

2019 LENDING COMPLIANCE ENFORCEMENT ACTIONS

ISSUE	INSTITUTION	VIOLATIONS/FINDINGS	ACTION	AGENCY	DATE	PENALTY/ CORRECTIVE ACTION
FHA/ADA	TFT Galveston Portfolio LTD and site engineer James W. Gartrell Jr.	The suit alleged that TFT Galveston Portfolio and Gartrell built an eight-building addition and associated rental office at the Seasons Resort in Galveston, Texas, that were inaccessible to persons with disabilities	Settlement	DOJ	12/4/19	Under the terms of the settlement Galveston Portfolio must: <ul style="list-style-type: none"> • Remove steps, replacing steeply-sloped walkways and adding accessible parking • Construct a new apartment building with 24 accessible units, a new accessible rental office, and establish a \$75,000 settlement fund for people who suffered harm • Obtain training on the requirements of the FHA and ADA and ensure any future housing they design or construct complies with FHA and ADA requirements. • Persons who were denied housing or otherwise harmed because the complex was not accessible may be entitled to monetary compensation.

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FCRA	Sterling Infosystems, Inc.	<ul style="list-style-type: none"> CFPB alleged Sterling violated the Fair Credit Reporting Act by (1) failing to employ reasonable procedures to ensure the maximum possible accuracy of the information about consumers it included in the consumer reports it prepared; (2) failing to maintain strict procedures to ensure that public record information about consumers that it included in consumer reports it prepared was complete and up to date or notify consumers, at the time that such information was reported, of the fact that public record information was being reported; and (3) reporting criminal history information and other adverse information about consumers outside of the reporting period allowed by the FCRA. 	Complaint/ Proposed Stipulated Judgement	CFPB	11/22/19	The final stipulated judgment and order requires Sterling to pay \$6 million in monetary relief to affected consumers and a \$2.5 million civil money penalty to the Bureau. The proposed stipulated judgment also includes injunctive relief to prevent the claimed illegal conduct from recurring.
Flood	Mutual of Omaha, Omaha, NE	Pattern or practice of violation of the Flood Act and its implementing regulations, specifically 12 C.F.R. § 22.3 (Purchase), 12 C.F.R. § 22.9 (Notice), and 12 C.F.R. § 22.10 (Servicer Identity)	CMP	OCC	11/21/19	CMP:\$ \$98,415
UDAAP	Consumer Advocacy Center Inc.	CFPB alleges the debt relief companies operate as a common enterprise and have engaged in deceptive practices and charged unlawful advance fees in connection with the marketing and sale of student loan debt relief services to consumers.	Complaint	CFPB	10/30/19	The court granted the request for the temporary restraining order on October 21, 2019.

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	Consumer Advocacy Center Inc. (Continued)					PENDING: The court has scheduled a hearing on the Bureau’s request for a preliminary injunction. The Bureau’s complaint seeks an injunction against defendants, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty. The complaint also names several relief defendants, and seeks disgorgement of those relief defendants’ ill-gotten gains.
UDAAP	Performance Arbitrage Company, Inc., and Life Funding Options, Inc.	<ul style="list-style-type: none"> CFPB and South Carolina Department of Consumer Affairs allege that Snyder and her companies misrepresented to consumers that the contracts the companies broker are valid and enforceable when, in fact, the contracts are void under federal and state law; misrepresented to consumers that the product is a sale of payments and not a high-interest credit offer; and failed to inform consumers of the products’ interest rates. 	Complaint	CFPB	10/1/19	PENDING: The complaint seeks an injunction against Snyder and her companies, as well as damages, redress to consumers, and the imposition of a civil money penalty.

