Issues and Outcomes Report
January to December 2014

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This provides a review of some of the financial products and services most in need of reform and an accounting and analysis of reform outcomes from January to December 2014.

The report covers the following issues:

- Payday lending
- Car-title lending
- Consumer installment lending
- Student lending
- Auto lending
- Credit cards
- Prepaid cards
- Deposit accounts/overdraft practices
- Credit reporting
- Money transfer (remittances)
- Debt collection/buying
- Debt settlement

BACKGROUND & METHODOLOGY

Responsible financial products and services play an important role in the lives of Americans, helping them pay for goods and services, manage risk, and borrow to build assets and save and invest for the future. However, predatory features of financial products and services can have devastating consequences. They can trap consumers in an inescapable cycle of debt, trick consumers into paying for products they do not want, or surprise consumers with hidden fees and costs. Consumer advocates work to reform financial products and services so that they work for—not against—consumers.

This report provides a review of some of the financial products and services most in need of reform and an accounting and analysis of reform outcomes from January to December 2014.

The Center for Responsible Lending (CRL,) Americans for Financial Reform (AFR), and the Ford Foundation selected the 12 issues covered in this report. This report also adds an additional category—"other issues"—that primarily covers outcomes and key markers that affect multiple issues in the report. We selected these issues primarily because consumer advocates are actively working on them—some for a long time (e.g., payday lending, credit cards) and some less until recently (e.g., debt settlement). We identified a set of market ideals and describe the current state of the marketplace for each product or service.

<table>
<tr><td rowspan="2">Issue</td><td>Narrative assessment of issue</td></tr>
<tr><td>Market Highlights</td></tr>
<tr><td colspan="2">Ideals are described for each issue.

A single issue may have multiple ideals identified.</td></tr>
</table>

The narrative assessment section describes the product or service in more depth with a focus on the current practices that are harmful to consumers. The blue section highlights a few recent statistics about each market. The ideals (presented in italics) describe attributes of each financial product or service that, if in place, would ensure that consumers are protected and able to benefit from the product or service. CRL developed the assessment and ideals after reviewing press releases, papers, reports and other documents produced by consumer advocates.[1]

We also present a list of outcomes and key markers associated with each issue. These outcomes occurred between January and December of 2014 and include regulatory and legislative actions as well as product or market changes. Some outcomes improved the market, while others added challenges for consumers. We identified outcomes by reviewing news stories and press releases[2] and by soliciting ideas from AFR members. All suggested outcomes that could be verified (by news stories, press releases or legislative documents) were included in the report. This year, we added *key markers* that are not yet outcomes, but represent a significant movement toward an outcome from 2014. Generally, these are major proposed rules from 2014 that we expect to be finalized in the coming year.

[1] The documents CRL reviewed came from CRL itself, National Consumer Law Center (NCLC), Demos, the Pew Charitable Trusts (Pew), and AFR. However, CRL wrote the issue summaries and ideals, and they are not intended to present the consensus opinion of all advocacy groups.

[2] The press releases were from federal regulators (CFPB, FDIC, OCC, and FTC) and consumer advocates (NCLC, CRL, AFR, and Pew).

<table>
<tr><td rowspan="2">Outcome</td><td>RATING</td><td rowspan="2">Summary description.</td></tr>
<tr><td>Impact</td></tr>
</table>

We summarize, rate, and describe the impact of each outcome and also provide an overview of key markers (key actions that are not yet outcomes). The rating indicates the degree to which the outcome changes the market with respect to the ideals. The scale for the rating is:

GAIN:	Fosters good or restricts bad practices
HELPS:	Supports good practices or restricts bad practices, but does not lead to a tangible change
HOLD:	Maintains status quo practices (good and bad practices)
HARMS:	Supports bad practices, but does not lead to a tangible change
LOSS:	Fosters bad practices or restricts good practices
KEY MARKER:	Key action on an issue that did not result in an outcome.

RESULTS & FINDINGS

This section summarizes the most notable outcomes of 2014 in various issue areas.

