jersey state courts. Citibank prepared sworn statements attesting to the accuracy of the debt allegedly owed. Citibank then provided the affidavits to their attorneys to file with New Jersey courts. The two firms altered the dates of the affidavits, the amount of the debt allegedly owed, or both, after the affidavits were executed in violation of the Fair Debt

Collection Practices Act. The CFPB ordered Citibank and the law firms to comply with an existing court order that Citibank refund $11 million to consumers and forgo collecting about $34 million from nearly 7,000 consumers. Faloni & Associates, LLC, must pay a penalty of $15,000, and Solomon & Solomon, P.C., must pay a penalty of $65,000.

In the Matter of Citibank, N.A. (File No. 2016-CFPB-0003) (consent order entered February 23, 2016)

The CFPB took action against Citibank for illegal debt sales and debt collection practices. The CFPB found that Citibank violated the CFPA by providing inaccurate and inflated APR information on almost 130,000 credit card accounts it sold to debt buyers who then used the exaggerated APR in debt collection attempts. Citibank also failed to promptly forward to debt buyers approximately 14,000 customer payments totaling almost $1 million. The Bureau's order requires Citibank to refund all payments consumers made from Feb. 1, 2010 to Nov. 14, 2013 to debt buyers that referenced an inflated APR provided by Citibank in their collection efforts where the discrepancy was more than 1 percent; provide certain account documents when it sells debt; stop selling debt it cannot verify; include provisions in its debt sales contracts prohibiting the debt buyer from reselling the debt; give consumers basic information about debt that it sells; and pay $3 million in penalties.

In the Matter of Toyota Motor Credit Corporation *(*File No. 2016-CFPB-002) (consent order entered February 2, 2016)

After a joint investigation, on February 2, 2016, the CFPB and DOJ announced a settlement with Toyota Motor Credit Corporation, requiring Toyota Motor Credit to pay up to $21.9 million in relief to consumers harmed by discriminatory auto lending practices. The Bureau found that Toyota Motor Credit charged African-American and Asian and Pacific Islander consumers more in dealer markup for auto loans than similarly-situated non-Hispanic White consumers in violation of the Equal Credit Opportunity Act (ECOA). Going forward, Toyota Motor Credit is required to reduce dealer discretion to markup the interest rate to only 1.25% above the buy rate for auto loans with terms of five years or less, and 1% for auto loans with longer terms, or to eliminate discretionary markup all together. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

In the Matter of Herbies Auto Sales (File No. 2016-CFPB-001) (consent order entered January 21, 2016)

The CFPB took action against Herbies Auto Sales, a buy-here pay-here used car dealer, for abusive financing schemes, hiding auto finance charges, and misleading consumers in violation of TILA and CFPA. The Bureau's consent order requires Herbies to pay $700,000 in restitution to harmed consumers, with a suspended civil monetary penalty of $100,000. Under the terms of the order, Herbies is required to stop deceiving consumers during the financing process; post automobile prices; and provide consumers certain financing information (including the actual APR) before or at the time financing is offered.

In the Matter of Eric V. Sancho d/b/a Lead Publisher (File No. 2015-CFPB-0033) (consent order issued December 17, 2015)

The CFPB took action against Eric V. Sancho, who operated a company called Lead Publisher that sold leads to fraudulent debt collectors without regard for how they would use the data. The Bureau found that from 2011 to 2014, Sancho failed to vet his leads' sources or buyers. He sold roughly three million leads to two related companies that used the information to harass and deceive consumers into paying alleged debts they did not actually owe. The CFPB ordered Sancho to disgorge $21,151 he made illegally and banned him from the financial products and consumer leads industries.

In the Matter of D and D Marketing, Inc., d/b/a T3Leads, Grigor Demirchyan, and Marina Demirchyan (C.D. Cal. File No. 2:15-cv-09692) (complaint filed December 17, 2015)

The CFPB filed a complaint in federal court against T3 Leads, a lead aggregator, and its President and Vice President, Grigor and Marina Demirchyan. The complaint contains allegations that T3 does not vet or monitor its lead purchasers for illegal activity, does not require data managers or data brokers to disclose the end purchasers of leads, and deprived consumers of the opportunity to assess the reliability of lenders with which they were matched, exposing them to substantial risks. The complaint also alleges that two of T3's executives unlawfully aided the company's violations. The complaint seeks monetary relief, injunctive relief, and penalties.

In the Matter of Interstate Auto Group, Inc. aka. CarHop, and Universal Acceptance Corporation (File No. 2015-CFPB-0032) (consent order entered December 17, 2015)

The CFPB took action against CarHop, one of the country's biggest "buy-here, pay-here" auto dealers, and its affiliated financing company, Universal Acceptance Corporation, for providing damaging, inaccurate consumer information to credit reporting companies. CarHop and its affiliate also failed to provide accurate, positive credit information that it promised consumers it would supply to the credit reporting companies. The Bureau's order requires the companies to cease their illegal activities and pay a $6,465,000 civil penalty. CarHop must develop and implement written consumer information furnishing policies and procedures; must identify inaccurate information, notify the CRAs of the inaccuracies, and either provide the correct information to the CRAs or delete the inaccurate information if accurate information is not available; must provide notice to consumers of the inaccuracies, the remedial measures taken, and the process for obtaining a free credit report; and must implement monthly auditing and monitoring processes.

***In the Matter of EZCORP, Inc.*, et al.** (File No. 2015-CFPB-0031) (consent order entered December 16, 2015)

The CFPB took action against EZCORP, Inc., a payday and other small-dollar lender, for illegal debt collection practices. These practices related to sending debt collectors to consumers' workplaces and homes, which risked disclosing the consumer's debt to third parties and causing adverse employment consequences; empty threats of legal action; misrepresenting consumers' rights; and exposing consumers to bank fees through multiple electronic withdrawal attempts on consumer accounts. The Bureau ordered EZCORP to pay $7.5 million in refunds to approximately 93,000 consumers, pay $3 million in penalties, and stop all further collection efforts on its remaining payday and installment loans, owed by roughly 130,000 consumers and estimated to include tens of millions of dollars in debt. It also bars EZCORP from future in-person debt collection, prohibits EZCORP from attempting to debit a consumer's account after a previous attempt failed because of insufficient funds without the consumer's permission, and includes various other injunctive terms.

In the Matter of EOS (D. Mass. File No. 1:15-cv-14024) (stipulated final judgment and order entered December 8, 2015)

The CFPB filed a complaint in federal court against Collecto, Inc. d/b/a EOS CCA, a Massachusetts debt collection firm, for reporting and collecting on old cellphone debt that consumers disputed and EOS did not verify. The company also provided inaccurate information to credit reporting companies about the debt and failed to correct inaccurate information that it reported. The stipulated final judgment and order requires EOS to refund at least $743,000 to consumers and pay a $1.85 million penalty. The order also requires EOS to cease collecting and reporting on certain disputed debt; stop collecting unsubstantiated debt and, for five years, review original account-level documents to verify a debt before collecting on it in certain circumstances; and ensure accuracy when providing information to credit reporting companies. For five years, EOS will also be subject to restrictions on re-selling debt.

In the Matter of Clarity Services, Inc. (File No. 2015-CFPB-0030) (consent order entered December 3, 2015)

The CFPB took action against a nationwide credit reporting company, Clarity Services, Inc., and its owner, Tim Ranney, for illegally obtaining consumer credit reports. The company, which focuses on the subprime market, also violated the law by failing to appropriately investigate consumer disputes. The Bureau's consent order requires the company and its owner to halt their illegal practices, fully investigate consumer disputes and improve the way they investigate consumer disputes and obtain, sell, and resell consumer credit reports. The company and Ranney must also pay an $8 million penalty.

In the Matter of Integrity Advance, LLC (File No. 2015-CFPB-0029) (notice of charges filed November 18, 2015)

The CFPB took action against an online lender, Integrity Advance, LLC, and its CEO, James R. Carnes, for deceiving consumers about the cost of short-term loans. The Bureau alleges that the company's contracts did not disclose the costs consumers would pay under the default terms of the contracts. The Bureau also alleges that the company unfairly used remotely created checks to debit consumers' bank accounts even after the consumers revoked authorization for automatic withdrawals. The CFPB filed an administrative lawsuit seeking redress for harmed consumers, as well as a civil money penalty and injunctive relief.

In the Matter of Student Financial Resource Center (College Financial Advisory) (File No. 2013-0831-02) (S.D. Ca. Case No. 3:15-cv-02440) (complaint filed October 29, 2015)

The Bureau filed a complaint in federal court against a company operating a nationwide student financial aid scam and the individual who owns and operates the scheme. The Bureau alleges that the company, which operates under the names Student Financial Resource Center and College Financial Advisory, 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 consumers with individualized financial aid opportunities. In reality, consumers received nothing or a generic booklet that fails to provide individualized advice. The Bureau also alleges that the companies misrepresented their affiliation with government and university financial aid offices and pressured consumers to enroll through deceptive statements. The complaint seeks to stop these practices and obtain restitution and penalties.

In the Matter of General Information Services, Inc. (File No. 2015-CFPB-0028) (consent order entered October 29, 2015)

The CFPB took action against two of the largest employment background screening report providers, General Information Services and its affiliate, e-Background-checks.com, Inc., for failing take basic steps to assure the information reported about job applicants was accurate. The companies also failed to exclude impermissible information in their consumer reports. These practices potentially affected consumers' eligibility for employment, caused reputational harm, and violated FCRA. The Bureau's order requires the companies to correct their practices, provide $10.5 million in relief to harmed consumers, and pay a $2.5 million civil penalty.

In the Matter of Westlake Services, LLC & Wilshire Consumer Credit, LLC (File No. 2015-CFPB-0026) (consent order entered September 30, 2015)

The CFPB took action against an indirect auto finance company and its auto title lending subsidiary for pressuring borrowers using illegal debt collection tactics. The CFPB found that Westlake Services, LLC and Wilshire Consumer Credit, LLC deceived consumers by calling under false pretenses and using phony caller ID information, falsely threatened to refer borrowers for investigation or criminal prosecution, and illegally disclosed information about debts to borrowers' employers, friends, and family. The Bureau ordered the companies to overhaul their debt collection practices and to provide consumers $44.1 million in cash relief and balance reductions. The companies will also pay a civil penalty of $4.25 million.

In the Matter of Fifth Third Bank (File No. 2015-CFPB-0025) (consent order entered September 28, 2015)

The CFPB took action against Fifth Third for deceptive acts or practices in the marketing and sales of its "Debt Protection" credit card add-on product. From 2007 through February 2013, Fifth Third marketed and sold the product to its customers during telemarketing calls and online. The Bureau found that Fifth Third's telemarketers deceptively marketed the add-on product during calls. Among other things, Fifth Third's misrepresented costs and fees for coverage and misrepresented or omitted information about eligibility for coverage. The CFPB's order requires that Fifth Third provide $3 million in relief to roughly 24,500 customers, cease engaging in illegal practices, and pay a $500,000 penalty to the CFPB civil penalty fund.

In the Matter of Fifth Third Bank (File No. 2015-CFPB-0024) (consent order entered September 28, 2015)

Following a Bureau examination and subsequent joint investigation with the DOJ, the Bureau and the DOJ reached a settlement with Fifth Third Bank to provide $18 million in relief to consumers harmed by illegal discriminatory auto lending practices. The Bureau found that Fifth Third charged African-American and Hispanic consumers more in dealer markup for auto loans than similarly-situated non-Hispanic White consumers based on race and national origin. Such conduct violates ECOA, which prohibits creditors from discriminating on certain prohibited bases, including race and national origin, in any aspect of a credit transaction. Going forward, Fifth Third is required to reduce dealer discretion to mark up the interest rate to only 1.25% above the buy rate for auto loans with terms of five years or less, and 1% for auto loans with longer terms, or to eliminate discretionary markup all together. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

United States of America and Consumer Financial Protection Bureau v. Hudson City Bank, F.S.B. (D.N.J. No. 2:15-cv-07056-CCC-JBC) (final consent order entered on November 4, 2015)

On September 24, 2015, the CFPB and the DOJ filed a joint complaint and proposed consent order to address unlawful redlining in Hudson City Bank's mortgage business. The court entered the order on November 4, 2015. Based on a CFPB examination followed by a joint investigation with the DOJ, the complaint alleges that from 2009 to 2013 Hudson City unlawfully redlined in violation of ECOA by structuring its business so as to avoid majority-Black-and-Hispanic neighborhoods in New York, New Jersey, Connecticut, and Pennsylvania, thereby discouraging

applications from those neighborhoods. The consent order requires Hudson City to pay $25 million in loan subsidies to qualified borrowers in the affected communities, $2.25 million in community programs and outreach, and a $5.5 million penalty. The order will also require Hudson City to open two new branches, revise its compliance management system, expand its assessment area under the Community Reinvestment Act, and assess the credit needs of majority-Black-and-Hispanic communities. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report

Consumer Financial Protection Bureau v. World Law Group (S.D. Fla. No. 1:15-cv-23070-MGC D) (preliminary injunction orders entered by the court on September 2, 2015 and September 14, 2015)

The CFPB filed a federal court complaint against World Law Group for running a debt-relief scheme that charged consumers exorbitant, illegal upfront fees. The Bureau alleges that the debt-relief scheme falsely promised consumers a team of attorneys to help negotiate debt settlements with creditors, failed to provide legal representation, and rarely settled consumers' debts. World Law is alleged to have taken $67 million from at least 21,000 consumers before providing any debt-relief services. The Bureau alleges that the conduct violated EFTA, the Telemarketing Sales Rule (TSR), and the CFPA's prohibition against unfair and deceptive acts and practices. The Court issued the preliminary injunction because it found that the Bureau is likely to prevail and that the public interest is served by granting the Order. The case will proceed until the court makes a final determination or the parties settle the matter.

Consumer Financial Protection Bureau v. Student Financial Aid Services, Inc. (E.D. Cal. No. 2:15-cv-01581) (consent order entered on September 11, 2015)

The CFPB took action against Student Financial Aid Services, Inc. for its sales and billing practices. The Bureau alleged that the company gave consumers misleading information about the total cost of its subscription financial services and imposed on consumers undisclosed and unauthorized automatic recurring charges for those services. The Bureau alleged that the conduct violated the EFTA, the TSR, and the CFPA's prohibition against unfair and deceptive acts and practices. The court entered an order requiring Student Financial Aid Services, Inc. to pay $5.2 million to the Bureau for consumer redress, pay a civil penalty of $1, and end the sales and billing practices described in the complaint.

In The Matter of Portfolio Recovery Associates, LLC (File No. 2015-CFPB-0023) (consent order entered September 9, 2015)

The CFPB took action against Portfolio Recovery Associates (PRA), one of the two largest debt buyers in the country. As a debt buyer, PRA purchases delinquent or charged-off accounts for a fraction of the value of the debt, but has the right to collect the full amount claimed by the original lender. The Bureau found PRA bought debts that were potentially inaccurate, lacking documentation, or unenforceable. Without verifying the debt, the company collected payments by pressuring consumers with false statements and churning out lawsuits using robo-signed court documents. The Bureau ordered PRA to cease reselling debts, stop collections on $3 million worth of judgments, and halt collection of future debts that cannot be verified. PRA is also required to pay $19 million in consumer relief and $8 million civil monetary penalties.

In The Matter of Encore Capital Group, Inc., Midland Funding, LLC, Midland Credit Management, Inc. and Asset Acceptance Capital Corp. (File No. 2015-CFPB-0022) (consent order entered September 9, 2015)

The CFPB took action against Encore Capital Group, one of the nation's two largest debt buyers. The Bureau found violations of the FDCPA, the FCRA, and the CFPA related to Encore's collection of bad debts, litigation practices, and other collections activities. Among other things, the Bureau found that Encore threatened and deceived consumers to collect on debts the company should have known were inaccurate or had other problems. The Bureau ordered Encore to cease reselling debts, stop collections on $125 million worth of judgments, and halt collection of future debts that cannot be verified. Encore is required to pay up to $42 million in consumer relief and $10 million in civil monetary penalties.

Consumer Financial Protection Bureau and Anthony J. Albanese, Acting Superintendent of Financial Services of the State of New York v. Pension Funding, LLC; Pension Income, LLC; Steven Covey; Edwin Lichtig; and Rex Hofelter (C.D. Cal. No. 8:15-cv-01329) (complaint filed August 20, 2015; stipulated final judgment and consent order entered February 10, 2016)

The CFPB joined with the New York Department of Financial Services to take action against two companies, Pension Funding, LLC and Pension Income, LLC, and three of the companies' individual managers for deceiving consumers about the costs and risks of their pension-advance loans. The complaint alleges that from 2011 until about December 2014, Pension Funding and Pension Income offered consumers lump-sum payments for agreeing to redirect all or part of

their pension payments for eight years and that the individual defendants, Steven Covey, Edwin Lichtig, and Rex Hofelter, designed and marketed these loans and were responsible for the companies' operations. The complaint alleges that the companies and individuals violated the CFPA's prohibitions against unfair, deceptive, and abusive acts or practices. On January 8, 2016 the court appointed a receiver over defendants Pension Funding and Pension Income. The receiver's responsibilities include taking control over all funds and assets of the companies and completing an accounting of all pension-advance transactions that are the subject of the action. On February 10, 2016 the court entered a consent order with the agreement of Pension Funding, Pension Income, and two of the individual defendants.

In the Matter of Springstone Financial, LLC (File No. 2015-CFPB-0021) (consent order entered August 19, 2015)

From January 2009 through December 2014, Springstone, a wholly owned subsidiary of Lending Club Corporation, administered a health-care-financing program that offered consumers two credit products: an installment loan and a deferred-interest loan product. Consumers used these products to pay for medical care, including dental care. The Bureau found that providers who were trained and monitored by Springstone to market the deferred-interest product misled consumers about the terms and conditions of the product during the application process. To ensure that harmed consumers are appropriately compensated and that consumers will no longer be subject to these illegal practices, the Bureau's order requires Springstone to refund $700,000 to more than 3,200 consumers.

In the Matter of: RBS Citizens Financial Group, et al. (File No. 2015-CFPB-0020) (consent order entered August 11, 2015)

The CFPB joined with the OCC and FDIC to take action against Citizens Financial Group, Inc., Citizens Bank, N.A., and Citizens Bank of Pennsylvania for failing to credit consumers for the full amounts of their deposits and thus violating the CFPA's prohibition against unfair and deceptive conduct. The Bureau's consent order requires the banks to pay $7.5 million in civil money penalties. In addition to the Bureau's penalty, the OCC and FDIC imposed their own penalties totaling $13 million. The Bureau's Order also requires the bank to redress consumers harmed by the practice. Expected redress is approximately $11 million.

In the Matter of Residential Credit Solutions, Inc. (File No. 2015-CFPB-0019) (consent order entered July 30, 2015)

The CFPB took action against Residential Credit Solutions, Inc. (RCS) for blocking consumers' attempts to save their homes from foreclosure. The mortgage servicer failed to honor modifications for loans transferred from other servicers, treated consumers as if they were in default when they weren't, sent consumers escrow statements falsely claiming they were due a refund, and forced consumers to waive their rights in order to get a repayment plan. The CFPB ordered RCS to pay a $100,000 penalty and $1.5 million in redress to consumers whose loan modifications were delayed or not honored. The order also requires RCS to honor loan modifications with prior servicers, end all mortgage servicing violations, obtain detailed account level documents from the prior servicers, create a home preservation program, and put in place other reforms.

In the Matter of: LoanCare, LLC. (File No. 2015-CFPB-0018) (consent order entered July 28, 2015)

The CFPB found that LoanCare, LLC, a Virginia-based mortgage servicing company, violated the CFPA by falsely claiming that consumers would experience greater interest savings under the Equity Accelerator Program through more frequent mortgage payments. In fact, the Program did not result in more frequent payments. LoanCare paid a $100,000 penalty.

In the Matter of: Paymap, Inc. (File No. 2015-CFPB-0017) (consent order entered July 28, 2015)

The Bureau found that Paymap, Inc., a Colorado-based payment processing company, violated the CFPA by falsely claiming that consumers would experience greater interest savings under the Equity Accelerator Program through more frequent mortgage payments. However, the Program did not result in more frequent payments. Paymap also falsely claimed that a typical consumer saved thousands of dollars using the program when that was not true. In fact, a tiny fraction, if any, of consumers achieved this level of interest savings. Paymap was required to return $33.4 million to consumers, which represents all fees paid by every consumer who enrolled in the Equity Accelerator Program since July 21, 2011, approximately 125,000 consumers. Paymap also paid a $5 million penalty.