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RESPA and TCPA	Willamette Valley Bank Salem, Oregon	<ul style="list-style-type: none"> • Agreed to pay and accept fees for the referral of mortgage loan business; • Placed telemarketing phone calls to consumers on Do Not Call Registry and used automated dialing system to send pre-recorded or text messages to consumers' cellular phones. 	Civil Money Penalty	FDIC	9/30/19	CMP: \$275,000
Regulation O	Beauregard FSB, Deridder, Louisiana	Among other issues such as credit administration, being undercapitalized, and ALLL methodology, Lending to Insiders had numerous corrective action.	Formal Agreement	OCC	9/30/19	Insider activities/conflict of interest policy addressing: <ul style="list-style-type: none"> • Document approval process; • Avoid of conflicts of interest/breaches of fiduciary duty/rpt to board; • Restrictions on involvement in the overdraft/loan approval of Insiders who may benefit directly or indirectly from the decision to grant credit; • Disclosure of any Insider's material interest in the business of a borrower, an applicant, or other customer of the Bank.

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FDCPA/FCRA	FCO Holding, Inc., Fair Collections & Outsourcing, Inc., Fair Collections & Outsourcing of New England, Inc., FCO Worldwide, Inc. and Michael E. Sobota	<ul style="list-style-type: none"> CFPB alleges FCO violated the Fair Credit Reporting Act and Regulation V by failing to maintain reasonable policies and procedures regarding the accuracy and integrity of the information it furnishes, including the handling of consumer disputes, failing to conduct reasonable investigations of certain consumer disputes, and failing to cease furnishing information that was alleged to have been the result of identity theft before it made any determination of whether the information was accurate. CFPB alleges that FCO and Michael Sobota violated the Fair Debt Collection Practices Act when FCO represented that consumers owed certain debts when, in fact, FCO did not have a reasonable basis to assert that the consumers owed those debts. 	Complaint	CFPB	9/25/19	PENDING: The Bureau's complaint seeks an injunction against FCO and Sobota, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty.

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Regulation O	Resolute Bank, (Maumee, OH)	Among other issues such as credit administration, being undercapitalized, and ALLL methodology, Lending to Insiders had numerous corrective action.	Prompt Corrective Action	OCC	9/18/19	Conflict of Interest/Insider Activity Program to Address: <ul style="list-style-type: none"> • Conflicts of interest/ breach of fiduciary duty; • Restriction on involvement in the loan approval process of Insiders who may benefit directly or indirectly from the decision to grant credit; • Disclosure of conflicts of interest to the Board; • Requirements for arms-length dealing in any transactions by Insiders, or their related interests involving the Bank's sale, purchase, or rental of property and services; • Procedures to ensure compliance Regulation O, • Recordkeeping of Board approvals; • Restrictions and disclosure of receipt of anything of value by Insiders, from customers or suppliers of the Bank.

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FHA	Toll Brothers, Inc, et al	Developer, owner, construction company and architect charged with housing discrimination for failing to design and construct a condominium development in the Long Island City area of Queens, New York, in compliance with the accessibility requirements of the Fair Housing Act. Read HUD's charge.	Charge of Discrimination	HUD	9/16/19	PENDING: Damages may be awarded to the individual complainant for his or her loss as a result of the discrimination. The judge may also order retrofits at the inaccessible properties, and other injunctive or equitable relief, as well as payment of attorney fees. In addition, the judge may impose civil penalties to vindicate the public interest.
Flood	American Bank of Beaver Dam Beaver Dam, Wisconsin	<ul style="list-style-type: none"> • Failure to require escrow of flood insurance premiums and fees when it required escrow of taxes, fees, etc. on residential improved real estate secured loan (2 loans); • Failure to provide Special Flood Hazard notice when making, increasing, renewing, or extending (4 occasions). 	Civil Money Penalty	FDIC	9/17/19	CMP: \$800

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Flood	Citizens Bank Mukwonago, Wisconsin	<ul style="list-style-type: none"> • Failure to obtain flood insurance on building securing designated loan at time of origination (2 loans); • Failure to obtain adequate flood insurance (8 loans); • Failure to require escrow of flood insurance premiums and fees when it required escrow of taxes, fees, etc. on residential improved real estate secured loan (3 loans); • Failure to follow force placement procedures (3 loans); • Failure to provide Special Flood Hazard notice when making, increasing, renewing, or extending (5 occasions). 	Civil Money Penalty	FDIC	9/17/19	CMP: \$15,500
Flood	River Cities Bank, Wisconsin Rapids, Wisconsin	<ul style="list-style-type: none"> • Failed to maintain adequate flood insurance during term of loan (2 loans); • Failed to properly force place insurance (2 loans); • Failed to provide written noticed regarding flood insurance prior to extending, increasing, renewing (4 loans). 	Civil Money Penalty	FDIC	9/17/19	CMP: \$4,600
Flood	Midsouth Bank, National Association, Lafayette, Louisiana	A pattern or practice of violations of the Flood Act and its implementing regulations, specifically 12 C.F.R. §§ 22.3 and 22.9.	Consent Order/ CMP	OCC	9/11/19	CMP: \$108,796