Summary of Actions by Product

	Federal legislation	State legislation	Federal regulatory & judicial actions	State regulatory & judicial actions	Industry practices
Payday lending		10 (HOLD)	8 (GAIN), 4 (HELPS), 1 (HOLD), 1 (HARMS), 1 (KEY MARKER)	8 (GAIN), 1 (HELPS), 1 (LOSS)	5 (GAIN), 2 (HELPS)
Car title lending		3 (HOLD)	1 (KEY MARKER)	2 (GAIN)	
Consumer installment lending		1 (LOSS), 1 (HOLD)	1 (KEY MARKER)	2 (GAIN)	
Student lending			4 (GAIN), 6 (HELPS), 1 (HARMS), 3 (KEY MARKER)	1 (GAIN), 1 (HELPS)	1 (HOLD)
Auto lending			5 (GAIN), 2 (HELPS), 1 (KEY MARKER)	1 (GAIN)	1 (GAIN)
Credit reporting			1 (GAIN), 3 (HELPS)	1 (GAIN)	2 (GAIN), 1 (HELPS)
Deposit accounts/overdraft			2 (GAIN), 2 (HELPS), 1 (KEY MARKER)		3 (GAIN)
Credit cards			6 (GAIN), 2 (HELPS), 1 (HOLD), 1 (KEY MARKER)		1 (GAIN)
Prepaid cards			1 (HELPS), 1 (KEY MARKER)	1 (GAIN)	1 (HELPS)
Money transfer (remittances)	1 (HOLD)		1 (GAIN), 1 (HELPS), 1 (HOLD)		1 (GAIN), 1 (HOLD)
Debt collection/buying		3 (HOLD)	9 (GAIN), 4 (HELPS)	4 (GAIN)	
Debt settlement		1 (HOLD), 1 (LOSS)	3 (GAIN)	3 (GAIN)	
Other issues	1 (HOLD)		2 (GAIN), 2 (HELPS), 1 (KEY MARKER)	1 (GAIN)	

Key:

(green)	GAIN
(light green)	HELPS
(yellow)	HOLD
(orange)	HARMS
(red)	LOSS
(blue)	KEY MARKER

DEBT TRAP PRODUCTS: payday loans, car-title loans, consumer installment loans

- In response to federal guidance from the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC), all six banks making payday loans discontinued their existing products (Wells Fargo, U.S Bank, Fifth Third, Regions, Bank of Oklahoma, and Guaranty Bank). Fifth Third, however, introduced a new payday product that is lower cost but still problematic.
- The Department of Justice (DoJ) filed its first (and thus far only) case under "Operation Chokepoint," obtaining a consent decree against a bank that was knowingly processing payments for illegal activity, including illegal payday lending, fraudulent Ponzi schemes, and money laundering. State and federal bank regulators and enforcement authorities also stepped up efforts to encourage banks and third-party payment processors to take steps to ensure that they are not processing payments for illegal activities.

- Several legal rulings addressed payday lenders' assertion of tribal sovereign immunity because of their associations with Native American tribes. Among them, a federal appeals court judge ruled that tribally-affiliated payday lenders had to comply with New York law; a federal judge ruled that a tribally-affiliated lender was subject to FTC enforcement action; and tribally-affiliated lenders settled with the Attorneys General of Maryland, New York, and Colorado, as well as with the Federal Trade Commission (FTC).
- ACE Cash express paid $5 million in refunds and $5 million in a penalty as a result of a CFPB enforcement action for having used illegal debt-collection tactics to "lure overdue borrowers into payday debt traps."
- Companies in New York State agreed to stop repossessing cars on illegal car-title loans after a request by the state's banking regulator.
- This area saw a few losses, including the Ohio Supreme Court's ruling that lenders can legally make payday loans above the voter-affirmed 28% APR rate cap, along with enactment of bills in three states—Arizona, Oklahoma, and Kentucky—to increase the cost of consumer installment loans.