Consumer Financial Protection Bureau v. Gordon, et al. (C.D. Cal. No. 12-cv-06147) (stipulated judgment and order entered against various defendants on February 1, 2013; order granting the Bureau's motion for summary judgment against other defendants entered June 26, 2013; notice of appeal filed August 23, 2013)

This action involves a nationwide mortgage relief scheme in which the CFPB alleged that the defendants took advantage of financially distressed homeowners by promising to help them obtain loan modifications and charging them advance fees ranging from $2,500 to $4,500. On February 1, 2013, the court entered a stipulated final judgment and order for permanent injunction as to defendants Abraham Michael Pessar, Division One Investment and Loan, Inc., and Processing Division, LLC. On June 26, 2013, the court granted summary judgment in favor of the CFPB against defendants Chance Edward Gordon and the Gordon Law Firm, P.C., finding that those defendants violated the Dodd-Frank Act by falsely representing: (1) that consumers would obtain mortgage loan modifications that substantially reduced consumers' mortgage payments or interest rates and (2) that defendants were affiliated with, endorsed by, or approved by the U.S. government, among other things. The Court also found that Gordon violated Regulation O by receiving up-front payments, failing to make required disclosures, wrongly directing consumers not to contact lenders, and misrepresenting material aspects of defendants' services. The court awarded an $11,403,338.63 judgment for equitable monetary relief against Gordon. The United States Court of Appeals for the Ninth Circuit held oral argument in the appeal in October 2015, and the case remained pending as of the close of the reporting period.[42]

Consumer Financial Protection Bureau v. Borders & Borders, PLC, et al. (W.D. Ky. No. 3:13-cv-01047-JGH) (complaint filed October 24, 2013)

The CFPB filed a complaint alleging that Borders & Borders, a real estate closing law firm, had set up joint ventures with local real estate and mortgage brokers for the purpose of funneling

[42] The U.S. Court of Appeals for the Ninth Circuit affirmed the grant of summary judgment against Gordon on April 14, 2016 and remanded for the court to consider whether the monetary judgment amount should be reduced. While outside the reporting period, the information became available prior to publication.

kickbacks to those brokers in exchange for referrals to Borders & Borders. The complaint seeks injunctive and other equitable relief. On February 12, 2015, the Court denied the defendants' motion for judgment on the pleadings.

Consumer Financial Protection Bureau v. Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (File No. 2015-CFPB-0016) (consent order filed entered July 22, 2015)

The CFPB took action against Discover Bank, The Student Loan Corporation, and Discover Products, Inc. (Discover) for unfair and deceptive acts and practices related to the failure to furnish clear information regarding the student-loan interest consumers paid, unfair practices related to initiating collection calls at inconvenient times, deceptive acts and practices related to overstating the amounts due in billing statements, and violations of the FDCPA related to collection activities on acquired student loans. Discover was ordered to pay a $2.5 million civil money penalty for these violations and to pay up to $16 million in redress to consumers affected by these practices.

In the Matter of: Citibank, N.A., et al. (File No. 2015-CFPB-0015) (consent order entered July 21, 2015)

In a joint action with the OCC, the CFPB ordered Citibank, N.A. and its subsidiaries Department Stores National Bank and Citicorp Credit Services, Inc. (USA) (collectively, Citibank) to provide an estimated $700 million in relief to consumers. The Bureau found Citibank marketed and enrolled consumers in several debt protection add-on products, as well as credit monitoring, credit report retrieval services, and wallet protection services and that Citibank or its service providers engaged in deceptive marketing of these add-ons products. Citibank or its vendors also billed for these products even though it could not provide the promised services. When collecting payments on certain credit card accounts, Department Stores National Bank and its service provider misrepresented the fees charged or failed to disclose no-cost payment alternatives. The CFPB ordered Citibank to pay a $35 million penalty.

In the Matter of American Honda Finance Corporation (File No. 2015-CFPB-0014) (consent order entered July 14, 2015)

After a joint investigation, on July 14, 2015, the CFPB and DOJ announced a settlement with American Honda Finance Corporation to provide $24 million in relief to consumers harmed by discriminatory auto lending practices. The Bureau found that Honda charged African-American,

Hispanic, and Asian and Pacific Islander consumers more in dealer markup for auto loans than similarly-situated non-Hispanic White consumers based on race and national origin in violation of ECOA. Going forward, Honda is required to reduce dealer discretion to markup the interest rate to only 1.25% above the buy rate for auto loans with terms of five years or less, and 1% for auto loans with longer terms, or to eliminate discretionary markup all together. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

In the Matter of: Chase Bank, USA N.A. and Chase Bankcard Services, Inc. (File No. 2015-CFPB-0013) (consent order entered July 8, 2015)

The Bureau found that Chase violated the CFPA's prohibition on deceptive and unfair acts and practices when selling delinquent credit card accounts. Chase sold erroneous and unenforceable charged-off credit card accounts to debt buyers. These debts sometimes overstated the amount owed, were not actually owed by the borrower named, or could not be lawfully enforced. The Bureau also found that Chase filed sworn documents that were not executed or notarized lawfully, that contained inaccurate amounts, or were not based on the direct knowledge of the signer. The Bureau ordered Chase to pay $50 million in restitution to consumers and a $30 million civil penalty. Chase has also agreed that it will not collect on or sell over 500,000 credit card accounts, and that it will reform its practices, including by prohibiting its debt buyers from reselling the debts they purchase from Chase. The Bureau was joined by 48 state attorneys general who filed similar orders simultaneously, and the OCC, who announced a civil penalty.

Consumer Financial Protection Bureau v. NDG Financial Corp., et al. (S.D.N.Y. No. 15-cv-5211) (complaint filed July 6, 2015)

The CFPB filed a complaint against the NDG Financial Corporation and nine of its affiliates for engaging in unfair, deceptive, and abusive practices relating to its payday lending enterprise. The complaint alleges that the enterprise, which has companies located in Canada and Malta, originated, serviced, and collected payday loans that were void under state law, represented that U.S. federal and state laws did not apply to the Defendants or the payday loans, and used unfair and deceptive tactics to secure repayment, all in violation of the Dodd-Frank Act.

Consumer Financial Protection Bureau v. Intersections Inc. (E.D. Va. No. 1:15-cv-835) (stipulated final judgment and order entered on July 1, 2015)

The CFPB took action against Intersections Inc. for unfair acts and practices that violated the CFPA. Intersections provided credit monitoring and identify theft products to consumers

primarily through relationships with large depository institutions. Intersections authorized the billing of consumers during times when the company knew that those consumers were not receiving all, or in some cases any, of the benefits of the credit monitoring service. The majority of the consumer harm had already been remediated through prior Bureau actions against the depository institutions. The Intersections order requires the company to provide remediation to the remaining consumers, totaling approximately $55,000, and to pay a civil money penalty of $1.2 million.

Consumer Financial Protection Bureau v. Affinion Group Holdings, Inc. et al. (D. Conn. No. 5:15-cv-01005) (proposed stipulated final judgment filed July 1, 2015, stipulated final judgment and consent order entered October 27, 2015)

On July 1, 2015, in the U.S. District Court for the District of Connecticut, the CFPB filed a lawsuit and proposed settlement with Affinion Group Holdings, Inc. and its affiliated companies (collectively, Affinion) for violating the CFPA's prohibitions against unfair and deceptive acts or practices. Affinion advertised, sold, and delivered identity theft and credit monitoring products as add-ons to consumer credit card accounts by establishing marketing and service agreements with banks. The complaint alleged that Affinion enrolled consumers in add-on products that claimed to provide consumers with benefits but that Affinion or its partner banks billed full product fees to at least 73,000 accounts while failing to provide the full promised services. The complaint also alleged that during customer retention calls, some Affinion employees misled consumers about product benefits. On October 27, 2015, the Court entered the stipulated final judgment and order. That order required Affinion to pay an estimated $6.8 million in restitution and imposed $1.9 million in civil money penalties, and required Affinion to end its unfair billing and barred Affinion from engaging in telephone-based retention for certain products.

Consumer Financial Protection Bureau v. Cellco Partnership d/b/a Verizon Wireless (D.N. J. No. 3:15-cv-03268)(consent order entered June 9, 2015); Consumer ***Financial Protection Bureau v. Sprint Corporation*** (S.D.N.Y. No. 14-cv-9931) (consent order entered June 30, 2015)

On May 12, 2015, the Bureau announced settlements with Sprint and Verizon based on lawsuits alleging the wireless companies operated billing systems that allowed third parties to "cram" unauthorized charges on customers' mobile-phone accounts and ignored complaints about the charges. The complaints allege that Sprint and Verizon, as payment processors for third parties, violated the CFPA's prohibition against unfair practices by outsourcing payment processing for

digital purchases to vendors but failing to properly monitor them, thereby allowing vendors unfettered access to cram illegitimate charges onto consumers' wireless bills. As a result, Sprint and Verizon will pay $120 million in redress, clearly and conspicuously disclose third-party charges on wireless bills, obtain consent from consumers prior to third-party billing, improve dispute resolution procedures, and enhance customer-service training programs. The companies will also pay $38 million in fines and penalties to the state attorneys general and the Federal Communications Commission, which joined the Bureau in these actions.

United States of America and Consumer Financial Protection Bureau v. Provident Funding Associates, L.P. (N.D. Cal. 4:14-cv-02373) (consent order entered on June 18, 2015)

On May 28, 2015, the CFPB and the DOJ filed a joint complaint and proposed consent order to address discrimination in Provident Funding's wholesale mortgage business. The court entered the proposed order on June 18, 2015. Based on the agencies' investigation, the complaint alleges that from 2006 to 2011, Provident's discretionary broker compensation policies resulted in mortgage brokers charging approximately 14,000 African-American and Hispanic borrowers higher total broker fees than similarly-situated non-Hispanic White borrowers, on the basis of race and national origin, in violation of ECOA. The consent order requires Provident to pay $9 million to harmed borrowers. Provident will also maintain its current non-discriminatory policies and procedures, including a fair lending training program and broker monitoring program. The violations of ECOA are further discussed in the Fair Lending Enforcement section of this report.

In the Matter of: Syndicated Office Systems, LLC, d/b/a Central Financial Control (File No. 2015-CFPB-0012) (consent order entered June 18, 2015)

The CFPB took action against Syndicated Office Systems, LLC, a medical debt collector, for mishandling consumer credit reporting disputes and preventing consumers from exercising important debt collection rights. The Bureau found that the company failed to: (1) investigate and respond to more than 13,000 consumer credit reporting disputes within the 30-day timeframe required by FCRA; and (2) send a "debt validation notice" to more than 10,000 consumers, as required by the FDCPA. Under the terms of the consent order, the company is required to provide over $5.4 million in total relief to harmed consumers and pay a $500,000 civil penalty.

Consumer Financial Protection Bureau v. Security National Automotive Acceptance Company, LLC (S.D. OH. No. 1:15-cv-401) (complaint filed June 17, 2015, administrative consent order entered October 28, 2015, federal district court order entered October 26, 2015)

The Bureau settled its lawsuit against Security National Automotive Acceptance Company, LLC, (SNAAC) an Ohio auto lender, addressing its collection of debt from servicemembers throughout the United States. The Bureau's order requires the company to refund or credit about $2.28 million to servicemembers and other consumers who were allegedly harmed, and pay a penalty of $1 million. A separate court order bans SNAAC from using aggressive tactics, such as exaggeration, deception, and threats to contact commanding officers, to coerce servicemembers into making payments.

Consumer Financial Protection Bureau v. RPM Mortgage, Inc. and Erwin Robert Hirt (N.D. Cal. No. 4:15-cv-02475) (stipulated final judgement and order entered on June 9, 2015)

The CFPB brought an enforcement action against RPM Mortgage, Inc., a California mortgage lender, and its CEO, Erwin Robert Hirt, for providing RPM's loan officers with compensation that was derived in part from the interest rates of the loans they closed. The CFPB found that RPM paid or financed millions of dollars in unlawful bonuses, pricing concessions, and supplemental commissions to loan officers that were based on loan interest rates, which violates the FRB's Loan Originator Compensation Rule. For his role in managing the design and implementation of RPM's illegal compensation plan, Hirt was liable as a "related person." In addition to injunctive relief prohibiting the unlawful practices, RPM and Hirt were ordered to jointly pay $18 million in redress and each defendant was ordered to pay a $1 million penalty.

Consumer Financial Protection Bureau v. Guarantee Mortgage Corporation (File No. 2015-CFPB-0011) (consent order entered June 5, 2015)

The CFPB took action against Guarantee Mortgage Corporation for paying loan originators in part based on the interest rates charged on loans they had originated, in violation of the Federal Reserve Board's Loan Originator Compensation Rule. Guarantee Mortgage Corporation was ordered to pay $228,000 in civil penalties and prohibited from paying compensation in a manner that would violate the Loan Originator Compensation Rule.

Consumer Financial Protection Bureau & the State of Florida v. Harper, et al. (S.D. Fla. No. 9:14-cv-80931 JIC) (final judgment entered on May 28, 2015)

The CFPB, jointly with the Florida Attorney General, alleged that defendants took advantage of financially distressed homeowners in violation of Regulation O. Under the name of the Hoffman Law Group, the defendants promised homeowners that, in exchange for fees, they would include the homeowners as plaintiffs in mass-joinder lawsuits against their lenders and servicers to obtain mortgage modifications or foreclosure relief. The defendants rarely, if ever, obtained meaningful mortgage assistance relief for the consumers. The court issued a temporary restraining order on July 16, 2014, halting the defendants' business practices, placing the corporate defendants into receivership, and freezing the defendants' assets. On September 12, 2014, the clerk entered default against the five corporate defendants who had failed to appear, and entered orders adopting the stipulated preliminary injunctions on September 15, 2014 and September 23, 2014, as to the three remaining individual defendants. On May 28, 2015, the U.S District Court for the Southern District of Florida found the corporate defendants liable for $11,730,579 and ordered them to pay a $10 million civil penalty, in addition to penalties to the State of Florida.

Consumer Financial Protection Bureau v. PayPal, Inc., and Bill Me Later, Inc. (D. Md. No. 1:15-cv-01426) (stipulated final judgment and order entered on May 21, 2015)

The CFPB took action against PayPal and Bill Me Later (collectively PayPal) for violations of the CFPA related to the companies' online credit product once called Bill Me Later and now called PayPal Credit. The CFPB alleged that PayPal deceptively advertised promotional benefits that it failed to honor, signed consumers up for credit without their permission, made them use PayPal Credit instead of their preferred payment method, charged deferred interest in a way that took unreasonable advantage of consumers, failed to post payments in a timely manner, and mishandled billing disputes. The CFPB alleged that this conduct violated the CFPA's prohibitions against unfair, deceptive, and abusive acts and practices. In addition to injunctive relief prohibiting the unlawful practices and requiring PayPal to make specific changes to improve its practices, the order requires PayPal to pay $15 million in consumer redress and a $10 million penalty.

Consumer Financial Protection Bureau v. Nationwide Biweekly Administration, Inc., et al. (N.D. Cal. No. 3:15-cv-2106) (complaint filed May 11, 2015)

The CFPB sued Nationwide Biweekly Administration, Inc., Loan Payment Administration LLC,

and Daniel S. Lipsky. The complaint alleges that Defendants' marketing and administration of Nationwide's "Interest Minimizer" program violates the CFPA's prohibition against deceptive and abusive acts or practices and the TSR. In particular, it alleges Nationwide and Lipsky guarantee that consumers will save money on their mortgages when they know that a substantial majority of consumers will never save anything. The complaint also alleges that Defendants misrepresent the interest savings consumers will achieve through their program and misleads consumers about the cost of the program. The complaint seeks a permanent injunction, consumer redress, and civil penalties.

Consumer Financial Protection Bureau and Consumer Protection Division, Office of the Attorney General of Maryland v. Genuine Title, LLC, Brandon Glickstein, Gary Klopp, Adam Mandelberg, William J. Peterson, III, Angela Pobletts, Jay Zukerberg, All County Settlements, LLC, BTS Management and Consulting, LLC, Carroll Abstracts, Inc., Marc LLC, and R&R Marketing Group, LLC (D. Md. No. 1:15-cv-01235-JFM) (complaint filed April 29, 2015; stipulated final judgments and orders entered May 5, 2015)

The CFPB and the State of Maryland filed a lawsuit in federal court against a title company, its principals, and several loan officers and their affiliated companies for violating RESPA and the CFPA. The complaint alleged that the title company and its principals provided cash or marketing services in exchange for the referral of settlement work. On May 5, 2015, the Court approved settlements with 10 of the 13 defendants. On November 16, 2015, the Bureau resolved claims against the remaining defendants. Under the settlements, the title company and its two principals are limited from participation in the mortgage industry for five years, three loan officers and four affiliated companies are limited from participation in the mortgage industry for two years, and the defendants will pay redress in the amount of $562, 500 and penalties in the amount of $175,000.

In re: International Land Consultants, Inc., Rocco Toscano, Joseph Mazzucco, James Vincent, and James Tague (No. 2015-CFPB-0010) (consent order entered May 1, 2015)

The CFPB resolved an enforcement action against International Land Consultants, Inc.; Rocco Toscano; Joseph Mazzucco; James Vincent; and James Tague. The CFPB found that the respondents made misrepresentations to consumers related to the roads in a property development in Tennessee, in violation of the Interstate Land Sales Act. The respondents

misrepresented in marketing materials and Housing and Urban Development-registered Property Reports that they would maintain the roads until they were accepted by Van Buren County, Tennessee. In fact, the roads were not maintained, and were not accepted by the county. The consent order in the matter requires the respondents to repair certain roads in the development to the CFPB's satisfaction, and consistent with an engineering report prepared by an independent consultant.

In the Matter of: Regions Bank (File No. 2015-CFPB-009) (consent order entered April 28, 2015)

Regulation E prohibits depository institutions from charging overdraft fees on certain transactions without first obtaining consumers' opt-in. In violation of that provision, Regions Bank failed to obtain opt-ins from certain of its customers before charging them fees. The Bank also charged overdraft fees in connection with its deposit advance credit product when it had represented in disclosures to consumers that it would not do so. The CFPB ordered Regions to refund consumers charged illegal overdraft fees. Regions had voluntarily begun to redress consumers and, under the order, it will continue to pay redress, which will total approximately $49 million. Regions will also pay a $7.5 million penalty for violations of both Regulation E and the CFPA's prohibition against deceptive conduct.

Consumer Financial Protection Bureau v. Green Tree Servicing, LLC (D. Minn. No. 0:15-cv-02064-SRN-JSM) (stipulated order for permanent injunction entered April 23, 2015)

The CFPB, accompanied by the FTC, obtained a Stipulated Order for Permanent Injunction requiring the mortgage servicer Green Tree Servicing LLC, to pay a $15 million penalty and $48 million in redress to consumers whose loan modifications were not honored, who had their short sales decisions delayed because of Green Tree's poor servicing, or who were deceptively charged convenience fees when paying their mortgage. The order also requires Green Tree to honor loan modifications with prior servicers; obtain detailed account level documents from the prior servicers; create a home preservation program; and put in place other reforms. Green Tree's mortgage servicing practices violated the CFPA's prohibitions again unfair and deceptive practices, as well as the FDCPA, FCRA, and RESPA.

***Consumer Financial Protection Bureau v. Fort Knox National Company and Military Assistance Company*, LLC** (File No. 2015-CFPB-008) (consent order entered April 20, 2015)

The CFPB took action against Fort Knox National Company and Military Assistance Company, a processor of military allotments, for charging servicemembers fees without adequate disclosures. The CFPA found that their failure adequately to disclose fees to servicemembers constituted unfair, deceptive, and abusive acts and practices in violation of the CFPA. Fort Knox National Company and Military Assistance Company were ordered to pay $3.1 million in redress to affected servicemembers and required them clearly to disclose consumer fees in their payment processing businesses.