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UDAAP/ and CFPB's Regulation O (Mort. Asst. Relief)	Certified Forensic Loan Auditors, LLC, Andrew Lehman, and Michael Carrigan	<ul style="list-style-type: none"> Complaint alleges that CFLA and Lehman have engaged in deceptive and abusive acts and practices and have charged unlawful advance fees in connection with the marketing and sale of financial advisory and mortgage assistance relief services to consumers. CFLA is a foreclosure relief services company incorporated in California and headquartered in Houston, Texas. Lehman is CFLA's president and CEO. The Bureau's complaint alleges that Carrigan, who was the Company's sole auditor, provided substantial assistance to CFLA and Lehman. 	Judgement / CMP	CFPB	9/5/19	<ul style="list-style-type: none"> Carrigan banned from providing mortgage assistance relief services or consumer financial products and services CMP: \$493,000, all but \$5,000 of which is suspended based on his limited ability to pay more based on sworn financial statements.
Flood	Park Bank, Sewell, New Jersey	<p>On 205 occasions failed to notify borrowers they should obtain flood insurance, at their expense, at least in the amount required for the remaining term of the loan.</p> <p>On 31 occasions force placed flood insurance on the borrowers' behalf without notifying them they should obtain flood insurance, at their expense, at least in the amount required for the remaining term of the loan.</p>	Civil Money Penalty	FDIC	9/5/19	\$32,931

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Flood	First State Bank Nebraska, Lincoln, Nebraska	A pattern or practice of violations of Regulation H, 12 C.F.R. § 208.25, which implements the requirements of the Act;	Civil Money Penalty	FRB	9/3/19	CMP: \$37,000
FDCPA/ UDAAP	Asset Recovery Associates, Illinois	<ul style="list-style-type: none"> • Violated the Fair Debt Collection Practices Act by threatening to sue or arrest consumers even though it did not intend to take such action, falsely representing to consumers that company employees were attorneys, threatening to garnish consumers' wages or place liens on their homes even though it did not intend to do so, and representing that consumers' credit reports would be negatively affected if they did not pay, even though ARA does not report consumer debts to credit-reporting agencies. • False statements were also deceptive, in violation of the Consumer Financial Protection Act of 2010. 	Consent Order/CMP	CFPB	8/28/19	Restitution: \$36,8000 CMP: \$200,000 Prohibited from continuing to engage in this conduct and required to record calls with consumers to help ensure collectors do not make false statements in the future.
Flood	First State Bank of Burnet, Burnet, TX	<ul style="list-style-type: none"> • Failure to obtain flood insurance or adequate coverage at origination, increase, extension, or renewal on designated loans. • Failure to provide force placement notice with 45 days of force placement • Failure to provide Special Flood Hazards notice in all cases whether or not flood insurance is available under the NFIA. 	Civil Money Penalty	FDIC	8/27/19	CMP: \$21,700

