

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING

File No. 2016-CFPB-0026

In the Matter of:

AMERICAN ADVISORS GROUP

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the advertising practices of American Advisors Group (Respondent, as defined below). Through these advertising practices, Respondent creates consumer interest in reverse mortgage credit products. The Bureau has identified the following law violations: (1) Respondent created and disseminated deceptive and misleading advertisements for reverse mortgage credit products in violation of the Mortgage Acts and Practices—Advertising Rule (MAP Rule or Regulation N), 12 C.F.R. Part 1014; and (2) Respondent created and disseminated deceptive and misleading advertisements for reverse mortgage credit products in violation of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a) & 5536(a)(1)(B). Under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I
Jurisdiction

1. The Bureau has jurisdiction over this matter under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565 and section 626 the Omnibus Appropriations Act of 2009, 12 U.S.C. § 5538, as amended by section 1097 of the CFPA, 15 U.S.C. § 1638 note.

II
Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated December 1, 2016 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, without admitting or denying the findings of fact and conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

III
Definitions

3. The following definitions apply to this Consent Order:
 - a. “Advertisement” means any written or oral statement, illustration, or depiction, whether in English or any other language, that is designed to effect a sale or create interest in purchasing goods or services, whether it appears on or in a label, package, package insert, radio, television, cable television, brochure, newspaper, magazine, pamphlet, leaflet, circular, mailer, book

insert, free standing insert, letter, catalogue, poster, chart, billboard, public transit card, point of purchase display, film, slide, audio program transmitted over a telephone system, telemarketing script, on-hold script, upsell script, training materials provided to telemarketing firms, program-length commercial (“infomercial”), the internet, cellular network, or any other medium. Promotional materials and items and Web pages are included in the term advertisement.

- b. “Board” means Respondent’s duly-elected and acting Board of Directors.
- c. “Bureau” means Consumer Financial Protection Bureau.
- d. “Clearly and prominently” means:
 - i. In textual communications (e.g., printed publications or words displayed on the screen of an electronic device), the disclosure must be of a type size and location sufficiently noticeable for consumers to whom the communication is targeted, including older Americans, to read and comprehend it, in print that contrasts with the background on which it appears;
 - ii. In communications disseminated orally or through audible means (e.g., radio or streaming audio), the disclosure must be delivered in a volume and cadence sufficient for consumers to whom the communication is targeted, including older Americans, to hear and comprehend it;
 - iii. In communications disseminated through video means (e.g., television or streaming video), the disclosure must be in writing in a form consistent with subsection (i), and must appear on the screen for a

duration sufficient for consumers to whom the communication is targeted, including older Americans, to read and comprehend it;

- iv. In communications made through interactive media such as the internet, online services, and software, the disclosure must be presented in a form consistent with subsection (i); and
 - v. In all instances, the disclosure must be presented before the consumer incurs any financial obligation, in an understandable language and syntax, and with nothing contrary to, inconsistent with, or in mitigation of, the disclosures used in any communication with the consumer.
- e. “Effective Date” means the date on which the Consent Order is issued.
 - f. “Enforcement Director” means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his/her delegate.
 - g. “Person” means any individual, group, unincorporated association, limited or general partnership, corporation, or other business entity.
 - h. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.
 - i. “Relevant Time Period” includes the period from January 1, 2012 to the Effective Date.

- j. “Respondent” means American Advisors Group (AAG), and any of its divisions, trade names or “doing business as” entities, and its successors and assigns.
- k. “Reverse Mortgage Credit Product” or “reverse mortgage” means a type of home loan offered or extended to homeowners who are generally 62 years or older that allows the homeowner to borrow money against the value of his or her home. This definition includes Home Equity Conversion Mortgages (HECMs) and HECMs for Purchase.
- l. “Service Provider” means any person or entity that provides a material service to Respondent in connection with the subject matter of this Consent Order.

IV

Bureau Findings and Conclusions

The Bureau finds the following:

- 4. Respondent is a national reverse mortgage lender licensed in 49 states and the District of Columbia, and headquartered in California.
- 5. Respondent is an offeror and provider of “mortgage credit product[s]” as defined by the MAP Rule. 12 C.F.R. § 1014.2.
- 6. Respondent is a “person” under the MAP Rule, 12 C.F.R. § 1014.2, because it is a corporation.
- 7. Respondent is a “covered person” under the CFPA because it is a corporation that engages in offering and providing residential mortgage loans, which are “consumer financial products or services” under the CFPA. 12 U.S.C. §§ 5481(5), (6), (15)(A)(i), (19).