Consumer Financial Protection Bureau and Navajo Nation v. S/W Tax Loans, Inc. formerly d/b/a/ Fast Refund Loans, J Thomas Development, Inc. formerly d/b/a H&R Block, Dennis R. Gonzales, and Jeffrey Scott Thomas (D. N.M. No. 1:15-cv-00299) (stipulated final judgment and order entered April 16, 2015)

The CFPB and the Navajo Nation filed a lawsuit in federal court against a tax preparation firm, an affiliated tax refund anticipation loan company, and their principals for violating the CFPA and Regulation Z. The complaint alleged that the tax preparation company steered consumers to the loan company for refund anticipation loans without disclosing that the principal of the firm and the tax company stood to gain financially from each loan the consumers received. In addition, the complaint alleged that the tax refund loan company provided inaccurate APR disclosures for numerous tax loans and extended additional high-cost refund anticipation loans to consumers without disclosing that the consumers' tax refunds had been received by the company and would be available shortly. On April 16, 2015, the Court approved a settlement permanently barring the corporate defendants from offering refund anticipation loans and imposing the same bar on the individual defendants for five years, as well as providing for $254,000 in consumer redress (on top of $184,000 in refunds that Southwest had already provided consumers) and $438,000 in penalties.

In the matter of RMK Financial, Corp. (File No. 2015-CFPB-0007) (consent order entered April 9, 2015)

The CFPB took action against RMK Financial Corporation for deceptive mortgage advertising practices and failure to comply with the disclosure requirements for variable-rate mortgage products. The CFPB found that RMK Financial made material misrepresentations in its

advertisements that improperly suggested that RMK Financial was, or was affiliated with, a United States government entity, or that the advertised mortgage credit products were endorsed or sponsored by a government program. In addition, RMK Financial's ads contained misrepresentations about the loans' interest rates and estimated monthly payments. RMK Financial was ordered to pay $250,000 in civil money penalties and to comply with applicable federal laws.

Consumer Financial Protection Bureau v. Universal Debt & Payment Solutions, LLC, et al. (N.D.GA No. 1:15-CV-0859) (complaint filed March 26, 2015; preliminary injunction issued April 7, 2015)

On April 7, 2015, the Bureau obtained a preliminary injunction that froze the assets and enjoined unlawful conduct related to a phantom debt collection scheme. The Bureau's suit against a group of seven debt collection agencies, six individual debt collectors, four payment processors, and a telephone marketing service provider, alleges violations of the FDCPA and the CFPA's prohibition on unfair and deceptive acts and practices, and providing substantial assistance to unfair or deceptive conduct. The complaint alleges that the individuals, acting through a network of corporate entities, use threats and harassment to collect "phantom" debt from consumers. Phantom debt is debt consumers do not actually owe or debt that is not payable to those attempting to collect it. Their misconduct was facilitated by the substantial assistance of the payment processors and the telephone service provider. The Bureau is seeking a permanent injunction, redress for consumers, and a monetary penalty.

Consumer Financial Protection Bureau v. All Financial Services, LLC (D. Md. No. 1:15-cv-00420) (complaint filed February 12, 2015; stipulated final judgment and order entered on October 21, 2015)

On February 12, 2015, the Bureau filed a lawsuit against All Financial Services, LLC in federal court. The complaint alleges that All Financial Services, LLC disseminated deceptive and misleading advertisements for mortgage credit products in violation of Regulation N and the deceptive acts and practices prohibition in the CFPA. Additionally, the Bureau alleges that All Financial Services, LLC failed to maintain copies of disseminated advertisements as required by Regulation N. The Bureau sought a monetary penalty and injunctive relief. On October 21, 2015, the Court entered a stipulated final judgment. The judgment imposes a $13,000 civil money penalty, prohibits the company from violating Regulation N and the CFPA and requires the company to implement a compliance plan to ensure that the company's mortgage credit product

advertisements comply with all applicable Federal consumer financial laws.

Consumer Financial Protection Bureau v. Irvine Web Works, Inc., et al. (C.D. Cal. No. 8:14-cv-1967) (complaint filed December 11, 2014; stipulated final judgment and order entered March 15, 2016)

The CFPB filed suit in federal court against Irvine Web Works, Inc., d/b/a Student Loan Processing.US (SLP) and its owner, James Krause (Krause). The complaint alleged that SLP and Krause violated the TSR and CFPA by falsely representing an affiliation with the Department of Education (ED), including through the use of a logo very similar to the ED logo, the claim that the company "work[s] with" ED, and the appearance of SLP's direct mailings. The complaint also alleged that the defendants charged illegal advance fees for their student debt relief services in violation of the TSR, and failed to disclose or misrepresented the cost of their services, in violation of the TSR and CFPA. On March 15, 2016, the court entered a stipulated final judgment and order against SLP and Krause. The order requires SLP to shut down operations within 45 days; immediately stop charging consumers fees; and process necessary paperwork for 30 days after entry of the order for consumers who have upcoming recertification or renewal deadlines relating to income-driven repayment plans. In addition, the order imposes a judgment for $8.2 million, a large portion of which will be suspended based on inability to pay. Accordingly, under the terms of the order, the defendants are ordered to pay $326,000 in consumer redress to the Bureau to be distributed to compensate victims of the defendants' illegal activities. The order also bans Krause and SLP permanently from marketing or providing debt relief and student loan services and imposes a $1 civil monetary penalty.

Consumer Financial Protection Bureau v. Richard F. Moseley, Sr., et al. (W.D. Mo. No. 4:14-cv-00789DW) (complaint filed September 8, 2014; stipulated preliminary injunction entered on October 3, 2014)

The CFPB filed a lawsuit against a confederation of online payday lenders known as the Hydra Group, its principals, and affiliates, alleging that they used a maze of interrelated entities to make unauthorized and otherwise illegal loans to consumers. The CFPB alleged that the defendants' practices violate the CFPA, TILA, and EFTA. On September 9, 2014, a federal court in Kansas City issued an *ex parte* temporary restraining order against the defendants, ordering them to halt lending operations. The court also placed the companies in temporary receivership, granted the appointed receiver and the CFPB immediate access to the defendants' business premises, and froze their assets. On October 3, 2014, the court entered a stipulated preliminary

injunction against the defendants pending final judgment in the case. On February 10, 2016, the U.S. Attorney's Office for the Southern District of New York announced criminal charges against Richard F. Moseley, Sr. concerning the same online payday lending enterprise. On March 4, 2016, the judge in the CFPB's case against the Hydra Group stayed the civil proceeding until resolution of the criminal case against Richard F. Moseley, Sr.

Consumer Financial Protection Bureau v. Corinthian Colleges, et al. (N.D. Ill. No. 1:14-cv-07194) (complaint filed September 16, 2014; final judgment entered on October 27, 2015)

On September 16, 2014, the CFPB filed a lawsuit against Corinthian Colleges, Inc. in federal court. The complaint alleges that Corinthian induced students to take private student loans by deceptively describing the job and career prospects of its graduates as well as Corinthian's career services, and by misrepresenting its job placement rates. Corinthian also engaged in aggressive debt collection practices in violation of the CFPA and the FDCPA. On October 27, 2015, the court entered a final default judgment against Corinthian Colleges, Inc. The court determined that Corinthian was liable for more than $530 million in consumer redress and prohibited the company from engaging in future misconduct. Partial relief for borrowers was provided in February 2015 when the CFPB and the U.S. Department of Education announced more than $480 million in forgiveness for a large portion of Corinthian's high-cost private student loans.

Consumer Financial Protection Bureau v. Frederick J. Hanna & Associates, P.C., et al. (N.D. Ga. No. 1:14-cv-2211-AT) (complaint filed July 14, 2014; final judgment entered on January 6, 2016)

In January, the court entered a consent order to resolve a lawsuit that the CFPB filed in 2014 against Frederick J. Hanna & Associates. The Bureau alleged that the Georgia-based law firm and its three principal partners operated an illegal debt collection lawsuit mill. More specifically, the Bureau's lawsuit alleged that the defendants relied on deceptive court filings and faulty evidence to churn out those lawsuits.

The consent order bars the firm and its principal partners from illegal debt-collection practices, like filing lawsuits without being able to verify the consumers' debt and intimidating consumers with deceptive court filings. Furthermore, the order requires the firm and its principals to pay a $3.1 million civil penalty. The order follows an earlier order issued in July 2015 that rejected the defendants' motion to dismiss the case. Among other things, that court ruling held that attorneys have an obligation to meaningfully review the facts of a lawsuit before filing it and that

the CFPB has the authority to take action against attorneys engaged in illegal consumer debt-collection practices.

Consumer Financial Protection Bureau v. CashCall, Inc., et al. (C.D.Cal. File CV 15-7522-JFW) (complaint filed December 16, 2013 in D. Mass. No. 1:13-cv-13167)

In 2013, the Bureau filed a lawsuit against online loan servicer, CashCall Inc., its owner, a subsidiary, and an affiliate, for collecting money consumers do not owe, because the underlying loans were void under state lending or licensing laws. In December 2015, the court denied the defendants' motion to dismiss, holding that a CFPA claim could be predicated on the defendants' taking and demanding payment for amounts that consumers do not actually owe under the governing state laws and that the CFPA prohibition against establishing a usury cap does not prevent the CFPB from seeking to enforce the UDAAP prohibition on collecting void debts. This action is still pending.

Consumer Financial Protection Bureau v. Morgan Drexen and Walter Ledda (C.D. Cal File SACV13-01267 JLS) (complaint filed August 20,2013, stipulated final judgment and consent order against Ledda entered on October 19, 2015; final judgment entered against Morgan Drexen on March 16, 2016)

In March, the court entered a final judgment resolving a lawsuit that the Bureau filed in 2013 against Morgan Drexen. The Bureau alleged that the company violated the CFPA and the TSR by charging illegal upfront fees for debt-relief services and making misrepresentations in advertisements. The court found that the company violated federal law, prohibited Morgan Drexen from collecting any further fees from its customers, and ordered it to pay more than $132 million in restitution and a $40 million civil penalty. This decision follows a stipulated final judgment against Morgan Drexen's president and chief executive officer, Walter Ledda, which the court approved in October. The court found that Ledda violated federal law, banned him from providing debt relief services, and required him to pay restitution and a civil money penalty.

7. Fair lending

As part of its mandate, the CFPB's Office of Fair Lending (Fair Lending) is charged with "providing oversight and enforcement of Federal laws intended to ensure the fair, equitable, and nondiscriminatory access to credit for both individuals and communities" that are enforced by the CFPB, including ECOA and HMDA.[43] This part of Fair Lending's mandate is accomplished primarily through fair lending supervision and enforcement work. Interagency coordination[44] and outreach to industry groups and fair lending, civil rights, consumer and community advocates[45] are also important elements of our mandate. The Bureau recently published its spring 2016 fair lending report to Congress[46] on the efforts of the Bureau and the fulfillment of our fair lending mandate. This report of the CFPB[47] provides an overview of the Bureau's risk-based fair lending prioritization process; supervision tools; recent public enforcement actions; interagency coordination efforts and reporting; and outreach activities during calendar year 2015. In this Semi-Annual Report update, we focus on highlights from our fair lending supervision and enforcement activities, and continued efforts in interagency coordination and

[43] Dodd-Frank Act, § 1013(c)(2)(A).

[44] Dodd-Frank Act, §1013(c)(2)(B).

[45] Dodd-Frank Act, §1013(c)(2)(C).

[46] Dodd-Frank Act, § 1013(c)(2)(D).

[47] See Consumer Financial Protection Bureau, Fair Lending Report of the Consumer Financial Protection Bureau (Apr. 29, 2016), available at http://files.consumerfinance.gov/f/documents/201604_cfpb_Fair_Lending_Report_Final.pdf. While outside the timeframe of this reporting period, it was available as of publication, and so is included here.

outreach.

7.1 Fair lending supervision and enforcement

7.1.1 Fair lending supervision

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 Bureau has supervisory authority. Supervision activities range from assessments of the institutions' fair lending compliance management systems to in-depth reviews of products or activities that may pose heightened fair lending risks to consumers. As part of its Fair Lending Supervision program, the Bureau continues to conduct three types of fair lending reviews at Bureau-supervised institutions: ECOA baseline reviews, ECOA targeted reviews, and HMDA data integrity reviews. The Bureau's supervisory work has focused on the areas of mortgage, auto lending, credit cards, and small business lending, but has included other product areas as well.

In conducting reviews, CFPB examination teams have observed violations of ECOA and HMDA, as well as various factors that indicate heightened fair lending risk, including:

- Weak or nonexistent fair lending compliance management systems;
- Underwriting and pricing policies that consider prohibited bases in a manner that violates ECOA or presents a fair lending risk;
- Discretionary policies without sufficient controls or monitoring to prevent discrimination;
- Inaccurate HMDA data; and
- Noncompliance with Regulation B's adverse action notification requirements.

When the CFPB identifies situations in which fair lending compliance is inadequate, it directs institutions to establish fair lending compliance programs commensurate with the size and complexity of the institution and its lines of business. If fair lending violations have occurred, the CFPB will require remediation and restitution to consumers, and may pursue other

appropriate relief.

Although the Bureau's supervisory activity is confidential, the Bureau publishes regular reports on its website called *Supervisory Highlights*. These reports provide information to all market participants on supervisory trends the Bureau observes as well as information on public enforcement matters that arise from supervisory reviews. The Fall 2015 edition of *Supervisory Highlights*[48] detailed one aspect of the Bureau's supervisory work in ECOA targeted mortgage reviews, by describing the Bureau's methodologies used to evaluate underwriting disparities and providing guidance to institutions on managing fair lending risks in underwriting. The Winter 2016 edition of *Supervisory Highlights*[49] shared updates to past fair lending settlements reached by the Bureau, and described recent public enforcement actions that resulted from or were supported by the Bureau's supervisory activity, including two from fair lending.

On October 30, 2015, the CFPB published an update to the ECOA Baseline Review Modules, which are part of the CFPB Supervision and Examination Manual. Examination teams use the ECOA Baseline Review Modules to conduct ECOA Baseline Reviews, which evaluate how well institutions' compliance management systems identify and manage fair lending risks. The fifth module, "Fair Lending Risks Related to Models," is a new addition that examiners will use to review empirical models that supervised financial institutions may use.

When using the modules to conduct an ECOA Baseline Review, CFPB examination teams review an institution's fair lending supervisory history, including any history of fair lending risks or violations previously identified by the CFPB or any other federal or state regulator. Examination teams collect and evaluate information about an entity's fair lending compliance program, including board of director and management participation, policies and procedures, training materials, internal controls and monitoring and corrective action. In addition to responses obtained pursuant to information requests, examination teams may also review other sources of

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[48] Consumer Financial Protection Bureau, *Supervisory Highlights Fall 2015* at 27 (November 3, 2015), *available at* http://files.consumerfinance.gov/f/201510_cfpb_supervisory-highlights.pdf.

[49] Consumer Financial Protection Bureau, *Supervisory Highlights Winter 2016* at 19 (March 8, 2016), *available at* http://files.consumerfinance.gov/f/201603_cfpb_supervisory-highlights.pdf.

information, including any publicly-available information about the entity as well as information obtained through interviews with institution staff or supervisory meetings with an institution.

The updated ECOA Baseline Review Modules and the CFPB Supervision and Examination Manual can be found on the Bureau's website at www.consumerfinance.gov.

7.1.2 Fair lending enforcement[50]

The CFPB has the authority to bring enforcement actions pursuant to HMDA and ECOA. Specifically, the CFPB has the authority to engage in research, conduct investigations, file administrative complaints, and 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 court alleging violations of fair lending laws under the CFPB's jurisdiction. Like other Federal bank regulators, the CFPB also is required to refer matters to the DOJ when it has reason to believe that a creditor has engaged in a pattern or practice of lending discrimination. Over the past year, the CFPB announced five fair lending public enforcement actions--two involving mortgages and three involving auto lending. The Bureau has also made significant progress in administration of prior fair lending enforcement actions.

Mortgage

HUDSON CITY SAVINGS BANK

On September 24, 2015, the CFPB and the DOJ filed a joint complaint against Hudson City Savings Bank (Hudson City) alleging discriminatory redlining practices in mortgage lending and a proposed consent order to resolve the complaint.[51] The complaint alleges that from at least

[50] Section 1016(c)(5) of the Dodd-Frank Act requires the Bureau to include in the semi-annual report public enforcement actions the Bureau was a party to during the preceding year, which is April 1, 2015 through March 31, 2016, for this report.

[51] *Consumer Financial Protection Bureau v. Hudson City Savings Bank, F.S.B.*, No. 2:15-cv-07056-CCC-JBC (D.N.J. Sept. 24, 2015) (complaint), *available at* http://files.consumerfinance.gov/f/201509_cfpb_hudson-city-joint-

2009 to 2013 Hudson City illegally redlined by providing unequal access to credit to neighborhoods in New York, New Jersey, Connecticut, and Pennsylvania. Specifically, Hudson City structured its business to avoid and thereby discourage residents in majority-Black-and-Hispanic neighborhoods[52] from accessing mortgages. The consent order requires Hudson City to pay $25 million in direct loan subsidies to qualified borrowers in the affected communities, $2.25 million in community programs and outreach, and a $5.5 million penalty. This represents the largest redlining settlement in history as measured by such direct subsidies. On October 30, 2015, Hudson City was acquired by M&T Bank Corporation, and Hudson City was merged into Manufacturers Banking and Trust Company (M&T Bank), with M&T Bank as the surviving institution. As the successor to Hudson City, M&T Bank is responsible for carrying out the terms of the Consent Order.

Hudson City was a federally-chartered savings association with 135 branches and assets of $35.4 billion and focused its lending on the origination and purchase of mortgage loans secured by single-family properties. According to the complaint, Hudson City illegally avoided and thereby discouraged consumers in majority-Black-and-Hispanic neighborhoods from applying for credit by:

- Placing branches and loan officers principally outside of majority-Black-and-Hispanic communities;
- Selecting mortgage brokers that were mostly located outside of, and did not effectively serve, majority-Black-and-Hispanic communities;
- Focusing its limited marketing in neighborhoods with relatively few Black and Hispanic residents; and
- Excluding majority-Black-and-Hispanic neighborhoods from its credit assessment areas.

complaint.pdf, and in Section 6.2 above, Enforcement actions, for more information.

[52] "Majority-Black-and-Hispanic neighborhoods" or "majority-Black-and-Hispanic communities" means census tracts in which more than 50 percent of the residents are identified in the 2010 U.S. Census as either "Black or African American" or "Hispanic or Latino."

The consent order which was entered by the court on November 4, 2015,[53] requires Hudson City to pay $25 million to a loan subsidy program that will offer residents in majority-Black-and-Hispanic neighborhoods in New Jersey, New York, Connecticut, and Pennsylvania mortgage loans on a more affordable basis than otherwise available from Hudson City; spend $1 million on targeted advertising and outreach to generate applications for mortgage loans from qualified residents in the affected majority-Black-and-Hispanic neighborhoods; spend $750,000 on local partnerships with community-based or governmental organizations that provide assistance to residents in majority-Black-and-Hispanic neighborhoods; and spend $500,000 on consumer education, including credit counseling and financial literacy. In addition to the monetary requirements, the decree orders Hudson City to open two full-service branches in majority-Black-and-Hispanic communities, expand its assessment areas to include majority-Black-and-Hispanic communities, assess the credit needs of majority-Black-and-Hispanic communities, and develop a fair lending compliance and training program.

PROVIDENT FUNDING ASSOCIATES

On May 28, 2015, the CFPB and the DOJ filed a joint complaint against Provident Funding Associates (Provident) alleging discrimination in mortgage lending, along with a proposed order to settle the complaint.[54] The complaint alleges that from 2006 to 2011, Provident discriminated in violation of ECOA by charging over 14,000 African-American and Hispanic borrowers more in brokers' fees than similarly-situated non-Hispanic White borrowers on the basis of race and national origin. Provident is required under the order to pay $9 million in damages to harmed African-American and Hispanic borrowers.

Provident is headquartered in California and originates mortgage loans through its nationwide

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[53] *Consumer Financial Protection Bureau v. Hudson City Savings Bank, F.S.B.*, No. 2:15-cv-07056-CCC-JBC (D. N.J. Sept. 24, 2015) (consent order), *available at* http://files.consumerfinance.gov/f/201511_cfpb_hudson-city-consent-order.pdf, and in Section 6.2 above, Enforcement actions, for more information.

[54] *United States and Consumer Financial Protection Bureau v. Provident Funding Associates, L.P.*, No. 3:15-cv-023-73 (N.D. Cal. May 28, 2015) (complaint), *available at* http://files.consumerfinance.gov/f/201505_cfpb_complaint-provident-funding-associates.pdf, and in Section 6.2 above, Enforcement actions, for more information.

network of brokers. Between 2006 and 2011, Provident made over 450,000 mortgage loans through its brokers. During this time period, Provident's practice was to set a risk-based interest rate and then allow brokers to charge a higher rate to consumers. Provident would then pay the brokers some of the increased interest revenue from the higher rates – these payments are also known as yield spread premiums. Provident's mortgage brokers also had discretion to charge borrowers higher fees. The fees paid to Provident's brokers were thus made up of these two components: payments by Provident from increased interest revenue and through the direct fees paid by the borrower.