TRADITIONAL LENDING: student loans, auto loans, credit reporting

- The Department of Education issued its "gainful employment" rule. Although weaker than the proposed rule, the final rule would prohibit programs with extremely poor outcomes from receiving federal student aid dollars. Ultimately, this will help ensure that federal financial aid dollars are not wasted or used to cause harm.
- The FDIC settled its lawsuit against Sallie Mae, the largest student loan servicer, ordering $30 million in restitution and $6.6 million in civil penalties. Sallie Mae also settled at Department of Justice (DoJ) enforcement action by paying $60 million for systematically violating the legal rights of service members.
- BMO Harris Bank eliminated auto dealers' discretion to increase the interest rate on indirect auto loans. Instead, BMO will pay dealers a flat percentage of the loan amount as compensation for originating loans.
- CFPB continued to move toward the challenge of enforcing anti-discrimination laws in the auto lending market. It released a white paper on the methodology it will use to determine whether racial disparities exist in auto lending, held a public forum on auto lending, and released supervisory highlights describing the Bureau's fair-lending activity in the auto marketplace.
- The Department of Defense (DoD) no longer allowed military allotments—which allow service members to direct a portion of their paycheck to a financial institution—to be used to buy, lease, or rent personal property, including vehicles. This will eliminate the part of the allotment system most prone to abuse from unscrupulous lenders.
- FICO changed its credit scoring model, placing less emphasis on medical debt shortly before CFPB released a report showing that medical debt in collection may overly penalize consumers' credit scores.
- As of the end of 2014, 50 million consumers had free and regular access to their credit scores through their monthly credit card statements or online.
- CFPB and 13 states settled with Rome Finance for $92 million for concealing expensive finance charges by artificially inflating the disclosed price of the consumer goods it sold.
- CFPB shut down a service relief scam at USA Discounters, a chain with stores near military bases that tricked military families into paying for legal protections they already had for free.

PAYMENT TOOLS: deposit accounts/overdraft, credit cards, prepaid cards, remittances

- Bank of America and Citibank announced the introduction of new checkless checking accounts that do not charge any overdraft fees.
- CFPB won a $3.1 million settlement from M&T Bank, which deceptively advertised free checking without disclosing eligibility requirements and then enrolled those who were not eligible in checking account programs with fees.
- Several enforcement actions successfully attacked the deceptive marketing of add-on credit card products and/or the charging illegal fees. For example, Bank of America paid $775 million to settle a CFPB/OCC enforcement action for illegal billing and deceptive marketing relating to credit monitoring and reporting services that their customers never received. U.S. Bank paid $48 million for illegal billing practices. And Merrick Bank paid $16.1 million for illegal marketing and servicing of add-on products.
- On remittances, Wal-Mart introduced a low-cost domestic remittance service, while many large banks removed their international remittance programs. In addition, Congress enacted the "Money Remittances Improvement Act" to permit the Treasury Department to rely on state examination reports of non-bank remittance providers.
- The largest provider of student debit cards paid $4.11 million for deceptive practices

DEBT COLLECTION AND SETTLEMENT

- OCC issued strong debt-buying guidelines that would require banks to provide and verify important information at the time of sale and require consumers to be notified of the sale.
- Federal and state regulator enforcement actions shut down a wide range of illegal debt-collection practices and schemes. For example, CFPB and two states settled a lawsuit against a company that engaged in illegal debt-collection practices against members of the military. In addition, the FTC brought an end to a "phantom" debt-collection scheme that used illegal tactics to get consumers to pay debts that they did not owe. The FTC also settled several other actions, and several states shut down illegal practices.
- Federal and state regulator enforcement actions also shut down illegal debt-settlement practices, including a criminal case against a debt collector, who pleaded guilty to conspiracy mail and wire fraud. In addition, both North Carolina and West Virginia settled cases against Legal Helpers, a firm that illegally collected up-front payments and then did not settle their customers' debts. CFPB also settled two debt-settlement cases, one for $7 million with a debt-settlement payment processor for helping other companies collect illegal up-front fees from consumers who received no benefits.
- New York promulgated its first-ever debt-collection regulations, which require debt collectors and debt buyers to provide certain notices to consumers and to substantiate the debts being collected.
- Unfortunately, Pennsylvania enacted a harmful debt-collection bill that would authorize for-profit debt-settlement companies to charge unlimited fees.

On the whole, the outcomes increased consumer protections for many financial products and services as a result of industry changes, federal action, and state action.

Industry changes:

Last year, several important outcomes stemmed from key changes in industry makeup or business practices. Many of these changes were made as a result of earlier regulator actions. Mostly, these engendered positive outcomes for consumers.

In some cases, harmful industry players decided to exit the business altogether. For example, Cash America began to exit the storefront payday lending business. Similarly, EZCorp exited the online payday lending business. In other cases, lenders stopped offering or facilitating the offering of abusive products. In one key development, five banks stopped offering payday loan products in 2014 because of the OCC/FDIC December 2013 guidance related to bank payday loans. BMO Harris Bank similarly ended dealer interest-rate markups in response to CFPB guidelines.