8. Respondent was founded in 2004 and is the largest reverse mortgage lender in the United States. Respondent originates and services reverse mortgages.
9. During the Relevant Time Period, Respondent created and disseminated advertisements designed to generate sales or create interest in reverse mortgages. Respondent actively marketed reverse mortgages through various media, including television, radio, print, direct mail, and the internet.
10. During the Relevant Time Period, Respondent ran television ads on close to a daily basis. Respondent's customers heard about AAG through its television advertising campaigns.
11. During the Relevant Time Period, Respondent's television ads reached millions of consumers and coincided with Respondent's emergence as the largest market participant in the reverse mortgage origination industry.
12. During the Relevant Time Period, Respondent also advertised and sent approximately one million consumers an "information kit," which included a DVD featuring former United States Senator Fred Thompson and several associated brochures with information about its reverse mortgage products.
13. Respondent's advertisements are commercial communications about mortgage credit products as those terms are defined by the MAP Rule, 12 C.F.R. § 1014.2, and relate to the offering of a consumer financial product or service as defined by the CFPB, 12 U.S.C. §§ 5481(5), (15)(A)(i).

Findings and Conclusions about Misrepresentations Concerning Risk of Losing Home and the Right to Remain in the Home

14. During the Relevant Time Period, Respondent disseminated advertisements stating that a consumer with a reverse mortgage cannot lose his home and has the right to stay in the home for the remainder of his life.

15. For example, one of Respondent's television ads stated that consumers with reverse mortgages "always retain complete ownership of their home."
16. Similarly, two of the versions of the information kit DVD included the following colloquy: "Can I lose my home?" "No you cannot lose your home."
17. Additionally, Respondent's advertisements stated that a consumer with a reverse mortgage can "live in [the] home for the rest of [his] life" or can live in the house "for as long as [he] wishes."
18. Respondent's advertisements did not contain disclaimers or qualifying statements that were sufficiently clear and prominent to correct the misrepresentation.
19. Regulation N prohibits any person from making "any material misrepresentations, expressly or by implication, in any commercial communication, regarding any term of any mortgage credit product, including . . . misrepresentations about . . . [t]he potential for default under the mortgage credit product, including but not limited to misrepresentations concerning the circumstances under which the consumer could default for nonpayment of taxes, insurance, or maintenance, or for failure to meet other obligations; . . . [and t]he right of the consumer to reside in the dwelling that is the subject of the mortgage credit product, or the duration of such right, including but not limited to misrepresentations concerning how long or under what conditions a consumer with a reverse mortgage can stay in the dwelling." 12 C.F.R. §§ 1014.3(l) & (p).
20. As described in Paragraphs 14-18, Respondent made material misrepresentations in commercial communications to consumers, directly or indirectly, expressly or by implication, regarding the potential for default under a reverse mortgage

credit product and consumers' rights to remain in a property by misrepresenting that a consumer with a reverse mortgage cannot lose his home or has the right to stay in the home for the remainder of his life.

21. In truth and in fact, a consumer with a reverse mortgage can default and lose his home if he fails to comply with the loan terms, which include, among other terms, paying property taxes, homeowner's insurance, and for property maintenance. The right to remain in the home is contingent on complying with the loan terms.
22. Therefore, Respondent has violated 12 C.F.R. § 1014.3(l) and 12 C.F.R. § 1014.3(p) and Respondent's representations are false and misleading, and constitute deceptive acts or practices in violation of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

Findings and Conclusions about Misrepresentations Concerning Payments

23. During the Relevant Time Period, Respondent's advertisements stated that consumers would have "no monthly payments" if they took out a reverse mortgage. Many of these advertisements also contained statements in close proximity that a reverse mortgage provides "tax-free" cash.
24. For example, one of Respondent's call scripts contained the statement: a reverse mortgage "allows seniors to convert the equity locked in their homes into tax-free income without any monthly payments."
25. Similarly, several of Respondent's television ads began with the statement: "some people have told me reverse mortgages sound too good to be true, I mean you get cash out of your home, no monthly payments, and still own your home, there's gotta be a catch . . . well there isn't."