The CFPB and the DOJ alleged that Provident violated ECOA by charging African-American and Hispanic borrowers more in total broker fees than non-Hispanic White borrowers based on their race and national origin and not based on their credit risk. The DOJ also alleged that Provident violated the Fair Housing Act, which also prohibits discrimination in residential mortgage lending. The agencies alleged that Provident's discretionary broker compensation policies caused the differences in total broker fees, and that Provident unlawfully discriminated against African-American and Hispanic borrowers in mortgage pricing. Approximately 14,000 African-American and Hispanic borrowers paid higher total broker fees because of this discrimination.

The consent order, which was entered by the court on June 18, 2015, requires Provident to pay $9 million to harmed borrowers, to pay to hire a settlement administrator to distribute funds to the harmed borrowers identified by the CFPB and the DOJ, and to not discriminate against borrowers in assessing total broker fees.[55] Provident will maintain the non-discretionary broker compensation policies and procedures it implemented in 2014. Provident's current policy does not allow discretion in borrower- or lender-paid broker compensation because individual brokers are unable to charge or collect different amounts of fees from different borrowers on a loan-by-loan basis. The consent order also requires that Provident continue to have in place a fair lending training program and broker monitoring program.

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[55] *United States v. Provident Funding Associates, L.P.*, No. 3:15-cv-02373 (N.D. Cal. June 18, 2015) (consent order), a*vailable at* http://files.consumerfinance.gov/f/201505_cfpb_consent-order-provident-funding-associates.pdf, and in Section 6.2 above, Enforcement actions, for more information.

Provident must hire a settlement administrator to distribute the $9 million to harmed borrowers.

Auto Finance

TOYOTA MOTOR CREDIT CORPORATION

On February 2, 2016, the CFPB resolved an action with Toyota Motor Credit Corporation (Toyota Motor Credit)[56] that requires Toyota Motor Credit to change its pricing and compensation system by substantially reducing or eliminating discretionary markups to minimize the risks of discrimination. On that same date, the DOJ also filed a complaint and proposed consent order in the U.S. District Court for the Central District of California addressing the same conduct. That consent order was entered by the court on February 11, 2016. Toyota Motor Credit's past practices resulted in thousands of African-American and Asian and Pacific Islander borrowers paying higher interest rates than similarly-situated non-Hispanic White borrowers for their auto loans. The consent orders require Toyota Motor Credit to pay up to $21.9 million in restitution to affected borrowers.

Toyota Motor Credit Corporation is the U.S. financing arm of Toyota Financial Services, which is a subsidiary of Toyota Motor Corporation. As of the second quarter of 2015, Toyota Motor Credit was the largest captive auto lender in the United States and the fifth largest auto lender overall. As an indirect auto lender, Toyota Motor Credit sets risk-based interest rates, or "buy rates," that it conveys to auto dealers. Indirect auto lenders like Toyota Motor Credit then allow auto dealers to charge a higher interest rate when they finalize the deal with the consumer. This is typically called "discretionary markup." Markups can generate compensation for dealers while giving them the discretion to charge similarly-situated consumers different rates. Over the time period under review, Toyota Motor Credit permitted dealers to mark up consumers' interest rates as much as 2.5%.

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[56] *In re. Toyota Motor Credit Corporation*, File No. 2016-CFPB-0002 (Feb. 2, 2016) (consent order), *available at* http://files.consumerfinance.gov/f/201602_cfpb_consent-order-toyota-motor-credit-corporation.pdf, and in Section 6.2 above, Enforcement actions, for more information.

The enforcement action was the result of a joint CFPB and DOJ investigation that began in April 2013. The agencies investigated Toyota Motor Credit's indirect auto lending activities' compliance with ECOA. The Bureau found that Toyota Motor Credit violated ECOA by adopting policies that resulted in African-American and Asian and Pacific Islander borrowers paying higher interest rates for their auto loans than non-Hispanic White borrowers as a result of the dealer markups that Toyota Motor Credit permitted and incentivized. Toyota Motor Credit's pricing and compensation structure meant that for the period covered in the order, thousands of African-American borrowers were charged, on average, over $200 more for their auto loans, and thousands of Asian and Pacific Islander borrowers were charged, on average, over $100 more for their auto loans.

The CFPB's administrative action and DOJ's proposed consent order require Toyota Motor Credit to reduce dealer discretion to mark up the interest rate to only 1.25% above the buy rate for auto loans with terms of five years or less, and 1% for auto loans with longer terms, or to move to non-discretionary dealer compensation. Toyota Motor Credit must also to pay $19.9 million in remediation to affected African-American and Asian and Pacific Islander borrowers whose auto loans were financed by Toyota Motor Credit between January 2011 and February 2, 2016. Toyota Motor Credit will pay up to an additional $2 million into the settlement fund to compensate any affected African-American and Asian and Pacific Islander borrowers in the time period between February 2, 2016, and when Toyota Motor Credit implements its new pricing and compensation structure. The Bureau did not assess penalties against Toyota Motor Credit because of its responsible conduct, namely the proactive steps the institution is taking to directly address the fair lending risk of discretionary pricing and compensation systems by substantially reducing or eliminating that discretion altogether. In addition, Toyota Motor Credit must hire a settlement administrator who will contact consumers, distribute the funds, and ensure that affected borrowers receive compensation.

FIFTH THIRD BANK

On September 28, 2015, the CFPB resolved an action with Fifth Third Bank (Fifth Third) that, like Toyota Motor Credit, requires Fifth Third to change its pricing and compensation system by substantially reducing or eliminating discretionary markups to minimize the risks of discrimination. On that same date, the DOJ also filed a complaint and proposed consent order in the U.S. District Court for the Southern District of Ohio addressing the same conduct. That consent order was entered by the court on October 1, 2015. Fifth Third's past practices resulted in thousands of African-American and Hispanic borrowers paying higher interest rates than

similarly-situated non-Hispanic white borrowers for their auto loans. The consent orders require Fifth Third to pay $18 million in restitution to affected borrowers.[57]

As of the second quarter of 2015, Fifth Third was the ninth largest depository auto loan lender in the United States and the seventeenth largest auto loan lender overall. As an indirect auto lender, Fifth Third sets a risk-based interest rate, or "buy rate," that it conveys to auto dealers. Fifth Third then allows auto dealers to charge a higher interest rate when they finalize the transaction with the consumer. As described above, this is typically called "discretionary markup." Markups can generate compensation for dealers while giving them the discretion to charge similarly-situated consumers different rates. Fifth Third's policy permitted dealers to mark up consumers' interest rates as much as 2.5% during the period under review.

From January 2013 through May 2013, the Bureau conducted an examination that reviewed Fifth Third's indirect auto lending business for compliance with ECOA and Regulation B. On March 6, 2015, the Bureau referred the matter to the DOJ. The CFPB found and the DOJ alleged that Fifth Third's indirect lending policies resulted in minority borrowers paying higher discretionary markups, and that Fifth Third violated ECOA by charging African-American and Hispanic borrowers higher discretionary markups for their auto loans than non-Hispanic White borrowers without regard to the creditworthiness of the borrowers. Fifth Third's discriminatory pricing and compensation structure resulted in thousands of minority borrowers paying, on average, over $200 more for their auto loans originated between January 2010 and September 2015.

The CFPB's administrative consent order and the DOJ's consent order require Fifth Third to reduce dealer discretion to mark up the interest rate to a maximum of 1.25% for auto loans with terms of five years or less, and 1% for auto loans with longer terms, or move to non-discretionary dealer compensation. Fifth Third is also required to pay $18 million to affected African-American and Hispanic borrowers whose auto loans were financed by Fifth Third between

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[57] *In re, Fifth Third Bank*, No. 2015-CFPB-0024 (Sept. 28, 2015)(consent order), *available at* http://files.consumerfinance.gov/f/201509_cfpb_consent-order-fifth-third-bank.pdf, and in Section 6.2 above, Enforcement actions, for more information.

January 2010 and September 2015. As in the case of Toyota Motor Credit, the Bureau did not assess penalties against Fifth Third because of the bank's responsible conduct, namely the proactive steps the bank is taking that directly address the fair lending risk of discretionary pricing and compensation systems by substantially reducing or eliminating that discretion altogether. In addition, Fifth Third Bank must hire a settlement administrator who will contact consumers, distribute the funds, and ensure that affected borrowers receive compensation.

AMERICAN HONDA FINANCE CORPORATION

On July 14, 2015, the CFPB resolved an action with American Honda Finance Corporation (Honda) that, like Toyota Motor Credit and Fifth Third Bank, requires Honda to change its pricing and compensation system by substantially reducing or eliminating discretionary markups to minimize the risks of discrimination.[58] On that same date, the DOJ also filed a complaint and proposed consent order in the U.S. District Court for the Central District of California addressing the same conduct. That consent order was entered by the court on July 16, 2015. Honda's past practices resulted in thousands of African-American, Hispanic, and Asian and Pacific Islander borrowers paying higher interest rates than similarly-situated non-Hispanic White borrowers for their auto loans. As part of the enforcement action, Honda is required to pay $24 million in restitution to affected borrowers.

Honda is wholly-owned by American Honda Motor Co., Inc. and as of the first quarter of 2015, Honda was the fourth largest captive auto lender in the United States and the ninth largest auto lender overall. As an indirect auto lender, Honda sets a risk-based interest rate, or "buy rate," that it conveys to auto dealers. Honda then allows auto dealers to charge a higher interest rate when they finalize the transaction with the consumer. As described above, this is typically called "discretionary markup." The discretionary markups can generate compensation for dealers while giving them the discretion to charge similarly-situated consumers different rates. Honda permitted dealers to mark up consumers' risk-based interest rates as much as 2.25% for contracts with terms of five years or less, and 2% for contracts with longer terms.

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[58] *In re, American Honda Finance Corp.*, No. 2015-CFPB-0014 (July 14, 2015) (consent order), *available at* http://files.consumerfinance.gov/f/201507_cfpb_consent-order_honda.pdf, and in Section 6.2 above, Enforcement actions, for more information.

The enforcement action was the result of a joint CFPB and DOJ investigation that began in April 2013. The agencies investigated Honda's indirect auto lending activities' compliance with ECOA. The CFPB found and the DOJ alleged that Honda's indirect lending policies resulted in minority borrowers paying higher discretionary markups and that Honda violated ECOA by charging African-American, Hispanic, and Asian and Pacific Islander borrowers higher discretionary markups for their auto loans than similarly-situated non-Hispanic White borrowers. Honda's discriminatory pricing and compensation structure resulted in thousands of minority borrowers paying, on average, from $150 to over $250 more for their auto loans originated from January 2011 through July 14, 2015.

The CFPB's administrative consent order and the DOJ's consent order require Honda to reduce dealer discretion to mark up the interest rate to a maximum of 1.25% for auto loans with terms of five years or less, and 1% for auto loans with longer terms, or move to non-discretionary dealer compensation. Honda is also required to pay $24 million to affected African-American, Hispanic, and Asian and Pacific Islander borrowers whose auto loans were financed by Honda between January 2011 and July 14, 2015. As in the cases of Toyota Motor Credit and Fifth Third, the Bureau did not assess penalties against Honda because of Honda's responsible conduct, namely the proactive steps the company took to directly address the fair lending risk of discretionary pricing and compensation systems by substantially reducing or eliminating that discretion altogether. In addition, Honda, through American Honda Motor Co., will contact consumers, distribute the funds, and ensure that affected borrowers receive compensation.

Settlement Administration

SYNCHRONY BANK, FORMERLY KNOWN AS GE CAPITAL RETAIL BANK

On June 19, 2014, the CFPB, as part of a joint enforcement action with the DOJ, ordered Synchrony Bank, formerly known as GE Capital, to provide $169 million in relief to about 108,000 borrowers excluded from debt relief offers because of their national origin.[59]

[59] *In re. Synchrony Bank, f/k/a GE Capital Retail Bank*, No. 2014-CFPB-0007 (June 19, 2014) (consent order),

As previously reported, Synchrony Bank had two different promotions that allowed credit card customers with delinquent accounts to address their outstanding balances, one by paying a specific amount to bring their account current in return for a statement credit and another by paying a specific amount in return for waiving the remaining account balance. However, it did not extend these offers to any customers who indicated that they preferred to communicate in Spanish and/or had a mailing address in Puerto Rico, even if the customer met the promotion's qualifications. This practice denied consumers the opportunity to benefit from these promotions on the basis of national origin in direct violation of ECOA. This public enforcement action represented the federal government's largest credit card discrimination settlement in history.

In the course of administering the settlement, Synchrony Bank identified additional consumers who were excluded from these offers and had a mailing address in Puerto Rico or indicated a preference to communicate in Spanish. Synchrony Bank provided a total of approximately $201 million in redress including payments, credits, interest, and debt forgiveness to approximately 133,463 eligible consumers. This amount includes approximately $4 million of additional redress based on its identification of additional eligible consumers. Synchrony completed redress to consumers as of August 8, 2015.

PNC BANK, AS SUCCESSOR TO NATIONAL CITY BANK

As previously reported, on December 23, 2013, the CFPB and the DOJ filed a joint complaint against National City Bank for discrimination in mortgage lending, along with a proposed order to settle the complaint. Specifically, the complaint alleged that National City Bank charged higher prices on mortgage loans to African-American and Hispanic borrowers than similarly-situated non-Hispanic White borrowers between 2002 and 2008. The consent order, which was entered on January 9, 2014 by the U.S. District Court for the Western District of Pennsylvania, required National City's successor, PNC Bank, to pay $35 million in restitution to harmed African-American and Hispanic borrowers. The consent order also required PNC to pay to hire a

available at http://files.consumerfinance.gov/f/201406_cfpb_consent-order_synchrony-bank.pdf.

settlement administrator to distribute funds to victims identified by the CFPB and the DOJ.[60]

In order to carry out the Bureau's and the DOJ's 2013 settlement with PNC, as successor in interest to National City Bank, the Bureau and the DOJ worked closely with the settlement administrator and PNC to distribute $35 million to harmed African-American and Hispanic borrowers. On September 16, 2014, the Bureau published a blog post (available in English[61] and Spanish[62]) announcing the selection of the settlement administrator and providing information on contacting the administrator and submitting settlement forms. Under the supervision of the government agencies, the settlement administrator contacted over 90,000 borrowers who were eligible for compensation and made over 120,000 phone calls in an effort to ensure maximum participation. As of the participation deadline of February 17, 2015, borrowers on approximately 74% of the affected loans responded to participate in the settlement. The settlement administrator mailed checks to participating borrowers totaling $35 million plus accrued interest on May 15, 2015.

ALLY FINANCIAL INC. AND ALLY BANK

On December 19, 2013, the CFPB and the DOJ entered into the federal government's largest auto loan discrimination settlement in history[63] which required Ally Financial Inc. and Ally Bank (Ally) to pay $80 million in damages to harmed African-American, Hispanic, and Asian and Pacific Islander borrowers. The CFPB found and the DOJ alleged that minority borrowers on more than 235,000 auto loans paid higher interest rates than similarly-situated non-

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[60] *Consumer Financial Protection Bureau v. National City Bank*, No. 2:13-cv-01817-CB (W.D. Pa. Jan. 9, 2014) (consent order), *available at* http://files.consumerfinance.gov/f/201312_cfpb_consent_national-city-bank.pdf.

[61] Patrice Ficklin, Consumer Financial Protection Bureau, *National City Bank Settlement Administrator Will Contact Eligible Borrowers Soon* (Sept. 16, 2014), *available at* http://www.consumerfinance.gov/blog/national-city-bank-settlement-administrator-will-contact-eligible-borrowers-soon/.

[62] Patrice Ficklin, Consumer Financial Protection Bureau, *El administrador de negociación del National City Bank pronto se pondrá en contacto con los prestatarios elegibles* (Sept. 16, 2014), *available at* http://www.consumerfinance.gov/blog/el-administrador-de-negociacion-del-national-city-bank-pronto-se-pondra-en-contacto-con-los-prestatarios-elegibles/.

[63] *In re. Ally Financial Inc.*, No. 2013-CFPB-0010 (Dec. 20, 2013) (consent order), *available at* http://files.consumerfinance.gov/f/201312_cfpb_consent-order_ally.pdf.

Hispanic White borrowers between April 2011 and December 2013 because of Ally's discriminatory discretionary markup and compensation system.

Ally hired a settlement administrator to distribute the $80 million in damages to harmed borrowers. On June 15, 2015, the Bureau published a blog post announcing the selection of the settlement administrator and providing information on contacting the administrator and submitting settlement forms.[64] On June 26, 2015, the settlement administrator sent letters to Ally borrowers identified as potentially eligible for remediation from the settlement fund. Consumers had until October 2015 to respond, after which the agencies determined the final distribution amount for each eligible borrower. Following the conclusion of the participation period, Ally's settlement administrator identified approximately 301,000 eligible, participating borrowers and co-borrowers—representing approximately 235,000 loans—who were overcharged as a result of Ally's discriminatory pricing and compensation structure during the relevant time period. On January 29, 2016, the Ally settlement administrator mailed checks totaling $80 million plus accrued interest to harmed borrowers participating in the settlement.[65] In addition to the $80 million in settlement payments for consumers who were overcharged between April 2011 and December 2013, Ally paid roughly $38.9 million to consumers that Ally determined were both eligible and overcharged on auto loans issued during 2014, pursuant to its continuing obligations under the terms of the orders.

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[64] Patrice Ficklin, Consumer Financial Protection Bureau, *Ally Settlement Administrator Will Contact Eligible Borrowers Soon* (June 15, 2015), *available at* http://www.consumerfinance.gov/blog/ally-settlement-administrator-will-contact-eligible-borrowers-soon/.

[65] Patrice Ficklin, Consumer Financial Protection Bureau, *Harmed Ally Borrowers Have Been Sent $80 Million in Damages* (January 29, 2016), *available at* http://www.consumerfinance.gov/blog/harmed-ally-borrowers-have-been-sent-80-million-in-damages/.

Referrals to DOJ

During this reporting period[66] and pursuant to Section 706(g) of ECOA, the CFPB has referred eight matters to the DOJ with regard to:

- Discrimination on the bases of receipt of public assistance income, sex, marital status race, color, and national origin in mortgage lending; and
- Discrimination on the bases of age, receipt of public assistance income, sex, marital status, race, and national origin, in auto finance.

7.2 Interagency fair lending coordination and outreach

7.2.1 Interagency coordination

The Bureau's fair lending activity involves close partnerships and coordination among the Bureau's Federal and state regulatory and enforcement partners. Fair Lending continues to lead the Bureau's fair lending interagency coordination and collaboration efforts by working with partners on the Financial Fraud Enforcement Task Force's Non-Discrimination Working Group, the Interagency Task Force on Fair Lending, the Interagency Working Group on Fair Lending Enforcement, and the FFIEC Subcommittee on HMDA and the Community Reinvestment Act.

7.2.2 Fair lending outreach, speeches, presentations and publications

The CFPB is committed to communicating directly with stakeholders including policymakers; industry; and fair lending, civil rights, consumer and community groups and the public, on its policies, compliance expectations, and priorities. Outreach is accomplished through issuance of

[66] April 1, 2015 – March 31, 2016.

Reports to Congress, Interagency Statements, *Supervisory Highlights*, Compliance Bulletins, and blog posts, as well as through the delivery of correspondence, speeches, and presentations addressing fair lending and access to credit matters.

On October 15, 2015, along with federal partners from the FRB, DOJ, FDIC, OCC, HUD, and NCUA, the Office of Fair Lending staff participated in and presented at the 2015 Federal Interagency Fair Lending Hot Topics webinar. The webinar covered several fair lending topics, including the use of data in evaluating fair lending risk, compliance management, maternity leave discrimination, post-origination risks, and auto lending settlements.

As noted in the Fair Lending Supervision section 7.1.1 above, the Bureau released on November 3, 2015, the Fall 2015 edition of *Supervisory Highlights* that included discussion on fair lending topics including analyzing underwriting practices at financial institutions in ECOA targeted reviews and an update on settlement administration under the Ally Financial Inc. and Ally Bank consent order. On March 8, 2016, the Bureau released the Winter 2016 edition of *Supervisory Highlights* that included updates on past fair lending settlements reached by the Bureau and recent fair lending public enforcement actions resulting from or supported by the Bureau's supervisory work.