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Flood	Brookline Bank, Brookline, Massachusetts	A pattern or practice of violations of Regulation H, 12 C.F.R. § 208.25	Civil Money Penalty	FRB	8/15/19	CMP: \$36,000
Flood	First Ipswich Bank, Ipswich, Massachusetts	A pattern or practice of violations of Regulation H, 12 C.F.R. § 208.25.	Civil Money Penalty	FRB	8/14/19	CMP: \$20,000
Flood	MUFG Union Bank, N.A. San Francisco, California	Violations of the Flood Act and its implementing regulations, specifically 12 C.F.R. § 22.3(a);	Consent Order/ CMP	OCC	7/29/19	CMP: \$109,667.00
FHA/ECOA	CIT Group, Inc., and CIT Bank, N.A. dba OneWest Bank	<p>Complaint, filed by the California Reinvestment Coalition (CRC), alleged that:</p> <ul style="list-style-type: none"> From 2014 to at least 2017 OneWest Bank discriminated in the marketing and origination of home mortgages, as evidenced by the low number of mortgages it made to African-American and Latino borrowers relative to the demographics of the area and to the industry as a whole. The bank located and maintained branches in areas that do not serve minority neighborhoods and borrowers. OneWest Bank denies discriminating in violation of the Act, but has entered into the Conciliation Agreement to provide “important and valuable assistance to 	HUD Approved Voluntary Settlement between CRC and OneWest Bank	HUD	7/29/19	<ul style="list-style-type: none"> \$5 million loan subsidy fund for residents of majority-minority neighborhoods; \$1.3 million for ads/community outreach; \$1 million in grants for homebuyer education, counseling, community revitalization, etc.; Commitment to originate \$100,000,000 in home purchase, improvement and refinance loans to borrowers in majority-minority areas;

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		minority communities in its service areas.” The Department has made no findings in this matter because the parties reached a voluntary settlement.				Open a full-service branch in a majority-minority and low- and moderate-income neighborhood.
Flood	The Union Bank, Marksville, Louisiana	Failure to obtain flood insurance or adequate coverage at origination, increase, extension, or renewal on designated loans. (31 loans)	Civil Money Penalty	FDIC	7/18/19	CMP: \$12,400
UDAAP/Telemarketing Sales Rule/Telemarketing Act	Freedom Debt Relief, LLC	<ul style="list-style-type: none"> The Bureau’s lawsuit alleged that Freedom Debt Relief violated the Telemarketing Sales Rule by charging advance fees and failing to inform consumers of their rights to funds they deposited with the company. The Bureau also alleged that Freedom Debt Relief violated the Consumer Financial Protection Act of 2010 by charging consumers without settling their debts as promised, charging consumers after having them negotiate their own settlements with creditors, and misleading consumers about the company’s fees and its ability to negotiate directly with all of a consumer’s creditors. 	Complaint/ Stipulated Final Judgement	CFPB	7/9/19	Subject to court approval: CMP: \$5 million (\$493,500 of penalty paid to FDIC) Restitution: \$20 million

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1) UDAAP 2) UDAAP	1) Student CU Connect CUSO, LLC 2) ITT	<p>1) Allegedly CUSO provided substantial assistance to ITT Educational Services, Inc. (ITT) in engaging in unfair acts and practices. ITT operated ITT Technical Institute until it filed for bankruptcy and ceased operations in 2016. The Bureau’s complaint alleges that CUSO was actively involved in the creation and the implementation of the CUSO loan program.</p> <p>Alleged that ITT induced its students to take out the loans by a variety of means, and that CUSO knew or was reckless in not knowing that many student borrowers did not understand the terms and conditions of the CUSO loans and could not afford them.</p> <p>2) Allegedly ITT improperly induced students to take out those loans to pay the tuition amounts not covered by loans or other tuition assistance from the federal government. The Bureau’s complaint also alleges that ITT knew that the student borrowers did not understand the terms and conditions of the loans and could not afford them, resulting in high default rates and other negative consequences.</p>	Formal Complaint/ Stipulated Final Judgement	CFPB	1) 6/14/19 2) 8/12/19	<p>1) Stop collecting on all outstanding CUSO loans, discharge all outstanding CUSO loans, and ask all consumer reporting agencies to which CUSO furnished information to delete tradelines relating to CUSO loans.</p> <p>Provide notice to all consumers with outstanding CUSO loans that their debt has been discharged and is no longer owed and that CUSO is seeking to have the relevant tradelines deleted. (estimated to be \$168 million)</p> <p>2) \$60 million and an injunction prohibiting ITT from offering or providing student loans in the future.</p>