26. Respondent's advertisements either: (i) did not include any disclosure concerning the ongoing financial obligations of consumers with reverse mortgages, including property taxes, homeowner's insurance, and property maintenance; or (ii) contained disclosures that were neither clear nor prominent.
27. Regulation N prohibits any person from making "any material misrepresentations, expressly or by implication, in any commercial communication, regarding any term of any mortgage credit product, including . . . misrepresentations about . . . [t]he terms, amounts, payments, or other requirements relating to taxes or insurance associated with the mortgage credit product . . . [and t]he existence, number, amount, or timing of any minimum or required payments, including but not limited to misrepresentations about any payments or that no payments are required in a reverse mortgage or other mortgage credit product." 12 C.F.R. §§ 1014.3(e) & (k).
28. As described in Paragraphs 23-26, Respondent made material misrepresentations in commercial communications to consumers, directly or indirectly, expressly or by implication, regarding the existence, number, amount, or timing of payments for a reverse mortgage credit product or the requirements related to taxes or insurance in commercial communications by misrepresenting that there are "no monthly payments" with a reverse mortgage.
29. In truth and in fact, a reverse mortgagor must continue to make payments related to the home, such as payments for property taxes, insurance and home maintenance, in order to retain it.
30. Therefore, Respondent has violated 12 C.F.R. § 1014.3(e) and 12 C.F.R. § 1014.3(k) and Respondent's representations are false and misleading, and

constitute deceptive acts or practices in violation of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

Findings and Conclusions about Misrepresentations Concerning Debt Elimination

31. During the Relevant Time Period, Respondent's advertisements promoted reverse mortgages as a way to eliminate debt. For example, some of Respondent's ads contained testimonial statements that a consumer is "now debt free" or "completely out of debt" after obtaining a reverse mortgage.
32. Similarly, Respondent's webpage contained the statement "[w]ith a reverse mortgage your parents are able to . . . pay off all debts."
33. Regulation N prohibits any person from making "any material misrepresentations, expressly or by implication, in any commercial communication, regarding any term of any mortgage credit product, including . . . misrepresentations about . . . [t]he effectiveness of the mortgage credit product in helping the consumer resolve difficulties in paying debts, including but not limited to misrepresentations that any mortgage credit product can reduce, eliminate, or restructure debt or result in a waiver or forgiveness, in whole or in part, of the consumer's existing obligation with any person." 12 C.F.R. § 1014.3(m).
34. As described in Paragraphs 31-32, Respondent made material misrepresentations in commercial communications to consumers, directly or indirectly, expressly or by implication, regarding the effectiveness of a reverse mortgage credit product to eliminate debt by misrepresenting that a reverse mortgage can eliminate all of a consumer's debt.

35. In truth and in fact, a reverse mortgage cannot eliminate all of a consumer's debt; a reverse mortgage is itself a debt and, as a result, cannot be used to eliminate all of a consumer's debt.
36. Therefore, Respondent has violated 12 C.F.R. § 1014.3(m) and Respondent's representations are false and misleading, and constitute deceptive acts or practices in violation of the CFPA, 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

ORDER

V

Conduct Provisions

IT IS ORDERED, under sections 1053 and 1055 of the CFPA, that:

37. Respondent and its officers, agents, servants, employees, and attorneys, who have actual notice of this Consent Order, whether acting directly or indirectly, may not violate sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536, or Regulation N, 12 C.F.R. Part 1014, as follows and must take the following affirmative actions:
- a. Respondent, and its officers, agents, servants, employees, and attorneys, who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with the advertising, marketing, promotion, offering for sale, or performance of any consumer financial product or service, may not misrepresent, or assist others in misrepresenting, expressly or impliedly:
 - i. That a consumer will have "no payments" or "no monthly payments" if he takes out a reverse mortgage;
 - ii. That a consumer with a reverse mortgage cannot lose his home;