CFPB leadership and staff continue to deliver briefings, correspondence, testimony, speeches, panel remarks, webinars, and in-person presentations to diverse audiences, including Members of Congress and staff, industry, bar associations, national and state fair lending and fair housing groups, and community and consumer advocates.

The Bureau looks forward to continued dialogue with these and other stakeholders on important matters related to fair lending and access to credit.

7.3 Home Mortgage Disclosure Act

On October 28, 2015, the Bureau published in the Federal Register a final rule to implement the Dodd-Frank Act amendments to HMDA[67]. The rule also finalizes certain amendments that the Bureau believes are necessary to improve the utility of HMDA data and further the purposes of HMDA. The Bureau believes that implementation of the rule will enhance transparency in the mortgage market. The rule modifies the types of institutions and transactions subject to Regulation C, adds new data reporting requirements and clarifies several existing data reporting requirements, and modifies the processes for reporting and disclosing the required data.

The final rule changes what data financial institutions are required to provide in order to improve the quality of HMDA data in today's housing market. The Dodd-Frank Act mandated that the Bureau update the HMDA regulation by having lenders report specific new information that improves public understanding of market conditions and could help identify emerging risks and potential discriminatory lending practices in the marketplace. This new information includes the property value, term of the loan, and the duration of any teaser or introductory interest rates. Financial institutions will be required to provide more information about mortgage loan underwriting and pricing, such as an applicant's debt-to-income ratio, the interest rate of the loan, and the discount points charged for the loan. This information will enhance the ability to screen for possible fair lending problems.

One of the goals in updating the reporting requirements is to identify opportunities to streamline reporting and make it easier for financial institutions to comply with the law. The final rule retains the existing provisions that ease the burden on small banks and credit unions, and adds a new standardized reporting threshold so that small depository institutions with low loan volume will no longer have to report HMDA data. Additionally, many of the amended requirements align with well-established industry data standards, including definitions that are already in use by a significant portion of the mortgage market.

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[67] 80 Fed. Reg. 66,128 (Oct. 28, 2015), *available at* https://www.gpo.gov/fdsys/pkg/FR-2015-10-28/pdf/2015-26607.pdf.

7.3.1 HMDA data resubmission RFI

In response to comments from industry and other stakeholders, the Bureau is considering modifications to its current HMDA resubmission guidelines. In comments on the Bureau's proposed changes to Regulation C, some stakeholders asked that the Bureau adjust its existing HMDA resubmission guidelines to reflect the expanded data the Bureau will require certain financial institutions to collect, record, and report under the HMDA Rule. Accordingly, on January 12, 2016, the Bureau published in the Federal Register a Request for Information (RFI) asking for public comment on the Bureau's HMDA resubmission guidelines.[68] The 60-day comment period ended on March 14, 2016. As of this report's publication date, the Bureau was reviewing the comments received in response to the RFI.

[68] 81 Fed. Reg. 1,405 (Jan. 12, 2016), *available at* https://www.gpo.gov/fdsys/pkg/FR-2016-01-12/pdf/2016-00442.pdf.

8. Building a great institution: Update

The CFPB seeks to promote transparency, accountability, and fairness. Built on these values, the CFPB is better able to make consumer financial markets work for consumers, honest businesses, and the economy.

8.1 Open government

The Bureau's mission is to be an agency that helps consumer finance work by making rules more effective, by consistently and fairly enforcing the rules, and by empowering consumers to take more control of their economic lives. A critical part of making financial markets work is ensuring transparency in those markets. The CFPB believes that it should hold itself to that same standard and strives to be a leader by being transparent with respect to its own activities. To accomplish this, the Bureau utilizes its website, consumerfinance.gov, as the primary vehicle to share information on the operations and decisions the CFPB undertakes every day.

Recent information posted on our website that illustrates the Bureau's commitment to openness includes:[69]

[69] The open government section of the Bureau's website is consumerfinance.gov/open/, and all documents and pages referenced in this section may be found there.

- **Freedom of Information Act (FOIA)**
  Transparency is at the core of the CFPB's agenda and is an essential part of how the CFPB operates. The public deserves to know what the CFPB is doing and how it is doing it. Earlier this year, the CFPB posted the Annual FOIA Report for 2015 and the Chief FOIA Officer Report for 2016. During this reporting period, the CFPB also published quarterly reports.[70]

- **Leadership Calendars**
  The CFPB remains committed to providing information to the public regarding the daily work of the Bureau's senior leadership by sharing their daily calendars. The Bureau consistently posts the monthly calendars of Director Richard Cordray to its website. The calendars of past leaders Elizabeth Warren, Raj Date, and Steven Antonakes are archived on the Bureau's website for the public to view as well.

- **Procurement Opportunities**
  The Bureau remains committed to publishing its future procurement needs by listing a description of the requirement, forecasted solicitation fiscal year and quarter, and forecasted acquisition method.

- **Procurement Transparency**
  The Bureau's Office of Procurement introduced a Contract Transparency Clause in February 2011 to each of its solicitations and contracts. The clause gives notice to all prospective trading partners that the Bureau will publish contracts on our website to enhance the visibility to any interested party in how the public money entrusted to us is being spent.

[70] http://www.consumerfinance.gov/foia/.

- **General Reports**

  The CFPB also continues to post a variety of reports to illustrate progress in several areas of the Bureau's operations and activities. Recent reports posted to the CFPB's website include the annual report of the CFPB student loan ombudsman, the CFPB Diversity and Inclusion Strategic Plan for 2016 – 2020, the 2015 financial literacy annual report, the Fall 2015 edition of Supervisory Highlights, the CFPB's financial report for FY 2015, the Fall 2015 Semi-Annual Report, the Office of Servicemembers Affairs' semi-annual snapshot of servicemember complaints, the CFPB's bi-annual report on the consumer credit card market, the CFPB's report on college credit card agreements under the CARD Act, the CFPB's annual appropriations report, and an independent audit of the CFPB's operations and budget for FY 2015.

- **Regulations and Guidance Updates**

  The CFPB periodically provides updates on regulations and guidance. During this reporting period, the Bureau posted updates to its Supervision and Examination Manual and various bulletins.[71]

[71] The full list of guidance updates during this reporting period may be found in Appendix C, and on the Bureau's website at http://www.consumerfinance.gov/policy-compliance/guidance/implementation-guidance/.

9. Budget

The Bureau is committed to fulfilling its statutory responsibilities and delivering value to American consumers by being accountable and using our resources carefully. The CFPB's Operations Division is responsible for coordinating activities related to the development of the CFPB's annual budget. The Office of the Chief Financial Officer within the Division has primary responsibility for developing the budget, and works in close partnership with the Office of Human Capital, the Office of Procurement, the Technology and Innovation team, and other program offices to develop budget and staffing estimates in consideration of statutory requirements, performance goals, and priorities of the Bureau. The CFPB Director ultimately approves the CFPB budget.

9.1 How the CFPB is funded

The CFPB is funded principally by transfers made by the Board of Governors from the combined earnings of the Federal Reserve System, up to the limits set forth in the Dodd-Frank Act. The Director of the CFPB requests transfers from the Federal Reserve System in amounts that he has determined are reasonably necessary to carry out the Bureau's mission. Annual funding from the Federal Reserve System was capped at a fixed percentage of the total 2009 operating expenses of the Federal Reserve System, equal to:

- 10% of these Federal Reserve System expenses (or approximately $498 million) in fiscal year (FY) 2011;

- 11% of these expenses (or approximately $547.8 million) in FY 2012; and
- 12% of these expenses (or approximately $597.6 million) in FY 2013 and each year thereafter, subject to annual adjustments.[72]

If the authorized transfers from the Federal Reserve were not sufficient in FY 2010-2014, the CFPB had the authority in those fiscal years to ask Congress for up to $200 million in additional funds, subject to the appropriations process.[73] The CFPB did not request an appropriation in FY 2011, FY 2012, FY 2013 or FY 2014. That authority has now expired.

The inflation-adjusted transfer cap for FY 2016 is $631.7 million. The adjusted transfer cap for FY 2016 is $631.7 million. The CFPB requested transfers from the Federal Reserve totaling $374.7 million to fund CFPB operations and activities through the second quarter of FY 2016.[74]

Funds received from the Federal Reserve are held in an account for the Bureau at the Federal Reserve Bank of New York.

Bureau funds that are not funding current needs of the CFPB, however, are invested in Treasury securities. Earnings from those investments are also deposited into the Bureau's account.[75]

9.1.1 Fiscal year 2016 spending through second quarter

As of March 31, 2016, the end of the second quarter of FY 2016, the CFPB incurred approximately $354 million in obligations[76] to carry out the authorities of the Bureau under Federal financial consumer law. Approximately $145.6 million was spent on employee

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[72] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1017(a)(2).

[73] *See id*. Sec. 1017(e).

[74] The Bureau posts all funding request letters on its website at consumerfinance.gov/budget.

[75] *See* Dodd-Frank Act, Pub. L. No. 111-203, Sec. 1017(b).

[76] 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.

compensation and benefits for the 1,536 CFPB employees who were on-board by the end of the second quarter.

In addition to payroll expenses, the largest obligations made through the end of the second quarter were related to contractual services. Some of the Bureau's significant obligations that occurred through the first two quarters of FY 2016 included:

- $16.4 million for maintaining ongoing operations of CFPB's consumer contact center and the case management system;
- $14.0 million for consumer awareness and engagement tools and resources communications;
- $12.6 million for IT portfolio and project management support services;
- $12.5 million for a one-year building occupancy agreement with the OCC;
- $11.7 million for a one-year building occupancy agreement with the General Services Administration for CFPB's temporary headquarters office space;
- $8.8 million for enterprise-wide cloud hosting infrastructure, system administration support and associated services;
- $7.1 million for IT customer relationship management system tools and support; and
- $5.8 million for development of next generation consumer response system to support the future state scalable model for complaint processing, documentation and investigation.

Tables 15 and 16 categorize CFPB obligations incurred through the first two quarters of FY 2016 by expense category and division/program area:

TABLE 15: FY 2016 SPENDING BY EXPENSE CATEGORY

Expense Category	FY 2016
Personnel Compensation	$108,346,000
Benefit Compensation	$37,277,000
Travel	$9,173,000
Transportation of Things	$29,000
Rents, Communications, Utilities & Misc.	$17,675,000
Printing and Reproduction	$2,642,000
Other Contractual Services	$161,001,000
Supplies & Materials	$2,971,000
Equipment	$14,913,000
Land and Structures	-
Total (as of 03/31/16)	$354,027,000

TABLE 16: FY 2016 SPENDING BY PROGRAM AREA

Division/Program Area	FY 2016
Office of the Director	$3,867,000
Operations	$78,374,000
Consumer Education & Engagement	$31,413,000
Research, Markets & Regulations	$20,465,000
Supervision, Enforcement, Fair Lending	$78,055,000
Legal Division	$8,036,000
External Affairs	$4,371,000
Other Programs[77]	$1,278,000
Centralized Services[78]	$128,168,000
Total (as of 03/31/16)	$354,027,000

9.1.2 Civil Penalty Fund

Pursuant to the Dodd-Frank Act, the CFPB is also authorized to collect and retain for specified purposes civil penalties collected from any person in any judicial or administrative action under

[77] Other Programs comprises the costs of the CFPB Office of Ombudsman, Administrative Law Judges, and other CFPB programs.

[78] Centralized services include the cost of certain administrative and operational services provided centrally to other Divisions (e.g., building space, utilities, and IT-related equipment and services).

federal consumer financial laws.[79] The CFPB generally is authorized to use these funds for payments to victims of activities for which civil penalties have been imposed, and may also use the funds for consumer education and financial literacy programs under certain circumstances. The CFPB maintains a separate account for these funds at the Federal Reserve Bank of New York.

Civil penalty funds collected in 2016

In the first quarter of FY 2016, the CFPB collected civil penalties from 11 defendants totaling $33.1 million. In the second quarter of FY 2016, the CFPB collected $8,130,001 from seven defendants.

TABLE 17: FY 2016 CIVIL PENALTY FUND COLLECTIONS

Defendant name	CMP collected	Collection date
Fifth Third Bank	$500,000	October 6, 2015
Westlake Services, LLC, and Wilshire Consumer Credit, LLC	$4,250,000	October 7, 2015
Morgan Drexen, Inc., and Walter Ledda[80]	$1	October 23, 2015
Security National Automotive Acceptance Company, LLC	$1,000,000	November 2, 2015
Affinion Group Holdings, Inc.	$1,900,000	November 13, 2015
Hudson City Savings Bank, F.S.B.	$5,500,000	November 13, 2015

[79] *See* Dodd-Frank, Pub. L. No. 111-203, Sec. 1017(d).

[80] The $1 civil penalty was collected pursuant to a final order against Walter Ledda, one of two defendants in this case. The case against Morgan Drexen, Inc., the corporate defendant, concluded on March 16, 2016.

Defendant name	CMP collected	Collection date
All Financial Services, LLC[81]	$13,000	November 24, 2015 December 10, 2015
General Information Services, Inc., and e-Backgroundchecks.com, Inc.	$2,500,000	November 25, 2015
Clarity Services, Inc., and Timothy Ranney	$8,000,000	December 24, 2015
EZCORP, Inc.	$3,000,000	December 24, 2015
Interstate Auto Group, Inc., aka "CarHop," and Universal Acceptance Corporation	$6,465,000	December 30, 2015
Collecto, Inc. d/b/a EOS CCA	$1,850,000	January 5, 2016
Fredrick J. Hanna & Associates, P.C.	$3,100,000	January 7, 2016
Solomon & Solomon, P.C.	$65,000	February 24, 2016
Citibank, N.A.	$3,000,000	February 26, 2016
Faloni & Associates, LLC	$15,000	March 4, 2016
Dwolla, Inc.	$100,000	March 9, 2016
IrvineWebWorks, Inc. d/b/a Student Loan Processing.US	$1	March 23, 2016
Total	$41,258,002	

[81] The final order required All Financial Services, LLC, to pay a total of $137,000 in civil penalties in two installments of $6,500 each.

Civil penalty fund allocations in FY 2016

Period 6: April 1, 2015 – September 30, 2015

On November 27, 2015, the Bureau made its sixth allocation from the Civil Penalty Fund. As of September 30, 2015, the Civil Penalty Fund contained an unallocated balance of $136.6 million. The Fund Administrator set aside $1 million for administrative expenses, leaving $135.6 million available for allocation pursuant to 12 C.F.R. § 1075.105(c).

During Period 6, final orders in Bureau enforcement actions imposed civil penalties in 22 cases. For two cases with final orders from Period 6, the civil penalties were received after September 30, 2015, and were not included as funds available for allocation in Period 6. Under the Civil Penalty Fund rule, the victims of the violations for which the civil penalties were imposed in these 22 cases were eligible to receive payment from the Civil Penalty Fund to compensate their uncompensated harm.

Of those 22 cases, 20 cases had classes of eligible victims with no uncompensated harm that is compensable from the Civil Penalty Fund, and two cases had classes of eligible victims with uncompensated harm that is compensable from the Civil Penalty Fund.

The two cases with compensable uncompensated harm, Hoffman Law Group and Student Financial Aid Services, received an allocation from the Civil Penalty Fund. The Bureau allocated $11.1 million to the Hoffman victim class and $9.3 million to the Student Financial Aid Services class, enough to compensate fully those victim classes' uncompensated harm.

The total allocation to classes of victims from Period 6 cases was $20.4 million, leaving $115.2 million available for allocation to prior-period cases. Global Client Solutions, a Period 4 case, received an allocation of $108 million in Period 4. As of the time of the Period 6 allocation, there was insufficient information to determine whether additional funds should be allocated to the victims in the Global Client Solutions case.

In accordance with section 1075.106(d) of the Civil Penalty Fund rule, $101.8 million remained available for allocation for Consumer Education and Financial Literacy purposes. During Period 6, $15.4 million was allocated for Consumer Education and Financial Literacy purposes.

TABLE 18: PERIOD 4 ALLOCATION SUMMARY

Type	Allocation
Victim Compensation	$20,374,842.02
- The Hoffman Law Group, P.A. f/k/a The Residential Litigation Group, P.A.	
Victim Class Allocation: $11,074,842.02	
- Student Financial Aid Services, Inc.	
Victim Class Allocation: $9,300,000.00	
Consumer Education and Financial Literacy Programs:	$15,432,809
Total Allocation	$35,807,651.02

The remaining unallocated Civil Penalty Fund balance will be available for future allocations. The unallocated amount in the Fund as of March 31, 2016 will be available for allocation following the conclusion of Period 7 in accordance with 12 C.F.R. § 1075.105(c)

9.1.3 Bureau-administered redress

Dodd-Frank Act section 1055 authorizes a court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the "Legal or Equitable Relief Fund" established at the Department of the Treasury.

BUREAU ADMINISTERED REDRESS COLLECTED IN FY 2016:

In the first quarter of FY 2016, the Bureau collected $500,000 in Bureau-Administered Redress funds from Walter Ledda, one of the defendants in the Morgan Drexen matter. These funds will be distributed in accordance with the terms of the final order. In the second quarter of FY 2016, the Bureau collected $326,000 in Bureau-Administered Redress funds from IrvineWebWorks, Inc. d/b/a Student Loan Processing.US. These funds will be distributed in accordance with the

terms of the final order.

For additional information on CFPB's Civil Penalty Fund, see http://www.consumerfinance.gov/budget/civil-penalty-fund/.

10. Diversity and inclusion

10.1 Recruiting and hiring

The CFPB continues its commitment to recruit and hire highly qualified individuals from diverse backgrounds to fill positions at the Bureau's headquarters in Washington, D.C., and in its examiner workforce distributed across the country. The Bureau's examiners are organized by regions and anchored by key strategic satellite offices in three of the nation's financial hubs – Chicago, IL; New York, NY; and San Francisco, CA; and the fourth regional team of examiners is anchored in Washington, D.C. As of March 19, 2016[82], there are 1,519[83] staff on-board and working to carry out the CFPB's mission.

To meet current and future staffing requirements, the Bureau will continue to evolve its talent acquisition strategies to build a pipeline of talent through the following methods.

10.1.1 Recruiting strategically to build a diverse workforce

The Bureau is committed to recruiting highly-qualified, diverse applicants for CFPB positions; it

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[82] March 19, 2016 is the last full pay period of the reporting period. As workforce data is reported by pay period, March 19th data is utilized for the purposes of reporting workforce composition for this report.

[83] There are 1,519 staff on-board as of pay period 05 (March 19, 2016). This employee count excludes interns and any employees who may have separated from the Bureau during the pay period. It only represents active workforce employees at the end of the reporting period in question and may differ from counts which utilize other methods of counting Bureau employment.

leverages multiple sources for recruitment to ensure access to wide candidate pools. The Bureau deploys a comprehensive outreach approach and achieves its recruiting goals through:

- Utilizing digital platforms to maximize engagement reach, including the Professional Diversity Network – a digital platform that enables the publication of CFPB job opportunities to a broad array of diverse target populations;
- Engaging in external outreach, which includes participation at professional conferences and university events, with a special focus on building relationships and marketing with diverse affinity organizations, such as the National Black MBA Association, the National Society of Hispanic MBAs, the Association of Latin Professionals in Finance and Accounting, Ascend Pan Asian Leaders, and the National Association of Black Accountants;
- Enlisting senior leadership and Bureau champions to promote the Bureau's employer identity at outreach events to attract candidates to the CFPB as a "best place to serve";
- Engaging existing staff as ambassadors of the Bureau and providing them with the tools, messages, and resources to reach out to their own professional networks;
- Continuing to utilize professional development programs to build a robust pipeline of talent to meet current and emerging workforce needs, including through the Federal Pathways Program; and
- Leveraging and promoting flagship development programs, such as the Technology and Innovation Fellows Program, the Director's Financial Analyst Program, and the Louis Brandeis Honors Attorney Program, to find the best and brightest mid-and entry-level talent, and promoting the Bureau as an employer of choice.

10.1.2 Solidifying identity as an employer of choice

The CFPB continues to build its reputation as an employer that offers challenging work in direct support of American consumers. The Bureau's inspiring mission, willingness to innovate and collaborate, and insistence on excellence serve as strong platforms on which to recruit exceptional talent. The CFPB recruits inspired, goal-oriented professionals who derive intrinsic value from professional accomplishment and public service. Once onboard, CFPB employees work with diverse, dedicated colleagues while protecting consumers, further solidifying the Bureau's identity as an employer of choice.

10.1.3 Enhancing the candidate experience

CFPB is committed to engaging candidates throughout the hiring process in accordance with Federal hiring goals and standards.