In other cases, the industry voluntarily introduced helpful products. For example, Bank of America and Citibank each offered new checkless checking accounts that do not charge any overdraft fees, and several financial institutions began to offer new small-dollar loan products at low APRs and with savings features. In addition, Wal-Mart began offering a domestic remittance service that is significantly less expensive than other available products.

Federal action:

On the Congressional front, Congress enacted a bill that made changes in how the Treasury Department examines remittance providers. In addition, Congressional efforts to undermine the CFPB were unsuccessful; the House passed—but the Senate did not take up—a series of bills that would have substantially weakened CFPB's regulatory powers.

Meanwhile, federal regulators were active in promoting consumer protections. CFPB was the most active agency, but FDIC, OCC, FTC, DoJ, DoD, and the Department of Education all played important roles as well. Federal action in many cases put in place policies to protect consumers from financial abuses in the form of regulations, guidance, and executive orders (e.g., a Presidential Executive Order authorizing the Dept. of Education to extend affordable federal student loan repayment plans, the Department of Education's final "gainful employment" rule, and OCC's strong guidance on debt buying, among other examples).

As an example, DoJ's "Operation Chokepoint" successfully helped thwart illegal activity. Four Oaks Bank & Trust paid $1.2 million for having helped process payments for illegal activity, including on behalf of internet payday lenders, a Ponzi scheme, and a money-laundering operation. Bank regulators were also active in warning banks not to facilitate payment fraud. By one account, illegal internet payday loans dropped by as much as 45% as a result of these collective efforts. But by year's end, opposition from some Members of Congress and the payday industry appeared to be weakening the resolve of bank regulators, and the FDIC weakened its guidance on payment processing.

Federal agencies—most commonly CFPB and FTC—also were active in the enforcement arena, putting an end to illegal practices in many areas and offering victims restitution. There are dozens of such examples, among them CFPB's ACE Cash Express enforcement action, settled for $10 million for using illegal debt-collection tactics to lure defaulting payday loan borrowers into a debt trap; FTC and DoJ's enforcement action against Sallie Mae, which resulted in a $96.6 million settlement; CFPB's first enforcement action against a Buy Here Pay Here auto dealer, which resulted in an $8 million settlement; and a CFPB/DoJ action against GE Capital for deceptive marketing and Fair Lending Act violations.[3]

Federal agencies also issued reports to help identify and bring attention to key consumer abuses. CFPB, e.g., issued reports covering a wide range of issues, including payday lending, student lending, auto lending, credit reporting, overdraft, and debt collection. DoD and CFPB also separately issued reports on loopholes in the Military Lending Act (MLA), which helped provide support for DoD's proposed rule updating MLA, a key marker in the report that was proposed in 2014 and is expected to be finalized in 2015.

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[3] For a list of all CFPB enforcement actions, see http://ourfinancialsecurity.org/details-and-impacts-of-cfpb-enforcement-actions/

Because CFPB is the federal agency with primary responsibility for consumer financial protection, below is a summary of the actions it took on various issues. The number in each box denotes the number of such actions the Bureau took.

Summary of CFPB Actions

	Payday lending	Car title lending	Consumer installment lending	Student lending	Auto lending	Credit reporting	Deposit accounts/overdraft practices	Credit cards	Prepaid cards	Money transfer (remittances)	Debt collection/buying	Debt settlement	Other Issues
Settlements, orders, judgments	1			1	2		1	3			1	2	2
Field hearings, forums, events	1				1		1		1		2		
Reports, data releases	2			4	2	2	1	1			3		
Consumer complaints systems		1		1					1			1	
Rules, guidance					1	1		1	1	1 1 1			

Key:

	GAIN
	HELPS
	HOLD
	HARMS
	LOSS
	KEY MARKER

State Action:

State regulators acted to increase consumer protections, largely in the form of enforcement actions to root out predatory lenders. Among the many successful state enforcement actions were several lawsuits to shut down tribally-affiliated online payday lenders, a New York settlement that will stop companies from repossessing cars in the state on behalf of national car-title lenders; joint action by Florida and CFPB to shut down an illegal student "debt relief" scam; joint action by Illinois, Ohio, and FTC to bring an end to an illegal credit-monitoring scheme; joint action by North Carolina, Virginia, and CFPB to end illegal debt-collection practices aimed at the military; and numerous state enforcement actions against for-profit colleges. In addition, a federal appeals court rejected the argument that tribal sovereign immunity allowed payday lenders to make loans to New Yorkers in excess of the state's usury cap, and the tribes decided to drop the case after the ruling. One court matter did, however, harm consumers: The Ohio Supreme Court's ruled that payday lenders were allowed to offer products above the state's voter-affirmed 28% APR cap, although some lenders had been doing so through subterfuge for many years under the state's Second Mortgage Loan Act.