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FHA/ ECOA	First Merchants Bank, Muncie, Indiana	DOJ alleges First Merchants violated the Fair Housing Act and Equal Credit Opportunity Act by: <ul style="list-style-type: none"> • Redlining majority-Black areas in Indianapolis-Carmel-Anderson MSA, by: • Excluding Indianapolis-Marion County and its 50 majority-Black census tracts from the Bank’s CRA assessment area, while including overwhelmingly white counties; • Failing to have branch locations in majority-Black areas; • Refusing to market in majority-Black areas; • Having a disproportionately low number of loan applications from majority-Black neighborhoods compared to its peer institutions; • Having a disproportionately low number of loan originations in majority-Black neighborhoods compared to its peer institutions; and • Having a residential mortgage lending policy that provides a lending preference based on the location of borrowers, not their creditworthiness. 	Formal Complaint and Settlement	DOJ	6/13/19	Subject to court approval: <ul style="list-style-type: none"> • Will expand marketing efforts, lending, and banking services to specifically include African-American neighborhoods • Will invest \$1.12 million in loan subsidy fund to increase credit opportunities to residents of predominantly African-American neighborhoods, • \$500,000 toward advertising, community outreach, and credit repair and education. • Will open branch and LPO in predominantly African-American neighborhoods in Indianapolis • Employ a director of community lending and development to oversee these efforts.

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HMDA/Regulation C	Freedom Mortgage Corporation, Mount Laurel, New Jersey	<ul style="list-style-type: none"> Reported inaccurate race, ethnicity, and sex information and that much of Freedom’s loan officers’ recording of this incorrect information was intentional. For example, certain loan officers were told by managers or other loan officers that, when applicants did not provide their race or ethnicity, they should select non-Hispanic white regardless of whether that was accurate. Respondent internally identified that, for VAguaranteed loans, if the applicant’s sex was selected as “information not provided,” Sales Portal did not allow the marital status to be saved and would remove the co-applicant’s income. Respondent used the “workaround” of selecting a sex when the applicant did not provide one for telephonic applications. 	Consent Order/CMP	CFPB	6/5/19	CMP: \$1.75 million Take steps to improve its compliance management to prevent future violations

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Regulation X Regulation Z UDAAP	Servis One, Inc., d/b/a BSI Financial Services, Irving, TX	<ul style="list-style-type: none"> • Handled mortgage servicing transfers with incomplete or inaccurate loss mitigation information. • Handled mortgage servicing transfers with incomplete or inaccurate escrow information resulting in untimely escrow disbursements. • Inadequately oversight of service providers, resulting in untimely escrow disbursements to pay borrowers' property taxes and homeowner's insurance premiums. • Failing to promptly enter interest rate adjustment loan data for adjustable rate mortgage (ARM) loans into its servicing system, resulting in BSI sending monthly statements to consumers that sought to collect inaccurate principal and interest payments. • Maintained an inadequate document management system that prevented BSI's personnel or consumers from readily obtaining accurate information about mortgage loans. 	Consent Order/CMP	CFPB	5/2919	CMP: \$200,000 Restitution: \$36,500 Maintain a comprehensive data integrity program to ensure the accuracy, integrity, and completeness of the data for loans that it services, and implement an information technology plan to ensure BSI's systems comply with federal consumer financial laws.

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FDCPA	Forster & Garbus, LLP, New York	Complaint alleges that Forster & Garbus violated the Fair Debt Collection Practices Act by representing to consumers that attorneys were behind its lawsuits when, in fact, attorneys were not meaningfully involved in preparing or filing them. The Bureau's complaint also alleges that Forster & Garbus violated the Consumer Financial Protection Act's prohibition against deceptive acts and practices by making such representations to consumers through its lawsuits.	Formal Complaint	CFPB	5/17/19	PENDING: Complaint seeks an injunction, as well as damages, redress to consumers, disgorgement of ill-gotten gains, and the imposition of a civil money penalty.
Flood	Adams Bank and Trust, Ogallala, NE	Engaged in pattern or practice of violations of Regulation H, 12 C.F.R. § 208.25, which implements the requirements of the Ac	Civil Money Penalty	FRB	5/15/19	CMP: \$69,000
Flood	Colonial Savings Federal Association, Fort Worth, TX	Pursuant to 42 U.S.C. § 4012a(f) for a pattern or practice of failing to ensure the timely notification and force-placement of the requisite amounts of flood insurance on property securing loans in a special flood hazard area in which flood insurance is available under the National Flood Insurance Act;	Civil Money Penalty	OCC	4/30/19	CMP: \$136,000