The Office of Human Capital (OHC) uses tailored assessment methods (e.g., structured interviews and work sample reviews) to support selections for target positions, and offers training to hiring managers on how to conduct structured interviews effectively. These assessment strategies enhance the pool of highly-qualified candidates, enable hiring managers to make objective, data-driven employee selection decisions, and build a workforce that demonstrates the key competencies necessary for success at the Bureau.

OHC also administers its New Employee and Hiring Manager Surveys to identify processes that are working well, as well as areas for improvement to provide a seamless onboarding experience for all new hires.

10.2 Staff education, training, and engagement

Since its creation, the CFPB has focused on strong engagement with existing and potential Bureau staff by utilizing education, training, and engagement programs. As the CFPB matures, both the reach and depth of these programs have evolved.

During the reporting period, the Bureau has taken the following actions:

- Increased quantity and scope of targeted learning programs and development resources for employees and leaders, including new learning support resources for managers;
- Delivered additional sessions of internal custom training courses for new CFPB supervisors to cover basic managerial duties as a Federal supervisor or manager;
- Delivered additional sessions of our custom CFPB Leadership Development series, the *Leadership Excellence Seminars*, designed to train all levels of CFPB managers on managerial practices and desired and expected leadership behaviors;
- Increased the reach, number of engagements, and completions of the leadership

coaching program available to middle managers and senior CFPB leaders;

- Increased internal learning and professional development opportunities open to all CFPB employees;
- Continued to leverage thousands of titles of on-demand learning resources, including self-paced eLearning courses, on-line books, articles, and video vignettes, aligned with CFPB core competencies, basic supervisory tasks, and managerial leadership skills;
- Operated a library of online reference materials through the CFPB library;
- Provided guidance, and interactive learning events to support both individual development planning and career development including:
  - Team briefings and individual consultations to employees and supervisors on individual development planning and career planning resources, to assist employees in career development
  - Development and initial deliveries of two new interactive workshops on individual development planning and career development resources, open to all employees;
- Revised the current Performance Management Program based on recommendations from a joint labor-management working group to offer a more engaging, positive, and productive team member and manager experience;
- Initiated multi-year deployment of our revised Performance Management Program which emphasizes coaching for success beginning in FY16 and implements revised performance standards for leaders in FY17 and for all team members in FY18; and
- Delivered *Strategies for Non-Monetary Recognition*, an optional consultative training session to support fair, meaningful, and personal recognition practices.

10.3 Diversity and inclusion

The CFPB's Office of Minority and Women Inclusion (OMWI) was created in January 2012 to lead the diversity and inclusion strategy at the Bureau. OMWI's mandates are outlined in Section 342 of the Dodd-Frank Act (12 U.S.C. § 5452). Organizationally, OMWI is part of the Office of Equal Opportunity and Fairness, which reports directly to the Bureau's Director.

The statutory mandate requires that OMWI:

- Be responsible for all matters of the Bureau relating to diversity in management, employment, and business activities.
- Develop standards for:
    - Equal employment opportunity, and the racial, ethnic and gender diversity of the workforce and senior management of the Bureau; and
    - Increased participation of minority-owned and women-owned businesses in the programs and contracts of the Bureau, including standards for coordinating technical assistance to such businesses.
- Assess the diversity policies and practices of entities regulated by the Bureau.
- Advise the Director of the CFPB on the impact of the policies and regulations of the Bureau on minority-owned and women owned businesses.

10.3.1 Diversity in the CFPB's workforce

The CFPB is committed to having a workforce that is diverse by gender, and by race and ethnicity, at all levels of the organization. As of March 19, 2016, the Bureau had 1,519 total employees. After controlling for attrition, that represents an increase of 82 employees from March 2015. Women represent 48% of the Bureau's workforce. The CFPB is committed to promoting strong workforce demographics by gender, race and ethnicity and to increasing the number of women and minorities in leadership positions.

As Table 19 shows, minorities constituted 36% percent of the workforce as of March 19, 2016.

TABLE 19: CFPB WORKFORCE DIVERSITY AS OF MARCH 19, 2016

Demographic group	CFPB MARCH 2016 #	CFPB MARCH 2016 %
Male	783	52%
Female	736	48%
Non-Minority	972	64%
Total Minority	547	36%

Demographic group	CFPB MARCH 2016 #	CFPB MARCH 2016 %
Total Workforce	1,519	100%

Table 20 shows the CFPB workforce by race and ethnicity. Of the 1,519 employees at the end of the reporting period, 64% self-identify as White, 19% as Black/African-American, 9% as Asian American, and 4% as another racial group or belonging to two or more racial groups. In terms of ethnicity, 6% of employees self-identify as Hispanic, and 94% as Non-Hispanic.

TABLE 20: CFPB WORKFORCE BY ETHNICITY AND RACE AS OF MARCH 19, 2016

Ethnic and racial group	CFPB MARCH 2016 #	CFPB MARCH 2016 %
Non-Hispanic	1,429	94.08%
White	972	63.99%
African American	279	18.37%
Asian	130	8.56%
American Indian or Alaska Native	6	0.39%
Native Hawaiian or Pacific Islander	2	0.13%
2 or More Races	40	2.63%
Hispanic	90	5.92%
White	56	3.69%
African American	8	0.53%
Asian	2	0.13%
American Indian or Alaska Native	1	0.07%
2 or More Races	5	0.33%
Not Identified	18	1.18%

10.3.2 Workplace Initiatives

During the reporting period, OMWI continued to develop and implement strategies to increase diversity and to foster an inclusive work environment for all employees. Specific initiatives included the following:

- Created a three-year diversity and inclusion strategic plan that outlined specific goals and strategies to increase diversity and support inclusion at the Bureau;
- Worked with each Division to include a diversity and inclusion goal in Divisional strategic plans aimed at increasing the diversity among their staff, and ensuring that the work environment is inclusive for all employees;
- Continued to provide a mandatory two-day training workshop on diversity and inclusion and a two-day training working on EEO compliance through OCR for all supervisors and managers to help them strengthen their skills in leading and managing a diverse and inclusive workforce;
- Continued to provide mandatory training for all non-supervisory employees to increase their awareness and understanding of the importance of diversity and inclusion and how it enhances the overall effectiveness of the Bureau;
- Continued to collaborate with OHC and OCR to enhance supervisory and employee training offered by them to ensure that compliance, diversity and inclusion concepts are addressed, such as in the supervisory development sessions, leadership effectiveness seminars, and structured interview training;
- Collaborated with the OCR to present a seminar to managers on identifying and utilizing effective strategies for mitigating unconscious bias and ensuring compliance with civil rights mandates in performance evaluations;
- Continued to work with OHC to establish and maintain relationships with, and outreach to, professional organizations that represent Veterans, Disabled Veterans, Hispanics and other minority constituencies. This includes attending career fairs and professional association meetings throughout the year to meet and provide information on CFPB, and on employment opportunities to these groups, including posting vacancies on bulletin boards geared to these groups of professionals;
- Established, and selected members for, the inaugural term of Diversity and Inclusion Council of Employees (DICE). The DICE members represent employees from throughout the Bureau, from both the Headquarters and the Regional offices. (DICE

is an advisory body to OMWI and will serve as an important feedback mechanism to the OMWI);

- Created an Employee Resource Group policy to serve as a guide to employees who want to form interest-based groups to assist the Bureau in understanding and considering various perspectives in our service to the diverse spectrum of consumers, and to serve as a vehicle to assist in networking, recruiting and retaining a diverse workforce; and
- Partnered with OHC to conduct analysis of the Annual Employee Survey to further analyze employee perceptions of the Bureau across demographic groups.

Diversity and inclusion at regulated entities

Under the Dodd-Frank Act, OMWI is required to create standards for assessing the diversity and inclusion policies and practices of the entities regulated by the CFPB. The OMWI Director worked with fellow OMWI Directors at the FDIC, FRB, NCUA, OCC, and SEC to develop interagency standards[84] which were published in June 2015.

Minority-owned and women-owned business initiatives

OMWI and the Bureau's Procurement Office are committed to greater economic empowerment for women and minorities and aim to promote procurement opportunities for minority-owned and women-owned businesses.

OMWI and Procurement have engaged in outreach efforts to raise awareness of procurement opportunities available at CFPB. These efforts include:

- Creating and developing relationships with key business stakeholders, industry groups, and trade groups;
- Speaking at and attending supplier diversity events and co-locating with other federal

[84] https://www.federalregister.gov/articles/2015/06/10/2015-14126/final-interagency-policy-statement-establishing-joint-standards-for-assessing-the-diversity-policies.

partners at events when available; and

- Distributing literature and educational materials aimed at minority- and women-owned businesses.

The CFPB is a regular participant in an interagency working group consisting of other OMWI staff from the FDIC, Federal Housing Finance Agency, FRB, Treasury, NCUA, OCC, and SEC.

Procurement is currently measuring obligations for certain small business contracts awarded to minority-owned small disadvantaged businesses, women-owned small businesses, service-disabled-veteran-owned small businesses, and HUBZone small businesses. From the beginning of the first quarter to the end of the second quarter in FY 2016,[85] the Bureau awarded 25% of contract dollars to small businesses. As shown in Table 21, of the total contract dollars awarded in FY 2016, 7% went to small disadvantaged businesses. The total contract dollars awarded to woman-owned small businesses during this period was also 7%.

TABLE 21: CONTRACT DOLLARS AWARDED TO SMALL BUSINESS BY TYPE

Type of Small Business	Obligated dollars*
Small business	$24,124,835
Small disadvantaged business	$6,502,336
Woman-owned small business	$6,540,481
Service disabled veteran owned small business	$919,083
HubZone small business	$1,663,080

*Dollars may apply to multiple socio-economic categories.

[85] Data source is from the Federal Procurement Data System (FPDS) for FY 2016 from October 1, 2015 through March 31, 2016. The data was pulled, and is current, as of June 2, 2016. FPDS data is subject to an OMB annual validation each January for the previous fiscal year.

To assist vendors interested in contracting opportunities at the Bureau to better understand upcoming business opportunities, Procurement lists a forecast of procurement opportunities for the year on its external-facing website. Procurement and OMWI jointly present important tips for potential businesses at the workshops for vendors new to government or CFPB contracting opportunities, and provides email addresses to foster communication between the office and potential business vendors.

In an effort to increase transparency and enhance understanding, the CFPB has developed a number of practical resources for small, minority-owned, and women-owned businesses. OMWI created brochures and pamphlets aimed specifically at educating diverse suppliers. These materials include information on historical obligations by products and service categories, a forecast of future procurements, and information on small business set-asides. OMWI works with Procurement to make these resources available digitally and to update them regularly on the CFPB website.[86]

The Office of Procurement has continued its vendor outreach efforts in 2016, attending the 26th Annual Government Procurement Conference in April.

In furthering OMWI's mandate to ensure fair inclusion among its suppliers, OMWI and Procurement are finalizing a contractual provision requiring contractors and subcontractors, when applicable, to make "good-faith efforts" to ensure, to the maximum extent possible, the "fair inclusion of women and minorities in the[ir] workforce," as required under Section 342(c)(2)-(3) of the Dodd-Frank Act.

During the period covered by this semi-annual report, OMWI has also begun creating tools to assist vendors understand the requirements around this provision and to create a process for submission and evaluation of such materials.

Finally, the statement of Director Cordray's commitment to Supplier Diversity remains available for the public and interested vendors to view on CFPB Website located here:

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[86] http://www.consumerfinance.gov/doing-business-with-us/.

http://files.consumerfinance.gov/f/201409_cfpb_supplier-diversity-statement.pdf.

External Affairs/Consumer Education and Engagement

In collaboration with External Affairs and Consumer Education and Engagement, OMWI conducts outreach to consumer groups, advocacy organizations, and other stakeholders to develop strong and productive partnerships. These offices collaborate to reach consumers and potential candidates at recruiting, community outreach, and other events. These offices also engage in meetings with various consumer groups, advocacy organizations, and other stakeholders to discuss concerns and issues such as how policies may impact consumers, to discuss how the organizations may increase their participation in contracting opportunities for minority-owned and women-owned businesses, and to learn about the experience of minority consumers firsthand. OMWI will continue to develop productive relationships with the representatives of the communities served.

APPENDIX A:

More about the CFPB

GENERAL INFORMATION:

Email address: info@consumerfinance.gov
Phone number: (202) 435-7000

WEBSITE:

www.consumerfinance.gov

MAILING ADDRESS:

Consumer Financial Protection Bureau
ATTN: Employee name, Division, and/or Office Number
1700 G Street, NW
Washington, D.C. 20552

CONSUMER COMPLAINTS AND QUESTIONS:

Webpage: consumerfinance.gov/complaint

Toll free number: (855) 411-CFPB (2372)
TTY/TDD: (855) 729-CFPB (2372)
Fax number: (855) 237-2392

Hours of operation: 8 a.m. - 8 p.m. EST, services in 180+ languages

Consumer Financial Protection Bureau
PO Box 4503
Iowa City, Iowa 52244

WHISTLEBLOWERS:

Email: whistleblower@consumerfinance.gov

Toll free number: (855) 695-7974

PRESS & MEDIA REQUESTS:

Email: press@consumerfinance.gov

OFFICE OF LEGISLATIVE AFFAIRS:

Legislative Affairs: (202) 435-7960

CFPB OMBUDSMAN'S OFFICE:

Email: CFPBOmbudsman@cfpb.gov

Webpage: consumerfinance.gov/ombudsman

Toll free number: (855) 830-7880

TTY number: (202) 435-9835 Fax number: (202) 435-7888

APPENDIX B:

Statutory reporting requirements

This Appendix provides a guide to the Bureau's response to the reporting requirements of Section 1016(c) of the Dodd-Frank Act. The sections of the report identified below respond to Section 1016(c)'s requirements.

Statutory Subsection	Reporting Requirement	Section	Page
1	A discussion of the significant problems faced by consumers in shopping for or obtaining consumer financial products or services	Consumer challenges in obtaining financial products and services – shopping challenges	46-49
2	A justification of the Bureau's budget request for the previous year	Budget Appendix I – Financial and budget reports	131-40 181-84
3	A list of significant rules and orders adopted by the Bureau, as well as other significant initiatives conducted by the Bureau, during the preceding year, and the plan of the Bureau for rules, orders, or other initiatives to be undertaken during the upcoming period	Appendix C – Significant rules, orders, and initiatives	155-67
4	An analysis of complaints about consumer financial products or services that the Bureau has received and collected in its central database on complaints during the preceding year	Consumer challenges in obtaining financial products and services – Consumer concerns	15-45

Statutory Subsection	Reporting Requirement	Section	Page
5	A list, with a brief statement of the issues, of the public supervisory and enforcement actions to which the Bureau was a party during the preceding year[87]	Enforcement actions Fair lending enforcement actions	83-108 112-23
6	The actions taken regarding rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions	Appendix D – Actions taken regarding rules, orders, and supervisory actions with respect to covered persons which are not credit unions or depository institutions	168-72
7	An assessment of significant actions by State attorneys general or State regulators relating to Federal consumer financial law	Appendix E – Significant state attorney general and regulator actions	173
8	An analysis of the Bureau's efforts to fulfill its fair lending mission	Fair lending	109-27
9	An analysis of the Bureau's efforts to increase workforce and contracting diversity consistent with the procedures established by OMWI	Diversity and inclusion	141-51

[87] Supervisory actions are not public. Periodically, the Bureau shares supervisory actions with the public in *Supervisory Highlights*, which may be found in Appendix F.

APPENDIX C:

Significant rules, orders, and initiatives[88]

Section 1016(c)(3) requires "a list of significant rules and orders adopted by the Bureau, as well as other significant initiatives conducted by the Bureau, during the preceding year and the plan of the Bureau for rules, orders or other initiatives to be undertaken during the upcoming period."

Below is a list of rules and other initiatives that the Bureau proposed, adopted, or finalized during the preceding year.[89] Rather than limiting the list to significant items, the Bureau has, in order to be transparent and provide complete information about its activities, included a more expansive set of rules, guidance, and initiatives:[90]

- Interim final rule: Operations in Rural Areas under the Truth in Lending Act (Regulation Z); Interim Final Rule;[91]

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[88] Many links in this section are to documents published in the *Federal Register*. However, links to final rules, proposed rules, and guidance documents may also be found on the CFPB's website, consumerfinance.gov/regulations/ and consumerfinance.gov/guidance.

[89] The preceding year is defined as April 1, 2015 – March 31, 2016.

[90] To better inform the public, this Appendix contains a discussion of a broad range of rulemakings, orders, and initiatives, which may not be defined as "significant" for other purposes. Items are listed in reverse chronological order of *Federal Register* publication, beginning with the most recently-published document.

[91] https://federalregister.gov/a/2016-06834.

- Final rule: Application Process for Designation of Rural Area under Federal Financial Law; Procedural Rule;[92]
- Final Policy Statement: Policy on No-Action Letters; Information Collection;[93]
- Request for Information: Request for Information Regarding Home Mortgage Disclosure Act Resubmission Guidelines;[94]
- Final rule: 2013 Integrated Mortgage Disclosures Rule Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z); Correction;[95]
- Final rule: Home Mortgage Disclosure (Regulation C) Adjustment to Asset-Size Exemption Threshold;[96]
- Final rule: Truth in Lending Act (Regulation Z) Adjustment to Asset-Size Exemption Threshold;[97]
- Final rule: Appraisals for Higher-Priced Mortgage Loans Exemption Threshold;[98]
- Final rule: Consumer Leasing (Regulation M);[99]

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[92] https://federalregister.gov/a/2016-04643.

[93] https://federalregister.gov/a/2016-02390.

[94] https://federalregister.gov/a/2016-00442.

[95] https://federalregister.gov/a/2015-32463.

[96] https://federalregister.gov/a/2015-32285.

[97] https://federalregister.gov/a/2015-32293.

[98] https://federalregister.gov/a/2015-30097.

[99] https://federalregister.gov/a/2015-30071.

- Final rule: Truth in Lending (Regulation Z);[100]
- Notice: Fair Credit Reporting Act Disclosures;[101]
- Agency Information Collection: Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulated by the Agencies;[102]
- Policy Guidance: Joint Statement of Principles on Student Loan Servicing;[103]
- Final rule: Home Mortgage Disclosure (Regulation C);[104]
- Final rule: Amendments Relating to Small Creditors and Rural or Underserved Areas Under the Truth in Lending Act (Regulation Z);[105]
- Notice: Notice of Availability of Translated Consumer Information Booklet;[106]
- Final rule: Truth in Lending (Regulation Z) Annual Threshold Adjustments (CARD Act, HOEPA and ATR/QM);[107]
- Final rule: 2013 Integrated Mortgage Disclosures Rule Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) and

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[100] https://federalregister.gov/a/2015-30091.

[101] https://federalregister.gov/a/2015-29664.

[102] https://federalregister.gov/a/2015-28369.

[103] https://federalregister.gov/a/2015-27775.

[104] https://federalregister.gov/a/2015-26607.

[105] https://federalregister.gov/a/2015-24362.

[106] https://federalregister.gov/a/2015-24031.

[107] https://federalregister.gov/a/2015-22987.

Amendments; Delay of Effective Date;[108]

- Final rule: Defining Larger Participants of the Automobile Financing Market and Defining Certain Automobile Leasing Activity as a Financial Product or Service;[109]
- Request for Information Regarding the Consumer Complaint Database: Data Normalization;[110]
- Proposed rule: 2013 Integrated Mortgage Disclosures Rule Under the Real Estate Settlement Procedures Act (Regulation X) and the Truth in Lending Act (Regulation Z) and Amendments; Delay of Effective Date;[111]
- Final Interagency Policy Statement Establishing Joint Standards for Assessing the Diversity Policies and Practices of Entities Regulation by the Agencies;[112]
- Final rule: Minimum Requirements for Appraisal Management Companies;[113]
- Request for Information Regarding Student Loan Servicing;[114]
- Final rule: Homeownership Counseling Organizations Lists and High-Cost Mortgage Counseling Interpretive Rule;[115]

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[108] https://federalregister.gov/a/2015-18239.

[109] https://federalregister.gov/a/2015-14630.

[110] https://federalregister.gov/a/2015-16096.

[111] https://federalregister.gov/a/2015-15836.

[112] https://federalregister.gov/a/2015-14126.

[113] https://federalregister.gov/a/2015-12719.

[114] https://federalregister.gov/a/2015-12276.

[115] https://federalregister.gov/a/2015-09244.