State legislators acted on bills that would both help and harm consumers, but the vast majority of these bills did not pass, and as a result consumers were largely left with the status quo. This does not mean that these were not hard-fought battles, both to promote good bills (such as in favor of APR rate caps for small-dollar loans or increased regulation in the debt-settlement industry) and to oppose bad bills (such as to lift rate caps or authorize for-profit debt-settlement companies). In the end, though, only a handful of state bills were enacted, including several fake payday "reform" bills (which did not provide any meaningful protections for borrowers), a harmful Pennsylvania debt-settlement bill, and bills to increase the cost of consumer installment loans in several states.

<table>
<tr><td rowspan="2">Payday Lending</td><td colspan="3">Payday loans are high-cost loans averaging $350 that typically require a single payment made two weeks later, although an emerging practice is multi-payment payday installment loans. Whether the loan is made online, in storefronts, or through banks, most borrowers cannot both repay the loan and cover basic expenses. As a result, borrowers take out multiple successive loans, paying fees each time. Payday lenders use a borrower's post-dated check or electronic access to the bank account as collateral for the loan. Lenders do not underwrite the affordability of the loan since they are "first-in-line" when the borrower gets a paycheck.

In 2014, triple-digit APR loans that trap borrowers into long-term debt continued to persist, but momentum for change continued to build. All banks known to be directly providing payday loans to their customers removed their existing products from the marketplace, though one introduced a lower-cost—but still problematic—payday loan product. CFPB continued to publish studies on payday lending that are essential to be able to put forth a strong payday lending rule. Unfortunately, however, Ohio's Supreme Court ruled that the industry—which for years had been evading the 28% APR rate cap—could legally offer high-cost payday loans through the Mortgage Loan Act instead.</td></tr>
<tr><td>36 states
where banks and storefronts make payday loans</td><td>80%
of loan volume is due to churn</td><td>$3.4 billion
in annual fees paid for non-bank loans</td></tr>
<tr><td colspan="4">

- *Lenders should make loans only after determining that the borrower is able to repay the loan while meeting other expenses without re-borrowing.*
- *Loans should not create a long-term cycle of debt.*
- *Annual Percentage Rates (APR) should not exceed 36%.*
- *Loans should be successfully repaid as the loans are originally structured, without high levels of eventual defaults, rollovers, or refinancings.*

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Banks stop offering payday loans	GAIN Restricts bad practices	Wells Fargo, U.S. Bank, Fifth Third Bank, Regions Bank, Bank of Oklahoma, and Guaranty Bank—all of the banks known to be directly providing payday loans to their customers—stopped offering their existing products, in response to the December 2013 OCC/FDIC guidance on deposit advance products. Fifth Third, however, introduced a new, lower-cost but still problematic payday product.
CFPB ACE Cash Express enforcement action	GAIN Restricts bad practices	ACE Cash Express paid $5 million in refunds and $5 million in a penalty for engaging in illegal debt-collection tactics in order to "lure overdue borrowers into payday debt traps." The illegal tactics include threatening to sue or criminally prosecute the borrowers, threatening to charge extra fees and report borrowers to traditional credit bureaus, and harassing consumers with collection calls.
Court rejects tribal sovereign immunity	GAIN Restricts bad practices	A federal appeals court rejected the argument that tribal sovereign immunity allowed payday lenders to make loans to New Yorkers in excess of the state's usury cap, and the tribes decided to drop the case after the ruling. The action rejects the payday lenders' attempts to circumvent state laws.