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UDAAP	Conduent Education Services, LLC	<ul style="list-style-type: none"> • Failed to process loan adjustments in a timely manner, which resulted in errors in borrowers' principal balance amounts. Respondent's conduct resulted in harm to borrowers. • Some borrowers paid off incorrect amounts on their loans and other borrowers experienced delays in having their loans consolidated. • Conduct constitutes unfair acts or practices in violation of § 1031 and § 1036 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531, 5536. Under Sections 1053 and 1055 of the 2019-BCFP-0005 Document 1 Filed 05/01/2019 Page 1 of 25 CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order). 	Consent Order/ CMP	CFPB	4/23/19	<p>Make proper adjustments to the principal balances of the relevant loans or otherwise make restitution to borrowers or any third parties who paid off such loans.</p> <p>CMP: \$3.9 million</p>
Flood	MidFirst Bank, Oklahoma City, OK	Pursuant to section 102(f) of the Flood Disaster Protection Act, as amended, ("Flood Act") (42 U.S.C. § 4012a(f))... a pattern or practice of violations of the Flood Act and its implementing regulations, specifically 12 C.F.R. § 22.7(a)	Civil Money Penalty	OCC	4/9/19	CMP: \$35,000

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Flood	Allegiance Bank, Houston, TX	Pattern or practice of violating 102(b)(1) of FDPA, §42 USC 4012(a)(b)(1) and 339.3(a) by failing to obtain flood insurance when making, increasing, extending, or renewing a designated loan.	Civil Money Penalty	FDIC	4/4/19	CMP: \$3,520
Flood	Firstbank Puerto Rico, Santurce, PR	Engaged in a pattern or practice of violations of the FDPA and Part 339 of the FDIC's Rules and Regulations, 12 C.F.R. Part 339, which implements the FDPA, by failing to issue written notifications to borrowers in connection with loans secured by a dwelling located within a special flood hazard area as required by 12 C.F.R. § 3399(a) on one hundred seventy-seven (177) occasions.	Civil Money Penalty	FDIC	4/2/19	CMP: \$17,700
Flood	Bank of Bluffs, Bluffs, IL	§12 CFR 339.3(a) – failed to obtain flood insurance on three designated loans; §12 CFR 339.3(a) – failed to obtain adequate flood insurance on seven designated loans; §12 CFR 339.3(a) – failed to maintain flood insurance on six designated loans; §12 CFR 339.7 failed to follow force-placement procedures for seven loans; §12 CFR 339.9(c) – failed to provide Special Flood Hazard Notice on three loans.	Civil Money Penalty	FDIC	4/1/19	CMP: \$18,812

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Fair Housing Act HUD Press Release	Facebook, Inc.	According to HUD's Charge: <ul style="list-style-type: none"> • Facebook enabled advertisers to exclude people whom Facebook classified as parents; non-American-born; non-Christian; interested in accessibility; interested in Hispanic culture; or a wide variety of other interests that closely align with the Fair Housing Act's protected classes. • Facebook enabled advertisers to exclude people based upon their neighborhood by drawing a red line around those neighborhoods on a map. • Facebook also allegedly gave advertisers the option of showing ads only to men or only to women. • Facebook uses the protected characteristics of people to determine who will view ads regardless of whether an advertiser wants to reach a broad or narrow audience. • Facebook combines data it collects about user attributes and behavior with data it obtains about user behavior on other websites and in the non-digital world. Facebook then allegedly uses machine learning and other prediction techniques to classify and group users to project each user's likely response to a given ad, and in 	Charge of Discrimination	HUD	3/28/19	PENDING: HUD's Charge will be heard by a United States Administrative Law Judge unless any party to the Charge elects to have the case heard in federal district court. If an administrative law judge finds after a hearing that discrimination has occurred, he may award damages for harm caused by the discrimination. The judge may also order injunctive relief and other equitable relief, as well as payment of attorney fees. In addition, the judge may impose fines to vindicate the public interest. If the matter is decided in federal court, the judge may also award punitive damages.