- Final rule: Submission of Credit Card Agreements Under the Truth in Lending Act (Regulation Z);[116] and
- Notice: Notice of Availability of Revised Consumer Information Publication.[117]

In the upcoming period, the Bureau also intends to propose or adopt the following rules and orders, and conduct the following initiatives:

- Rules finalizing the restatement of regulations implementing consumer financial protection laws transferred from other regulatory agencies to the Bureau by the Dodd-Frank Act;
- Continue work to address issues in connection with implementation of the Dodd-Frank Act's mortgage requirements and implementation of the Bureau's 2013 Mortgage Rules;
- Continued expansion of the Bureau's capacity to handle consumer complaints with respect to all products and services within its authority;
- Enforcement of nondiscrimination on the basis of disability in programs receiving financial assistance from the Bureau;
- Propose additional rules to further define the scope of the Bureau's nonbank supervision program; and
- Rules finalizing a proposal from the Board of Governors of the Federal Reserve on the Expedited Funds Availability Act as implemented by Regulation CC.

The Bureau has issued the following bulletins and guidance documents over the past year:[118]

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[116] https://federalregister.gov/a/2015-09000.

[117] https://federalregister.gov/a/2015-06568.

[118] The past year is defined here as April 1, 2015 – March 31, 2016. The Bureau posts all bulletins and guidance documents on its website, http://www.consumerfinance.gov/guidance/.

- Submission of credit card agreements under the Truth in Lending Act (Regulation Z);[119]
- Compliance Bulletin: the FCRA's Requirement that Furnishers Establish and Implement Reasonable Written Policies and Procedures Regarding the Accuracy and Integrity of Information Furnished to All Consumer Reporting Agencies;[120]
- Supervision and Examination Manual Update on ECOA Baseline Modules;[121]
- Supervision and Examination Manual Update on ECOA procedures;[122]
- The CFPB Dodd-Frank mortgage rules readiness guide, Version 4.0;[123]
- Supervision and Examination Manual Update on Mortgage Origination exam procedures;[124]
- Supervision and Examination Manual Update on TILA Procedures;[125]
- Supervision and Examination Manual Update on RESPA Procedures;[126]

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[119] http://files.consumerfinance.gov/f/201604_cfpb_submission-of-credit-card-agreements-under-the-truth-in-lending-act-regulation-z.pdf.

[120] http://files.consumerfinance.gov/f/201602_cfpb_supervisory-bulletin-furnisher-accuracy-obligations.pdf.

[121] Equal Credit Opportunity Act Baseline Review Modules (applicable for examinations after December 1, 2015). http://files.consumerfinance.gov/f/201510_cfpb_ecoa-baseline-review-modules.pdf.

[122] Equal Credit Opportunity Act (ECOA). http://files.consumerfinance.gov/f/201510_cfpb_ecoa-narrative-and-procedures.pdf.

[123] http://files.consumerfinance.gov/f/201509_cfpb_readiness-guide_mortgage-implementation.pdf.

[124] http://files.consumerfinance.gov/f/201509_cfpb_mortgage-origination-examination-procedures.pdf.

[125] TILA RESPA Integrated Disclosures (applicable for examinations after the October 2015 effective date) http://files.consumerfinance.gov/f/201509_cfpb_truth-in-lending-act-exam-procedures.pdf.

[126] TILA RESPA Integrated Disclosures (applicable for examinations after the October 2015 effective date) http://files.consumerfinance.gov/f/201509_cfpb_regulation-x-real-estate-settlement-procedures-act-exam-

- Supervision and Examination Manual Update on Automobile Financing examination procedures;[127]
- Supervision and Examination Manual Update on Mortgage Origination examination procedures;[128]
- Supervision and Examination Manual Update on RESPA Procedures;[129]
- Supervision and Examination Manual Update on TILA Procedures;[130]
- Bulletin on Interstate Land Sales Full Disclosure Act amendment;[131]
- Bulletin on Private Mortgage Insurance Cancellation and Termination;[132] and
- Bulletin on Section 8 Housing Choice Voucher Homeownership Program.[133]

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procedures.pdf.

[127] http://files.consumerfinance.gov/f/201506_cfpb_automobile-finance-examination-procedures.pdf.

[128] http://files.consumerfinance.gov/f/201505_cfpb_mortgage-origination-exam-procedures.pdf.

[129] TILA RESPA Integrated Disclosures (applicable for examinations after the August 2015 effective date) and Mortgage Servicing Requirements. http://files.consumerfinance.gov/f/201503_cfpb_regulation-x-real-estate-settlement-procedures-act.pdf.

[130] TILA RESPA Integrated Disclosures (applicable for examinations after the 2015 effective date) and Higher-Priced Mortgage Loan Appraisals (January 2014), Escrow Accounts (January 2014), and Mortgage Servicing Requirements (January 2014). http://files.consumerfinance.gov/f/201503_cfpb_truth-in-lending-act.pdf.

[131] This document was issued by the CFPB on August 17, 2015. http://files.consumerfinance.gov/f/201508_cfpb_bulletin-on-interstate-land-sales-full-disclosure-act-amendment-federal-register.pdf.

[132] CFPB Bulletin 2015-03 was published on the Bureau's website on August 4, 2015. http://files.consumerfinance.gov/f/201508_cfpb_compliance-bulletin-private-mortgage-insurance-cancellation-and-termination.pdf.

[133] CFPB Bulletin 2015-02 was published on the Bureau's website on May 11, 2015. http://files.consumerfinance.gov/f/201505_cfpb_bulletin-section-8-housing-choice-voucher-homeownership-program.pdf.

The Bureau has issued the following orders to remedy violations of Federal consumer financial law over the past year:[134]

- *In the Matter of Student Aid Institute, Steven Lamont;*[135]
- *In the Matter of Dwolla, Inc.;*[136]
- *In the Matter of Faloni & Associates, LLC;*[137]
- *In the Matter of Solomon & Solomon, P.C.;*[138]
- *In the Matter of Citibank, N.A., Department Stores National Bank, and Citifinancial Servicing, LLC;*[139]
- *In the Matter of Citibank, N.A.;*[140]
- *In the Matter of Toyota Motor Credit Corporation;*[141]

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[134] April 1, 2015 – March 31, 2016.

[135] File No, 2016-CFPB-0008. Consent order entered March 30, 2016. http://files.consumerfinance.gov/f/201603_cfpb_consent-order-student-aid-institute-inc-steven-lamont.pdf.

[136] File No. 2016-CFPB-0007. Consent order entered on March 2, 2016. http://files.consumerfinance.gov/f/201603_cfpb_consent-order-dwolla-inc.pdf.

[137] File No. 2016-CFPB-0006. Consent order entered on February 23, 2016. http://files.consumerfinance.gov/f/201602_cfpb_consent-order-faloni-and-associates-llc.pdf.

[138] File No. 2016-CFPB-0005. Consent order entered on February 23, 2016. http://files.consumerfinance.gov/f/201602_cfpb_consent-order-solomon-and-solomon-pc.pdf.

[139] File No. 2016-CFPB-0004. Consent order entered on February 23, 2016. http://files.consumerfinance.gov/f/201602_cfpb_consent-order-solomon-and-solomon-pc.pdf.

[140] File No. 2016-CFPB-0003. Consent order entered on February 23, 2016. http://files.consumerfinance.gov/f/201602_cfpb_consent-order-citibank-na.pdf.

[141] File No. 2016-CFPB-0002. Consent order entered February 2, 2016.

- *In the Matter of Herbies Auto Sales*;[142]
- *In the Matter of Eric V. Sancho d/b/a Lead Publisher*;[143]
- *In the Matter of Interstate Sales Group, Inc., also doing business as "CarHop" and Universal Acceptance Corporation;*[144]
- *In the Matter of EZ Corp;*[145]
- *In the Matter of Clarity Services, Inc.*;[146]
- *In the Matter of General Information Services, Inc.*;[147]
- *In the Matter of Security National Automotive Acceptance Company, LLC;*[148]
- *In the Matter of: Westlake Services, LLC and Wilshire Consumer Credit, LLC;*[149]

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http://files.consumerfinance.gov/f/201602_cfpb_consent-order-toyota-motor-credit-corporation.pdf.

[142] File No. 2016-CFPB-0001. Consent order entered January 21, 2016. http://files.consumerfinance.gov/f/201601_cfpb_consent-order_y-kings-corp-also-doing-business-as-herbies-auto-sales.pdf.

[143] File No. 2015-CFPB-0033. Consent order entered December 17, 2015. http://files.consumerfinance.gov/f/201512_cfpb_eric-v-sancho-consent-order.pdf.

[144] File No. 2016-CFPB-0032. Consent order entered December 17, 2015. http://files.consumerfinance.gov/f/201512_cfpb_carhop-consent-order.pdf.

[145] File No.2015-CFPB 0031. Consent order entered December 16, 2015. http://files.consumerfinance.gov/f/201512_cfpb_ezcorp-inc-consent-order.pdf.

[146] File No. 2015-CFPB-0030. Consent order entered December 3, 2015. http://files.consumerfinance.gov/f/201512_cfpb_consent-order_clarity-services-inc-timothy-ranney.pdf.

[147] File No. 2015-CFPB-0028. Consent order entered October 29, 2015. http://files.consumerfinance.gov/f/201510_cfpb_consent-order_general-information-service-inc.pdf.

[148] File No. 2015-CFPB-0027. Consent order entered October 28, 2015. http://files.consumerfinance.gov/f/201510_cfpb_consent-order-administrative-snaac.pdf.

- *In the Matter of: Fifth Third Bank*;[150]
- *In the Matter of: Fifth Third Bank*;[151]
- *In the Matter of: Portfolio Recovery Associates, LLC*;[152]
- *In the Matter of: Encore Capital Group, Inc., Midland Funding, LLC, Midland Credit Management, Inc. and Asset Acceptance Capital Corp.*;[153]
- *In the Matter of: Springstone Financial, LLC*;[154]
- *In the Matter of: RBS Citizens Financial Group, et al.*;[155]
- *In the Matter of: Residential Credit Solutions, Inc.*;[156]
- *In the Matter of: LoanCare, LLC*;[157]

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[149] File No. 2015-CFPB-0026. Consent order issued on September 30, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-westlake-services-llc.pdf.

[150] File No. 2015-CFPB-0025. Consent order entered on September 28, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-fifth-third-bank.pdf.

[151] File No. 2015-CFPB-0024. Consent order entered on September 28, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-fifth-third-bank.pdf.

[152] File No. 2015-CFPB-0023. Consent order entered on September 9, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-portfolio-recovery-associates-llc.pdf.

[153] File No. 2015-CFPB-0022. Consent order entered on September 9, 2015. http://files.consumerfinance.gov/f/201509_cfpb_consent-order-encore-capital-group.pdf.

[154] File No. 2015-CFPB-0021. Consent order entered on August 19, 2015. http://files.consumerfinance.gov/f/201508_cfpb_consent-order-springstone-financial-llc.pdf.

[155] File No. 2015-CFPB-0020. Consent order entered on August 12, 2015. http://files.consumerfinance.gov/f/201408_cfpb_consent-order-rbs-citizens.pdf.

[156] File No. 2015-CFPB-0019. Consent order entered on July 30, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_residential-credit-solutions.pdf.

- *In the Matter of: Paymap, Inc.*;[158]
- *In the Matter of: Discover Bank, The Student Loan Corporation, and Discover Products, Inc.*;[159]
- *In the Matter of: Citibank, N.A., et al.*;[160]
- *In the Matter of: American Honda Finance Corporation*;[161]
- *In the Matter of: Chase Bank, USA N.A. and Chase Bankcard Services, Inc.*;[162]
- *In the Matter of: Syndicated Office Systems, LLC, d/b/a Central Financial Control*;[163]
- *In the Matter of: Guarantee Mortgage Corporation*;[164]

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[157] File No. 2015-CFPB-0018. Consent order entered on July 28, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_loan-care.pdf.

[158] File No. 2015-CFPB-0017. Consent order entered July 28, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_paymap.pdf.

[159] File No. 2015-CFPB-0016. Consent order entered July 22, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order-in-the-matter-of-discover-bank-student-loan-corporation.pdf.

[160] File No. 2015-CFPB-0015. Consent order entered July 21, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order-citibank-na-department-stores-national-bank-and-citicorp-credit-services-inc-usa.pdf.

[161] File No. 2015-CFPB-0014. Consent order issued July 14, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order_honda.pdf.

[162] File No. 2015-CFPB-0013. Consent order entered July 8, 2015. http://files.consumerfinance.gov/f/201507_cfpb_consent-order-chase-bank-usa-na-and-chase-bankcard-services-inc.pdf.

[163] File No. 2015-CFPB-0012. Consent order entered June 18, 2015. http://files.consumerfinance.gov/f/201506_cfpb_order-syndicated.pdf.

[164] File No. 2015-CFPB-0011. Consent order entered June 5, 2015.

- *In the Matter of: International Land Consultants, Inc.*;[165]
- *In the Matter of: Regions Bank*;[166]
- *In the Matter of: Fort Knox National Company and Military Assistance Company, LLC*;[167] *and*
- *In the Matter of: RMK Financial Corporation*.[168]

http://files.consumerfinance.gov/f/201506_cfpb_consent-order-guarantee-mortgage-corporation.pdf.

[165] File No. 2015-CFPB-0010. Consent order entered May 1, 2015. http://files.consumerfinance.gov/f/201505_cfpb_consent-order-international-land-consultants.pdf.

[166] File No. 2015-CFPB-0009. Consent order entered April 28, 2015. http://files.consumerfinance.gov/f/201504_cfpb_consent-order_regions-bank.pdf.

[167] File No. 2015-CFPB-0008. Consent order entered April 20, 2015. http://files.consumerfinance.gov/f/201504_cfpb_regulation-fort-knox-mac-settlement.pdf.

[168] File No. 2015-CFPB-0007. Consent order entered April 9, 2015. http://files.consumerfinance.gov/f/201504_cfpb_consent-order_rmk-financial-corporation.pdf.

APPENDIX D:

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

Section 1016(c)(6) requires a report on "the actions taken regarding rules, orders and supervisory actions with respect to covered persons which are not credit unions or depository institutions." Between April 1, 2015 and March 31, 2016, the Bureau has taken the following actions with respect to such covered persons:

- The Bureau's *Supervisory Highlights* publications provide general information about the Bureau's supervisory activities at banks and nonbanks without identifying specific companies. The Bureau published three issues of Supervisory Highlights between April 1, 2015 and March 31, 2016;[169]
- *In the Matter of: RMK Financial Corporation* (File No. 2015-CFPB-0007) (consent

[169] Spring 2015: http://files.consumerfinance.gov/f/201506_cfpb_supervisory-highlights.pdf; Summer 2015: http://files.consumerfinance.gov/f/201506_cfpb_supervisory-highlights.pdf; Winter 2016: http://files.consumerfinance.gov/f/201603_cfpb_supervisory-highlights.pdf .

order entered April 9, 2015. 2015);[170]

- *In the Matter of: Fort Knox National Company and Military Assistance Company, LLC* (File No. 2015-CFPB-0008) (consent order entered April 20, 2015);[171]
- *In the Matter of: International Land Consultants, Inc.* (File No. 2015-CFPB-0010) (consent order entered May 1, 2015);[172]
- *In the Matter of: Guarantee Mortgage Corporation* (File No. 2015-CFPB-0011) (consent order entered June 5, 2015);[173]
- *In the Matter of Syndicated Office Systems, LLC, d/b/a Central Financial Control* (File No. 2015-CFPB-0012) (consent order entered June 18, 2015);[174]
- *In the Matter of: American Honda Finance Corporation* (File No. 2015-CFPB-0014) (consent order entered July 14, 2015);[175]
- *In the Matter of: Paymap, Inc.* (File No. 2015-CFPB-0017) (consent order entered July 28, 2015);[176]
- *In the Matter of: LoanCare, LLC.* (File No. 2015-CFPB-0018) (consent order entered on

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[170] http://files.consumerfinance.gov/f/201504_cfpb_consent-order_rmk-financial-corporation.pdf.

[171] http://files.consumerfinance.gov/f/201504_cfpb_regulation-fort-knox-mac-settlement.pdf.

[172] http://files.consumerfinance.gov/f/201505_cfpb_consent-order-international-land-consultants.pdf.

[173] http://files.consumerfinance.gov/f/201506_cfpb_consent-order-guarantee-mortgage-corporation.pdf.

[174] http://files.consumerfinance.gov/f/201506_cfpb_order-syndicated.pdf.

[175] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_honda.pdf.

[176] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_paymap.pdf.

July 28, 2015);[177]

- *In the Matter of: Residential Credit Solutions, Inc.* (File No. 2015-CFPB-0019) (consent order entered on July 30, 2015);[178]
- *In the Matter of Springstone Financial, LLC.* (File No. 2015-CFPB-0021) (consent order entered on August 19, 2015);[179]
- *In the Matter of: Encore Capital Group, Inc., Midland Funding, LLC, Midland Credit Management, Inc. and Asset Acceptance Capital Corp.* (File No. 2015-CFPB-0022) (consent order entered on September 9, 2015);[180]
- *In the Matter of: Portfolio Recovery Associates, LLC* (File No. 2015-CFPB-0023) (consent order entered on September 9, 2015);[181]
- *In the Matter of Westlake Services, LLC & Wilshire Consumer Credit, LLC (*File No. 2015-CFPB-0026) (consent order entered September 30, 2015);[182]
- *In the Matter of Security National Automotive Acceptance Company, LLC* (File No. 2015-CFPB-0027) (consent order entered October 28, 2015);[183]
- *In the Matter of General Information Services, Inc. (*File No. 2015-CFPB-0028)

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[177] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_loan-care.pdf.

[178] http://files.consumerfinance.gov/f/201507_cfpb_consent-order_residential-credit-solutions.pdf.

[179] http://files.consumerfinance.gov/f/201508_cfpb_consent-order-springstone-financial-llc.pdf.

[180] http://files.consumerfinance.gov/f/201509_cfpb_consent-order-encore-capital-group.pdf.

[181] http://files.consumerfinance.gov/f/201509_cfpb_consent-order-portfolio-recovery-associates-llc.pdf.

[182] http://files.consumerfinance.gov/f/201509_cfpb_consent-order-westlake-services-llc.pdf.

[183] http://files.consumerfinance.gov/f/201510_cfpb_consent-order-district-snaac.pdf.

(Consent order entered October 29, 2015);[184]

- *In the Matter of Clarity Services, Inc. (*File No. 2015-CFPB-0030) (consent order entered December 3, 2015);[185]
- *In the Matter of EZCORP, Inc. (*File No.2015-CFPB 0031) (consent order entered December 16, 2015);[186]
- *In the Matter of Interstate Auto Group, Inc. aka. CarHop, and Universal Acceptance Corporation (*File No. 2015-CFPB-0032) (consent order entered December 17, 2015);[187]
- *In the Matter of Eric V. Sancho d/b/a Lead Publisher (*File No. 2015-CFPB-0033) (consent order entered December 17, 2015);[188]
- *In the Matter of Herbies Auto Sales (*File No. 2016-CFPB-0001) (consent order entered January 21, 2016);[189]
- *In the Matter of Toyota Motor Credit Corporation (*File No. 2016-CFPB-0002) (consent

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[184] File No. 2015-CFPB-0028. Consent order entered October 29, 2015. http://files.consumerfinance.gov/f/201510_cfpb_consent-order_general-information-service-inc.pdf.

[185] File No. 2015-CFPB-0030. Consent order entered December 3, 2015. http://files.consumerfinance.gov/f/201512_cfpb_consent-order_clarity-services-inc-timothy-ranney.pdf.

[186] File No.2015-CFPB 0031. Consent order entered December 16, 2015. http://files.consumerfinance.gov/f/201512_cfpb_ezcorp-inc-consent-order.pdf.

[187] File No. 2015-CFPB-0032. Complaint filed December 17, 2015. http://files.consumerfinance.gov/f/201512_cfpb_carhop-consent-order.pdf.

[188] File No. 2015-CFPB-0033. Consent order entered December 17, 2015. http://files.consumerfinance.gov/f/201512_cfpb_eric-v-sancho-consent-order.pdf.