FTC settlement with tribally-affiliated lender	GAIN Restricts bad practices	Martin Webb, a South Dakota-based payday lender, paid nearly $1 million for having used unfair and deceptive debt-collection tactics against payday borrowers who had defaulted and forcing them to travel to South Dakota to appear before a tribal court with no jurisdiction over their cases.
DOJ Four Oaks Bank payment processing settlement	GAIN Restricts bad practices	As part of Operation Chokepoint, Four Oaks Bank & Trust agreed to pay $1.2 million to settle claims against the U.S. Department of Justice that it had illegally routed more than $2.4 billion in transactions to "fraudulent internet payday lenders" through the national money transfer system, despite warnings from customers that the payday lenders were "deceiving consumers about the terms of payday loans, making loans that are unlawful and unenforceable under state and federal laws."
Federal judge issues favorable rulings on payday loans	GAIN Restricts bad practices	A federal judge ruled that AMG Services was subject to FTC enforcement actions despite its tribal affiliation, making clear that payday lenders cannot avoid federal consumer protection statutes by associating with tribes. In a separate ruling, she found that AMG deceived consumers concerning the costs of their loans and inflated fees, leaving borrowers in significant debt.
Colorado AG settles with online lender	GAIN Restricts bad practices	Colorado Attorney General John Suthers settled a lawsuit against several South Dakota-based payday lenders, including Western Sky Financial and its owner, Martin Webb, for making unlicensed high-cost loans to Coloradoans. The company agreed to no longer make loans to Colorado residents and paid $565,000 to the state.
Tribal lender settles with Iowa for violating the state's usury cap	GAIN Restricts bad practices	CashCall and its subsidiary, Western Sky Financial, agreed to pay $1.5 million in restitution for making more than 3,400 illegal payday loans to Iowa consumers. The internet payday lender made triple-digit-APR online payday loans in violation of the state's 36% APR rate cap and may no longer make loans in the state.
New Mexico Supreme Court rules that installment payday loans are usurious	GAIN Restricts bad practices	The New Mexico Supreme Court ordered two storefront lenders to pay restitution to customers who took out year-long "signature" loans with APR's ranging from 1,100%-1,700%. The court found that the loans were both procedurally and substantively unconscionable and ordered the lenders to refund any payments over a 15% annual interest rate.
Maryland settles with tribally-affiliated lenders for violating the state's usury cap	GAIN Restricts bad practices	Western Sky Financial, CashCall, and Martin Webb agreed to a $2 million settlement with Maryland for having made illegal payday loans in violation of the state's usury limit. They also agreed not to make any more payday loans in the state.
New York AG settles with tribally-affiliated lenders for violating the state's usury cap	GAIN Restricts bad practices	Western Sky Financial agreed to pay a $1.5 million fine and refund borrower payments up to $20 million for making illegal online payday loans to New Yorkers in violation of the state's usury cap.
Pennsylvania online lender settlement	GAIN Restricts bad practices	John Paul Reddam, owner of online payday lenders WS Funding and CashCall, agreed to pay $1 million in restitution for having made loans to over 18,000 Pennsylvania consumers in violation of the state's usury cap. The companies also agreed to stop making payday loans in the state.

Cash America begins exiting storefront payday business	GAIN Restricts bad practices	Cash America began exiting the storefront payday business, eliminating payday loan products from 300 locations, including stores in Utah, Oklahoma, Florida, Alabama, Kentucky, and Texas, but not in Ohio.
EZ Corp exits online payday lending business	GAIN Restricts bad practices	EZ Corp shut down its U.S. and U.K. online payday lending operations.
Credit unions establish "borrow and save" programs	GAIN Fosters good practices	Fourteen credit unions launched "Borrow & Save" products small-dollar loan products.
Illegal online payday loans decrease	GAIN Restricts bad practices	Clarity, a subprime credit bureau, released a report showing that the number of loans from illegal, unlicensed online lenders has decreased by up to 45%.
Virginia orders online lender to stop making illegal loans to Virginians	GAIN Restricts bad practices	Virginia ordered Bottom Dollar Payday to immediately stop making online payday loans to Virginia residents in violation of state law.
Online lenders agree to stop making illegal loans to Virginians	GAIN Restricts bad practices	Loan Shop and Wire Into Cash agreed to stop making online payday loans to Virginia residents in violation of state law.
Federal court temporarily halts online payday lender	GAIN Restricts bad practices	At the request of FTC, a federal court temporary halted an online payday lending scheme that trapped people in payday loan debt that they never authorized and then automatically debited fees from their bank accounts
Federal court temporarily halts phantom payday debt-collection scheme	GAIN Restricts bad practices	At the request of FTC, a U.S. district court has halted a Georgia-based operation from using deception and threats to collect $3.5 million in phantom payday loan "debts" that consumers didn't owe pending trial. The court had previously ordered the defendants' assets frozen to preserve the possibility that they could be used to provide redress to consumers, and appointed a receiver.
Court action temporarily shuts down Minnesota tribal lender	GAIN Restricts bad practices	An appeals court affirmed a temporary injunction against several tribally-affiliated payday lenders, including Western Sky Financial and CashCall.
CFPB report & field hearing on payday lending	HELPS Highlights bad practices	A CFPB report, released at a field hearing on payday lending, drew attention to the long-term debt trap of payday lending. The report showed that four out of five payday loans are due to loan "churn," having been rolled over or renewed within 14 days of paying off a prior loan.
CFPB MLA report	HELPS Highlights bad practices	A CFPB report found that loopholes in the Military Lending Act (MLA) increase costs for Service members.
DOD MLA report	HELPS Highlights bad practices	A DoD report concluded that more comprehensive regulations are necessary to protect military service members from high-cost credit