- iii. That a consumer with a reverse mortgage has the right to stay in the home for the remainder of his life;
 - iv. That a consumer with a reverse mortgage is completely out of debt;
 - v. That a reverse mortgage eliminates a consumer's debt;
 - vi. That a reverse mortgage is a free government benefit or a loan from the government, rather than a loan from a private company;
 - vii. That a homeowner has no ongoing financial obligations after obtaining a reverse mortgage;
 - viii. That property taxes or insurance payments are not required with a reverse mortgage;
 - ix. That there are no risks associated with a reverse mortgage; or
 - x. Any other fact material to consumers concerning any consumer financial product or service, such as: the total costs; any material restrictions, limitations, or conditions; or any material aspect of its performance, efficacy, nature, or central characteristics.
- b. In any advertisement in which Respondent represents, directly or indirectly, expressly or impliedly, that consumers with reverse mortgages can stay in the home or that consumers with reverse mortgages do not have monthly mortgage payments, Respondent must also clearly and prominently disclose that consumers with reverse mortgages must pay property taxes, homeowner's insurance, and costs associated with home maintenance.
- c. In any advertisement in which Respondent represents, directly or indirectly, expressly or impliedly, that a consumers with reverse mortgages can stay in the home, Respondent must also clearly and prominently disclose that the

right to remain in the home is contingent on complying with reverse mortgage loan terms or that it is possible to lose the home after obtaining a reverse mortgage.

VI Compliance Plan

IT IS FURTHER ORDERED that:

38. Within 60 days of the Effective Date, Respondent must submit to the Enforcement Director for review and determination of non-objection a comprehensive compliance plan designed to ensure that Respondent's advertising of reverse mortgage credit products complies with the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum:
- a. Detailed steps for addressing each action required by this Consent Order;
 - b. A comprehensive advertising compliance policy and procedure for evaluating all advertisements for compliance with the MAP Rule and the CFPA before publication. The policy must at minimum include:
 - i. A process for reviewing each advertisement for compliance with the MAP Rule and the CFPA before publication;
 - ii. A requirement that each review is documented, including when the review occurred and who conducted the review; and
 - iii. A requirement that the Respondent review scripts for all telemarketing calls conducted by the Respondent and its officers, agents, servants, employees, and all other persons in active concert or participation with them;

- c. A process for reviewing all existing advertisements currently in circulation for compliance with the MAP Rule and the CFPA;
- d. An explanation of Respondent's consumer compliance organizational and reporting structure;
- e. Written descriptions of the job duties of all employees with duties under the advertising compliance policy. The written description shall include over whom each employee has authority and to whom each employee reports;
- f. A requirement that the Respondent allocate resources to compliance that are commensurate with the Respondent's size, complexity, and business operations to ensure that the Respondent implements adequate compliance programs including appropriate staffing levels with qualified and experienced personnel;
- g. A requirement that the Respondent provides mandatory ongoing education and training in Federal consumer financial laws and the prohibitions and requirements of this Consent Order for all affected officers, agents, servants, employees, and attorneys; the training must be appropriate for each individual's responsibilities and duties; training activities must be documented and the training programs reviewed and updated at least annually to ensure that appropriate personnel are provided with the most relevant and pertinent information; all new employees of the Respondent or the Respondent's agent must complete this training before communicating with any consumer about a reverse mortgage credit product;

- h. A requirement that the Compliance Plan be updated at least every two years, or as required by changes in laws or regulations, so that the Compliance Plan remains current and effective;
 - i. A plan requiring timely and appropriate corrective action to remedy any material non-compliance with the Compliance Plan; and
 - j. Specific timeframes and deadlines for implementation of the steps described above.
39. The Enforcement Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct the Respondent to revise it. If the Enforcement Director directs the Respondent to revise the Compliance Plan, the Respondent must make the revisions and resubmit the Compliance Plan to the Enforcement Director within 30 days.
40. After receiving notification that the Enforcement Director has made a determination of non-objection to the Compliance Plan, the Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

VII

Role of the Board

IT IS FURTHER ORDERED that:

- 41. The Board must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.
- 42. Although this Consent Order requires the Respondent to submit certain documents for the review or non-objection by the Enforcement Director, the

Board will have the ultimate responsibility for proper and sound management of Respondent and for ensuring that Respondent complies with Federal consumer financial law and this Consent Order.

43. In each instance that this Consent Order requires the Board to ensure adherence to, or perform certain obligations of Respondent, the Board must:
- a. Authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
 - b. Require timely reporting by management to the Board on the status of compliance obligations; and
 - c. Require timely and appropriate corrective action to remedy any material non-compliance with any failures to comply with Board directives related to this Section.

VIII

Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

44. Under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$400,000 to the Bureau.
45. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.

46. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by section 1017(d) of the CFPB, 12 U.S.C. § 5497(d).
47. Respondent must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondent may not:
 - a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
 - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.
48. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in any Related Consumer Action because of the civil money penalty paid in this action (Penalty Offset). If the court in any Related Consumer Action grants such a Penalty Offset, Respondent must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.
49. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will

accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.

50. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.
51. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer identifying number(s), which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
52. Within 30 days of the entry of a final judgment, consent order, or settlement in any Related Consumer Action, Respondent must notify the Enforcement Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

IX

Reporting Requirements

IT IS FURTHER ORDERED that:

53. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to, a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or

against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.

54. Within 7 days of the Effective Date, Respondent must:
 - a. Designate at least one telephone number and email, physical, and postal address as points of contact, which the Bureau may use to communicate with Respondent;
 - b. Identify all businesses for which Respondent is the majority owner, or that Respondent directly or indirectly controls, by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and
 - c. Describe the activities of each such business, including the products and services offered, and the means of advertising, marketing, and sales.
55. Within 90 days after the Enforcement Director makes his determination of non-objection to the Compliance Plan, and again one year after that date, Respondent must submit to the Enforcement Director an accurate written compliance progress report (Compliance Report), which, at a minimum:
 - a. Describes in detail the manner and form in which Respondent has complied with this Consent Order; and
 - b. Attaches a copy of each Order Acknowledgment obtained under Section X, unless previously submitted to the Bureau.

X

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that,

56. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members, and executive officers, as well as to any managers and Service Providers (as defined hereinabove), including any third party marketers, advertisers, or call centers acting on Respondent's behalf, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.
57. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section IX, any future board members and executive officers, as well as to any managers and Service Providers (as defined hereinabove), including any third party marketers, advertisers, or call centers acting on Respondent's behalf, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
58. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply with the requirements of the E-Sign Act, 15 U.S.C. § 7001 *et seq.*, within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.

XI
Recordkeeping

IT IS FURTHER ORDERED that:

59. Respondent must create, or if already created, must retain for at least 5 years from the Effective Date, the following business records:
- a. All documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau.
 - b. Copies of all sales scripts; training materials; advertisements; websites; and other marketing materials; and including any such materials used by a third party on behalf of Respondent.
60. Respondent must retain the documents identified in Paragraph 59 for the duration of the Consent Order.
61. Respondent must make the documents identified in Paragraph 59 available to the Bureau upon the Bureau's request.

XII
Notices

IT IS FURTHER ORDERED that:

62. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "*In re* American Advisors Group, File No. 2016-CFPB-0026," and send them either:
- a. By overnight courier (not the U.S. Postal Service), as follows:

Assistant Director for Enforcement
Consumer Financial Protection Bureau

ATTENTION: Office of Enforcement
1625 Eye Street, N.W.
Washington D.C. 20006; or

- b. By first-class mail to the below address and contemporaneously by email to

Enforcement_Compliance@cfpb.gov:
Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1700 G Street, N.W.
Washington D.C. 20552

XIII

Cooperation with the Bureau

IT IS FURTHER ORDERED that:

63. Respondent must cooperate fully with the Bureau in this matter and in any investigation related to or associated with the conduct described in Section IV. Respondent must provide truthful and complete information, evidence, and testimony. Respondent must cause its officers, employees, representatives, or agents to appear for interviews, discovery, hearings, trials, and any other proceedings that the Bureau may reasonably request upon 15 days written notice, or other reasonable notice, at such places and times as the Bureau may designate, without the service of compulsory process.

XIV

Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondent's compliance with this Consent Order:

64. Within 28 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, which

must be made under penalty of perjury; provide sworn testimony; or produce documents.

65. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview. The person interviewed may have counsel present.
66. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XV

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

67. Respondent may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Enforcement Director.
68. The Enforcement Director may, in his/her discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if he/she determines good cause justifies the modification. Any such modification by the Enforcement Director must be in writing.

XVI

Administrative Provisions

69. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent, except as described in Paragraph 70.

70. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.
71. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under section 1053 of the CFPB, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
72. This Consent Order will terminate 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been

amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

73. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
74. Should Respondent seek to transfer or assign all or part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
75. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under section 1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.
76. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
77. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing the Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this [5]th day of December, 2016.



Richard Cordray
Director
Consumer Financial Protection Bureau