[189] File No. 2016-CFPB-0001. Consent order entered January 21, 2016. http://files.consumerfinance.gov/f/201601_cfpb_consent-order_y-kings-corp-also-doing-business-as-herbies-auto-sales.pdf.

order entered February 2, 2016);[190]

- *In the Matter of Solomon & Solomon, P.C.;*[191]
- *In the Matter of Faloni & Associates, LLC;*[192]
- *In the Matter of Dwolla, Inc.*;[193] and
- *In the Matter of Student Aid Institute, Steven Lamont.*[194]

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[190] File No. 2016-CFPB-0002. Consent order entered February 2, 2016. http://files.consumerfinance.gov/f/201602_cfpb_consent-order-toyota-motor-credit-corporation.pdf.

[191] File No. 2016-CFPB-0005. Consent order entered on February 23, 2016. http://files.consumerfinance.gov/f/201602_cfpb_consent-order-solomon-and-solomon-pc.pdf.

[192] File No. 2016-CFPB-0006. Consent order entered on February 23, 2016. http://files.consumerfinance.gov/f/201602_cfpb_consent-order-faloni-and-associates-llc.pdf.

[193] File No. 2016-CFPB-0007. Consent order entered on March 2, 2016. http://files.consumerfinance.gov/f/201603_cfpb_consent-order-dwolla-inc.pdf.

[194] File No, 2016-CFPB-0008. Consent order entered March 30, 2016. http://files.consumerfinance.gov/f/201603_cfpb_consent-order-student-aid-institute-inc-steven-lamont.pdf.

APPENDIX E:

Significant state attorney general and regulator actions

Dodd-Frank Section 1016(c)(7) requires "an assessment of significant actions by State attorneys general or State regulators relating to Federal consumer financial law." The reporting period for this information is April 1, 2015 – March 31, 2016.

For purposes of the Section 1016(c)(7) reporting requirement at this early period in the Bureau's development, the Bureau has determined that any actions asserting claims pursuant to Section 1042 of the Dodd-Frank Act are "significant." The Bureau aware of the following State attorney general or State regulator actions that were initiated during the reporting period and that asserted Dodd-Frank Act claims:

- Consumer Financial Protection Bureau and Navajo Nation v. S/W Tax Loans, Inc. formerly d/b/a Fast Refund Loans, Inc.; J Thomas Development of NM, Inc. formerly d/b/a H&R Block; Dennis R. Gonzales; and Jeffrey Scott Thomas, No. 15-cv-0099 (D.N.M. Apr. 14. 2015).
- Commonwealth of Pennsylvania v. Think Finance, Inc., TC Loan Service, LLC, Payday One, LLC, Tailwind Marketing, LLC, TC Decision Sciences, LLC, Financial U, LLC and Kenneth Rees, National Credit Adjusters, LLC, Selling Source, LLC and Partner Weekly, LLC d/b/a Money Mutual.com, No. 14-7139-JCJ (E.D.P.A. July 2, 2015).

APPENDIX F:

Reports

The CFPB published the following reports from April 1, 2015 through March 31, 2016, which may be found at consumerfinance.gov/reports/.

April 1, 2015: No FEAR Act Annual Report for Fiscal Year 2014;

April 2, 2015: Equal Employment Opportunity (EEO) Program Status Report for Fiscal Year 2014;

April 7, 2015: Advancing K-12 Financial Education: A Guide for Policymakers;

April 27, 2015: Complaints Received from Servicemembers and their Families 2011-2014;

April 28, 2015: 2014 Fair Lending Report;

April 29, 2015: 2014 Office of Minority and Women Inclusion Annual Report to Congress;

May 5, 2015: Data Point: Credit Invisibles;

June 3, 2015: A Closer Look at Reverse Mortgage Advertisements and Consumer Risks;

June 15, 2015: Semi-Annual Report Spring 2015;

June 18, 2015: 2015 Mid-Year Update on Student Loan Complaints;

June 23, 2015: Supervisory Highlights: Summer 2015;

July 7, 2015: Overseas & Underserved: Student Loan Servicing and the Cost to Our Men and Women in Uniform;

July 16, 2015: Monthly Complaint Report, Vol. 1;

August 3, 2015: Plain Writing Act Compliance Report 2015;

August 5, 2015: Leveraging Technology to Empower Consumers at Closing;

August 25, 2015: Monthly Complaint Report, Vol. 2;

August 28, 2015: Technical Reports: National Survey of Mortgage Borrowers and National Mortgage Database;

September 22, 2015: Monthly Complaint Report Vol. 3;

September 24, 2015: Increasing Saving at Tax Time and Promising Practices for the Field;

September 29, 2015: Student Loan Servicing;

October 14, 2015: Annual Report of the CFPB Student Loan Ombudsman 2015;

October 21, 2015: Youth Financial Education Curriculum Review Tool;

October 27, 2015: CFPB Diversity and Inclusion Strategic Plan 2016 – 2020;

October 27, 2015: Monthly Complaint Report Vol. 4;

October 29, 2015: Financial Literacy Annual Report;

November 3, 2015: Supervisory Highlights: Fall 2015;

November 4, 2015: Mobile Financial Services: A Summary of Comments from the Public on Opportunities, Challenges, and Risks for the Underserved;

November 16, 2015: Financial Report Fiscal Year 2015;

November 20, 2015: Semi-Annual Report Fall 2015;

November 23, 2015: OSA Semi-Annual Snapshot of Servicemember Complaints;

November 24, 2015: Monthly Complaint Report, Vol. 5;

December 3, 2015: The Consumer Credit Card Market;

December 10, 2015: Measuring Financial Well-Being: A Guide to Using the CFPB Financial Well-Being Scale;

December 14, 2015: 2015 CFPB Annual Employee Survey Results;

December 16, 2015: 2015 College Credit Card Agreements;

December 22, 2015: Monthly Complaint Report, Vol. 6;

January 4, 2016: Report of the Consumer Financial Protection Bureau Pursuant to Section 1017(e)(4) of the Dodd-Frank Act;

January 13, 2016: Consumer Financial Protection Bureau Independent Audit of Selected Operations and Budget, Fiscal Year 2015;

January 28, 2016: Monthly Complaint Report, Vol. 7;

March 1, 2016: Monthly Complaint Report, Vol. 8;

March 8, 2016: Supervisory Highlights: Winter 2016;

March 22, 2016: Servicemembers 2015: A Year in Review;

March 22, 2016: Fair Debt Collection Practices Act Annual Report 2016; and

March 29, 2016: Monthly Complaint Report, Vol. 9.

APPENDIX G:

Congressional testimony

Senior CFPB staff has testified before Congress a total of 61 times since the Bureau began in 2011, including on the following seven occasions between April 1, 2015 and March 31, 2016, which may be found at http://www.consumerfinance.gov/newsroom/?type=testimony.

April 23, 2015: David Silberman before the House Committee on Financial Services. "Examining Regulatory Burdens – Regulator Perspective";

July 15, 2015: Richard Cordray before the Senate Committee on Banking, Housing, and Urban Affairs. "The Consumer Financial Protection Bureau's Semi-Annual Report to Congress";

September 29, 2015: Richard Cordray before the House Committee on Financial Services. "The Semi-Annual Report of the Bureau of Consumer Financial Protection";

October 23, 2015: Stacy Canan before the House Committee on Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade. "Fighting Fraud Against the Elderly, an Update";

December 8, 2015: Richard Cordray before the House Committee on Financial Services. "Oversight of the Financial Stability Oversight Council";

February 11, 2016: David Silberman before the House Committee on Financial Services Subcommittee on Financial Institutions and Consumer Credit. "Short-Term, Small Dollar Lending: The CFPB's Assault on Access to Credit and Trampling of State and Tribal Sovereignty"; and

March 16, 2016: Richard Cordray before the House Committee on Financial Services. "The Semi-Annual Report of the Bureau of Consumer Financial Protection".

APPENDIX H:

Speeches

Director Richard Cordray spoke at the following public events between April 1, 2015 and March 31, 2016:[195]

April 2, 2015: Prepared Remarks by Richard Cordray at the Ohio College Presidents' Conference in Washington, D.C.;

April 23, 2015: Prepared Remarks by Richard Cordray at the Jump$tart Coalition Awards in Washington, D.C.;

April 27, 2015: Prepared Remarks by Richard Cordray at the White House Conference on Aging Regional Forum in Washington, D.C.;

April 28, 2015: Prepared Remarks by Richard Cordray at the Your Money, Your Goals Launch in Washington, D.C.;

May 7, 2015: Prepared Remarks by Richard Cordray at the Academic Research Council in Washington, D.C.;

May 12, 2015: Prepared Remarks by Richard Cordray at the National Association of Realtors in Washington, D.C.;

May 14, 2015: Prepared Remarks by Richard Cordray at the Field Hearing on Student Loans in Milwaukee, WI;

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[195] All speeches by CFPB senior staff are available at: Link to all speeches by CFPB senior staff.

May 21, 2015: Prepared Remarks by Richard Cordray at the Financial Literacy and Education Commission Meeting in Washington, D.C.;

June 3, 2015: Prepared Remarks by Richard Cordray at the Roads to Financial Independence Launch in Washington, D.C.;

June 18, 2015: Prepared Remarks by Richard Cordray at the Consumer Advisory Board Meeting in Omaha, NE;

July 13, 2015: Prepared Remarks by Richard Cordray at the White House Conference on Aging in Washington, D.C.;

July 16, 2015: Prepared Remarks by Richard Cordray at the Americans for Financial Reform Event in Washington, D.C.;

August 5, 2015: Prepared Remarks by Richard Cordray at the CFPB Forum on eClosings in Washington, D.C.;

August 17, 2015: Prepared Remarks by Richard Cordray at the Managing Someone Else's Money Event in Springfield, VA;

September 17, 2015: Prepared Remarks by Richard Cordray at the National Association of Realtors in Washington, D.C.;

September 25, 2015: Prepared Remarks by Richard Cordray at the Ohio State University John Glenn Leadership Forum in Columbus, OH;

September 30, 2015: Prepared Remarks by Richard Cordray at the Community Bank Advisory Council Meeting in Washington, D.C.;

October 7, 2015: Prepared Remarks by Richard Cordray at the Arbitration Field Hearing in Denver, CO;

October 8, 2015: Prepared Remarks by Richard Cordray at a Meeting of the Credit Union Advisory Council in Washington, D.C.;

October 19, 2015: Prepared Remarks by Richard Cordray at the Mortgage Bankers Association Annual Convention in San Diego, CA;

October 22, 2015: Prepared Remarks by Richard Cordray at the Meeting of the Consumer Advisory Board in Washington, D.C.;

November 10, 2015: Prepared Remarks by Richard Cordray at the American Bankers Association Annual Convention in Los Angeles, CA;

November 12, 2015: Prepared Remarks by Richard Cordray at the Brookings Institution in Washington, D.C.;

November 18, 2015: Prepared Remarks by Richard Cordray at the Financial Literacy and Education Meeting in Washington, D.C.;

December 3, 2015: Prepared Remarks by Richard Cordray at the Consumer Federation of America in Washington, D.C.;

February 3, 2016: Prepared Remarks by Richard Cordray at a Field Hearing on Checking Account Access in Louisville, KY;

February 4, 2016: Prepared Remarks by Richard Cordray at the Financial Literacy and Education Meeting in Washington, D.C.;

February 18, 2016: Prepared Remarks by Richard Cordray at the American Constitution Society in New York, NY;

February 23, 2016: Prepared Remarks by Richard Cordray at the Credit Union National Association in Washington, D.C.;

February 25, 2016: Prepared Remarks by Richard Cordray at the Consumer Advisory Board Meeting in Washington, D.C.; and

March 9, 2016: Prepared Remarks by Richard Cordray at the Consumer Bankers Association Meeting in Phoenix, AZ.

APPENDIX I:

Financial and budget reports

The CFPB has published the following financial reports from January 1, 2012 through March 31, 2016 which are all available at consumerfinance.gov/budget:

January 20, 2012: CFO update for the first quarter of FY 2012;

May 11, 2012: CFO update for the second quarter of FY 2012;

July 27, 2012: CFO update for the third quarter of FY 2012;

November 15, 2012: Financial Report of the CFPB – FY 2012;

December 15, 2012: CFO Update for the fourth quarter of FY 2012;

February 15, 2013: CFO Update for the first quarter of FY 2013;

May 15, 2013: CFO Update for the second quarter of FY 2013;

August 15, 2013: CFO Update for the third quarter of FY 2013;

December 15, 2013: Financial Report of the CFPB – FY 2013;

December 15, 2013: CFO Update for the fourth quarter of FY 2013;

February 14, 2014: CFO Update for the first quarter of FY 2014;

May 15, 2014: CFO Update for the second quarter of FY 2014;

August 15, 2014: CFO Update for the third quarter of FY 2014;

November 15, 2014: Financial Report of the CFPB – FY 2014;

November 15, 2014: CFO Update for the fourth quarter of FY 2014;

February 18, 2015: CFO Update for the first quarter of FY 2015;

May 25, 2015: CFO Update for the second quarter of FY 2015;

September 11, 2015: CFO Update for the third quarter of FY 2015;

November 16, 2015: Financial Report of the CFPB – FY 2015;

November 20, 2015: CFO Update for the fourth quarter of FY 2015; and

February 16, 2016: CFO Update for the first quarter of FY 2016.

The CFPB has published the following Budget Documents, which are all available at consumerfinance.gov/budget:

- Fiscal Year 2012 Budget in Brief;
- Fiscal Year 2012 Congressional Budget Justification;
- Fiscal Year 2013 Budget in Brief;
- FY 2013 Budget Justification;
- CFPB Strategic Plan, Budget, and Performance Report – April 2013;
- CFPB Strategic Plan, Budget, and Performance Report – March 2014;
- CFPB Strategic Plan, Budget, and Performance Report – February 2015; and
- CFPB Strategic Plan, Budget, and Performance Report – February 2016.

The CFPB has published the following funding requests to and funding acknowledgements from the Federal Reserve Board, from January 1, 2012 through March 31, 2016, which are all available at consumerfinance.gov/budget.

January 6, 2012: Funding Acknowledgement from the Federal Reserve Board;

March 30, 2012: Funding Request to the Federal Reserve Board;

April 5, 2012: Funding Acknowledgement from the Federal Reserve Board;

July 2, 2012: Funding Request to the Federal Reserve Board;

July 9, 2012: Funding Acknowledgement from the Federal Reserve Board;

October 2, 2012: Funding Request to the Federal Reserve Board;

October 18, 2012: Funding Acknowledgement from the Federal Reserve Board;

January 7, 2013: Funding Request to the Federal Reserve Board;

January 16, 2013: Funding Acknowledgement from the Federal Reserve Board;

April 2, 2013: Funding Request to the Federal Reserve Board;

April 8, 2013: Funding Acknowledgement from the Federal Reserve Board;

October 7, 2013: Funding Request to the Federal Reserve Board;

October 15, 2013: Funding Acknowledgement from the Federal Reserve Board;

January 7, 2014: Funding Request to the Federal Reserve Board;

January 22, 2014: Funding Acknowledgement from the Federal Reserve Board;

April 7, 2014: Funding Request to the Federal Reserve Board;

April 11, 2014: Funding Acknowledgement from the Federal Reserve Board;

July 9, 2014: Funding Request to the Federal Reserve Board;

July 28, 2014: Funding Acknowledgement from the Federal Reserve Board;

October 8, 2014: Funding Request to the Federal Reserve Board;

October 15, 2014: Funding Acknowledgment from the Federal Reserve Board;

January 14, 2015: Funding Request to the Federal Reserve Board;

January 16, 2015: Funding Acknowledgment from the Federal Reserve Board;

April 10, 2015: Funding Request to the Federal Reserve Board;

April 13, 2015: Funding Acknowledgment from the Federal Reserve Board;

July 16, 2015: Funding Request to the Federal Reserve Board;

July 21, 2015: Funding Acknowledgement from the Federal Reserve Board;

October 8, 2015: Funding Request to the Federal Reserve Board;

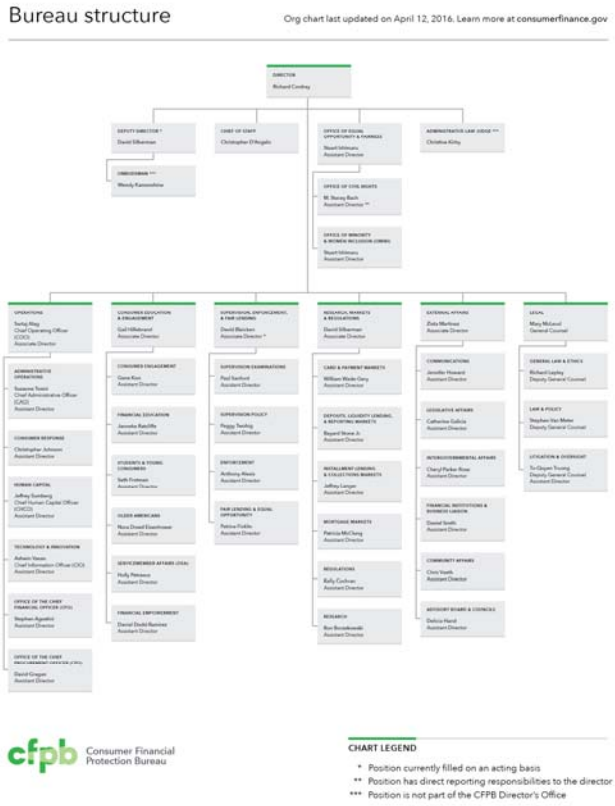
October 14, 2015: Funding Acknowledgment from the Federal Reserve Board;

January 26, 2016: Funding Request to the Federal Reserve Board; and

February 5, 2016: Funding Acknowledgement from the Federal Reserve Board.

APPENDIX J:

CFPB organizational chart



APPENDIX K:

Defined terms

ACRONYM	DEFINED TERM
ARC	The CFPB's Academic Research Council
BUREAU	The Consumer Financial Protection Bureau
CAB	The CFPB's Consumer Advisory Board
CARD ACT	Credit Card Accountability Responsibility and Disclosure Act of 2009
CBAC	The CFPB's Community Bank Advisory Council
CEE	The CFPB's Division of Consumer Education and Engagement
CFPA	Consumer Financial Protection Act of 2010
CFPB	The Consumer Financial Protection Bureau
CFPB FinEx	The CFPB Financial Education Exchange
CONSUMER RESPONSE	The CFPB's Office of Consumer Response
CSBS	Conference of State Bank Supervisors
CUAC	The CFPB's Credit Union Advisory Council
DICE	Diversity and Inclusion Council of Employees
DODD-FRANK ACT	Dodd-Frank Wall Street Reform and Consumer Protection Act
DOJ	The U.S. Department of Justice
ECOA	Equal Credit Opportunity Act
ECP	Examiner Commissioning Program
ED	The U.S. Department of Education

ACRONYM	DEFINED TERM
EFTA	Electronic Fund Transfer Act
EIC	Examiner–in-Charge
EMPOWERMENT	The CFPB's Office of Financial Empowerment
FAIR LENDING	The CFPB's Office of Fair Lending and Equal Opportunity
FCRA	Fair Credit Reporting Act
FDCPA	Fair Debt Collection Practices Act
FDIC	The U.S. Federal Deposit Insurance Corporation
FEDERAL RESERVE BOARD	The U.S. Board of Governors of the Federal Reserve System
FFIEC	The U.S. Federal Financial Institutions Examination Council
FLEC	The Financial Literacy and Education Commission
FOIA	Freedom of Information Act
FRB	The U.S. Board of Governors of the Federal Reserve System
FTC	The U.S. Federal Trade Commission
FY	Fiscal Year
HMDA	Home Mortgage Disclosure Act of 1975
HUD	The U.S. Department of Housing and Urban Development
ICP	Interim Commissioning Policy
KBYO	Know Before You Owe
M&T	Manufacturers and Traders Trust Company
MOU	Memorandum of Understanding
MSA	Marketing Services Agreement
MSOA	Money Smart for Older Adults
NCUA	The National Credit Union Administration

ACRONYM	DEFINED TERM
NMLSR	National Mortgage Licensing System and Registry
OCC	The U.S. Office of the Comptroller of the Currency
OHC	The CFPB's Office of Human Capital
OMWI	The CFPB's Office of Minority and Women Inclusion
PRA	Paperwork Reduction Act
RCS	Residential Credit Solutions
RESPA	Real Estate Settlement Procedures Act of 1974
RFI	Request for Information
SBREFA	The Small Business and Regulatory Enforcement Fairness Act
SLP	Student Loan Processing
SNAAC	Security National Automotive Acceptance Company
TILA	Truth in Lending Act
TOOL	CFPB's Compliance Tool
TREASURY	The U.S. Department of the Treasury
TSR	Telemarketing Sales Rule
VITA	Volunteer Income Tax Assistance