New York database to identify illegal online lenders	HELPS Restricts bad practices	The New York financial regulator released a database to identify companies that offer illegal online payday loans in the state. Large banks (including Bank of America, Citibank, and JP Morgan Chase) agreed to use the tool in their screening processes to help identify and stop illegal online payday loans.
Banks stop serving payday lenders	HELPS Restricts bad practices	SunTrust, Wells Fargo, and other banks closed the bank accounts of payday lenders.
U.S. Supreme Court decision establishes helpful precedent for tribally-affiliated lending	HELPS Establishes good judicial precedent	The Supreme Court ruled that a state can shutter an illegal casino that is off a reservation, which could help shut down tribally-affiliated payday lenders that are doing business off a reservation.
Early Warning Services no longer working with payday lenders	HELPS Restricts bad practices	Early Warning Services, a fraud-prevention company that five major U.S. banks own, stopped providing bank account verification services to payday lenders.
Louisiana payday lending reform bills defeated	HOLD Allows bad practices	Louisiana's House voted against a bill that would limit interest rates to 36% APR, and its Senate defeated a bill that would have limited consumers to ten short-term loans per year.
Alabama payday lending reform bills defeated	HOLD Allows bad practices	A bill died in the Alabama state legislature that would have capped interest rates at 36% APR.
California does not authorize high-cost payday installment loans	HOLD Prevents bad practices	California did not enact a bill authorizing a new high-cost payday installment loan product.
Minnesota payday lending reform bills defeated	HOLD Allows bad practices	The Minnesota House and Senate passed separate bills to better limit the number of payday loans in a year; however, because the two houses failed to reconcile differences between the bills, the reforms were not enacted.
Virginia payday lending reform bills defeated	HOLD Allows bad practices	Two Virginia payday lending reform bills—one that would have imposed a 36% APR limit and another that would have closed an open-end loophole—failed to be passed out of committee.
Missouri Governor vetoes fake payday lending "reform" bill	HOLD Rejects fake reform	Missouri Governor Jay Nixon vetoed a bad payday lending "reform" bill, calling it an "industry-backed sham." The bill would have allowed lenders to charge more than 900% APR on payday loans.
Iowa defeats fake payday "reform" bill	HOLD Rejects fake reform	Iowa defeated a fake payday "reform" bill that would have limited payday loan size to 25% of a borrower's monthly income and would have required lenders to provide adjusted repayment plans free of charge
Utah enacts fake payday "reform" bill	HOLD Enacts fake reform	Utah enacted a fake "reform" bill that offers no meaningful protections for payday borrowers.
Michigan does not authorize payday installment loans	HOLD Prevents bad practices	Michigan did not enact a bill to authorize payday installment loans, despite a strong push from industry.