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	Facebook, Inc. (Continued)	<p>doing so, may recreate groupings defined by their protected class.</p> <ul style="list-style-type: none"> The Charge concludes that by grouping users who have similar attributes and behaviors (unrelated to housing) and presuming a shared interest or disinterest in housing-related advertisements, Facebook’s mechanisms function just like an advertiser who intentionally targets or excludes users based on their protected class. 				

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Fair Housing Act	Citibank (Sioux Falls, South Dakota)	<p>The Bank failed to ensure effective risk management and internal controls, including inadequate periodic reviews, over the Relationship Loan Pricing program, including:</p> <ul style="list-style-type: none"> • Inadequate training; • Written guidelines did not instruct loan officers to offer RLP to all eligible customers/did not document the basis for the customer’s rejection; • Did not inform customers of all discount programs for which they may have been eligible; <p>Certain Bank borrowers did not receive the RLP benefit for which they were eligible and were adversely affected on the basis of their race, color, national origin, and/or sex.</p>	Consent Order/CMP	OCC	3/19/19	CMP: \$25 million

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Regulation O	cfsbank (Charleroi, Pennsylvania)	OCC found unsafe or unsound practice(s), including those relating to commercial credit oversight and administration, internal controls, corporate governance, and violation(s) of law, rule, or regulation, including those relating to conflicts of interest, regulatory reporting, and overdrafts (Regulation O)	Written Agreement	OCC	3/12/19	Bank must correct violations and implement: <ul style="list-style-type: none"> • Compliance Committee • Competent Management • Strategic Plan • Overdraft Policy • Insider Activity and Conflict of Interest Policy • Internal Audit Program • BSA Program

2019 LENDING COMPLIANCE ENFORCEMENT ACTIONS

ISSUE	INSTITUTION	VIOLATIONS/FINDINGS	ACTION	AGENCY	DATE	PENALTY/ CORRECTIVE ACTION
UDAAP	Cash Tyme (New Albany, IN)	Violated CFPB when it: <ul style="list-style-type: none"> • Failed to take adequate steps to prevent unauthorized charges; • Failed to promptly monitor, identify, correct, and refund overpayments by consumers; • Made collection calls to third parties named as references on borrowers' loan applications that disclosed or risked disclosing the debts to those third parties, including to borrowers' places of employment as well as to third parties who were themselves harassed by such calls; • Misrepresented that it collected third-party references from borrowers on loan applications for verification purposes, when in fact it was using that information to make marketing calls to the references; and • Advertised unavailable services, including check cashing, phone reconnections, and home telephone connections, on the storefronts' outdoor signage where such advertisements contained information that was likely to be deemed important by consumers and likely to affect their conduct or decision regarding visiting a Cash Tyme store. 	Consent Order	CFPB	2/5/19	CMP: \$100,000 Prohibited from misrepresenting: products/services, how it will use customer information, make collection-related calls to third parties that disclose debts. Prevent unauthorized fees, identify and refund overcharges, disclose APR when required by law and terms of repayment, conduct audit, and institute a compliance plan.

2019 LENDING COMPLIANCE ENFORCEMENT ACTIONS

ISSUE	INSTITUTION	VIOLATIONS/FINDINGS	ACTION	AGENCY	DATE	PENALTY/ CORRECTIVE ACTION
	Cash Tyme New Albany, IN (Continued)	Violated TILA/Regulation Z when it: <ul style="list-style-type: none"> Failed to include a payday loan fee charged to Kentucky customers in the annual percentage rate (APR) in loan contracts and advertisements, and rounded APRs to whole numbers in advertisements; and When it published advertisements that included an example APR and payment amount that was based on an example term of repayment, without disclosing the corresponding repayment terms it had used to calculate that APR. 				

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UDAAP	NDG Financial Corp., Northway Financial Corp., Ltd., Northway Broker, Ltd. Et al.	Bureau alleges defendants violated the CFPB by misrepresenting to consumers in states where loans offered by the defendants violated state licensing or usury laws that they were obligated to repay loan amounts when such an obligation did not exist because state law voided the loan.	Judgement and Order	CFPB	2/4/19	Permanently barred from: <ul style="list-style-type: none"> • Advertising, offering, originating, servicing, or collecting any consumer loan issued to any consumer residing in the United States, including assisting others; • Collecting on any of their existing loans to United States consumers, including any efforts to assign, sell or transfer such loans; Prohibited from disclosing, using, or benefitting from customer information associated with their existing loans to consumers in the United States.
UDAAP	Enova International, Inc. (Chicago, IL)	Violated the CFPB by: <ul style="list-style-type: none"> • Debiting consumers' bank accounts without authorization. Consumers authorized Enova to deduct payments, the company in many instances debited different accounts that the consumers had not authorized it to use. • Failed to honor loan extensions it granted to consumers. 	Consent Order	CFPB	1/25/19	CMP: \$3.2 million Enova is barred from making or initiating electronic fund transfers without valid authorization

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Flood	Mainland Bank (Texas City, TX)	<ul style="list-style-type: none"> Failed to obtain flood insurance coverage at or before loan origination, increase, renewal, or extension on twenty-five (25) loans. 	CMP	FDIC	1/23/19	CMP: \$2,700
Flood	Park Bank (Holmen, Wisconsin)	<ul style="list-style-type: none"> Force-placed the necessary insurance without providing the borrower with notice of the lapse, in violation of 12 C.F.R. § 339.7; Failed to provide the borrower with notice of the lapse/insufficient insurance in timely manner (2); Failed to force place the necessary insurance within required timeframes (2); Failed to maintain an escrow account; Failed to maintain an adequate amount of flood insurance during the term of the Loan; Failed to obtain an adequate amount of flood insurance at origination (2); Failed to provide written notice stating whether or not flood insurance was available under the NFIA (2). 	CMP	FDIC	1/20/19	CMP: \$7,850

2019 LENDING COMPLIANCE ENFORCEMENT ACTIONS

ISSUE	INSTITUTION	VIOLATIONS/FINDINGS	ACTION	AGENCY	DATE	PENALTY/ CORRECTIVE ACTION
UDAAP/Truth in Lending Act	Sterling Jewelers, Inc. (New York, NY)	Violated CFPA by: <ul style="list-style-type: none"> • Opening store credit-card accounts without customer consent; • Enrolled customers in payment-protection insurance without their consent; and • Misrepresented to consumers the financing terms associated with the credit-card accounts. Violated TILA by: Signing customers up for credit-card accounts without having received an oral or written request or application from them.	Judgement and Order	CFPB	1/16/19	CMP: \$10 million to the Bureau and a \$1 million to the State of New York. Sterling has also agreed to injunctive relief designed to prevent the continuation of the claimed illegal conduct.

2019 LENDING COMPLIANCE ENFORCEMENT ACTIONS

2019 ENDING COMPLIANCE RELATED ENFORCEMENT ACTIONS (NUMBER BY PENALTY TYPE AND REGULATOR)

LAW/REGULATION	FDIC	FRB	OCC	CFPB	HUD	DOJ	NCUA	TOTAL
FAIR LENDING	-	-	1	1	3	2	-	7
				HMDA				
FLOOD	10	4	5	-	-	-	-	19
MILITARY LENDING	-	-	-	-	-	-	-	0
TILA/RESPA	1	-	-	1/(1**)	-	-	-	2(1**)
UDAP/UDAAP	-	-	-	10/(2**)	-	-	-	10(2**)
OTHER	(1**) TCPA	-	3 Reg O	1/(1**)	-	-	-	7(4**)
				FCRA				
				3 FDCPA				
				(1**) Mort.				
				Asst. Relief				
				(1**)TSR				
TOTAL	11	4	9	16	3	2	0	45

*Lending compliance enforcement actions against financial institutions and other companies (non-individuals) that might have an impact on financial institutions. Chart is intended to be an educational tool. Not guaranteed to be comprehensive.

**The violation of this law/regulation was part of an enforcement action that contained violations of multiple laws/regulations. The violation of this particular law is noted in the chart, but is not counted as a separate enforcement action and, as a result, is not counted in the *Totals* of this chart in order to avoid duplicative results.