Louisiana Senate defeats payday reform bill and instead passes pro-industry bill	HOLD Allows bad practices	The Louisiana Senate failed to pass a bill that would have limited borrowers to ten payday loans per year, enforceable through an industry database. Instead, it passed an industry-sponsored bill that would not provide substantive protections.
Payday class action dissolved	HOLD Allows bad practices	A federal judge brought an end to a class action alleging that two banks illegally aided payday lenders. The judge ruled that the dispute must move forward by arbitration.
FDIC guidance on third-party payment processors	HARMS Supports bad practices	In response to pressure claiming that FDIC was pressuring banks to stop processing payments for payday lenders, FDIC clarified its guidance concerning third-party payment processors and removed a list of merchant categories that had been associated by the payments industry with higher-risk activity.
Ohio Supreme Court overturns payday rate cap	LOSS Allows bad practices	The Ohio Supreme Court ruled in favor of payday lenders, allowing payday lenders to legally make payday loans above the voter-affirmed 28% APR rate cap by providing loans under the Mortgage Loan Act instead. By sanctioning the payday lenders' subterfuge, the ruling means there is no effective APR limitation in the state.
DoD proposes rules to close MLA loopholes	KEY MARKER Restricts bad practices	DoD published a proposed rule that would close significant loopholes in the Military Lending Act (MLA), better protecting active-duty Service members and their families from predatory lending, including payday, car-title, and consumer installment loans. The rule is expected to be finalized in 2015.

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<tr><td rowspan="2">Car-title lending</td><td colspan="3">Car-title loans are expensive loans secured by a borrower's vehicle. They are generally offered as payday-loan-like single-payment loans with one-month terms, which tend to be renewed multiple times. An emerging practice is a movement toward longer-term but still high-cost installment products. The very structure of car-title loans leads to problems for consumers, including excessive repayment fees and repossessions.

In 2014, high-cost car-title loans continued to trap borrowers in a long-term debt trap. However, no state authorized car-title loans, despite industry attempts to do so in Michigan. And states were also active in trying to add consumer protections; two states settled with car-title lenders, and two other states were unsuccessful in enacting car-title reform bills.</td></tr>
<tr><td>21
States allow car title lending</td><td>9 loans
Average month-long loans per year</td><td>$4.3 billion
Fees paid annually</td></tr>
<tr><td colspan="4">

- *Lenders should make loans only after determining that the borrower is able to repay the loan while meeting other expenses without re-borrowing.*
- *Loans should not create a long term cycle of debt.*
- *Annual Percentage Rates (APR) should not exceed 36%.*
- *Loans should be successfully repaid as the loans are originally structured, without high levels of eventual defaults, rollovers or refinancings.*
- *In the event of a default, borrowers must be provided important consumer protections, including notice prior to repossession or sale, a right to redeem the vehicle, and a ban on deficiency.*

</td></tr>
</table>

New York AG settlement with car repossession companies	GAIN Restricts bad practices	New York Attorney General Eric Schneiderman settled with ten companies that will stop repossessing cars in New York at the demand of national car-title lenders
West Virginia settles with car-title lenders for $1.2 million	GAIN Restricts bad practices	Fast Auto Loans and Virginia Auto loans agreed to pay $450,000 to West Virginia and to cancel $816,000 in consumer debt for violating the state's Consumer Credit and Protection Act.
Michigan defeats car-title authorization bill	HOLD Prevents bad practices	Michigan did not enact bill, pushed by out-of-state car-title lenders, to authorize car-title loans at over 200% APR.
New Hampshire car-title reform bill defeated	HOLD Allows bad practices	The New Hampshire House—but not the Senate— passed a bill that would have limited the interest to 25% of the loan in the first month and 3% thereafter.
Alabama does not pass car-title reform legislation	HOLD Allows bad practices	Two bills to regulate the Alabama car-title industry were introduced but were not acted upon.
DoD proposes rules to close MLA loopholes	KEY MARKER Restricts bad practices	DoD published a proposed rule that would close significant loopholes in the Military Lending Act (MLA), better protecting active-duty Service members and their families from predatory lending, including payday, car-title, and consumer installment loans. The rule is expected to be finalized in 2015.

Consumer Installment Lending	Consumer finance installment loans (offered by companies such as Springleaf, OneMain, World Acceptance, and others) are typically $1,000-$3,000 loans repayable over longer terms. Depending on state law, these loans can carry very high costs and triple-digit-APRs, along with additional fees for useless add-on products. Like payday and car-title lenders, consumer finance lenders depend on high volumes of repeat refinancings. 2014 did not see much change in the consumer installment lending landscape, with a few exceptions. California and West Virginia both had important outcomes related to CashCall, and three states increased the cost of consumer installment loans.	
	75% **of loans are the result of refinancings from existing customers**	**Highest possible cost** **Companies typically charge the maximum allowed by law**

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- *Loans should not create a long-term cycle of debt.*
- *Annual Percentage Rates (APR) should not exceed 36%.*
- *Loans should be successfully repaid as the loans are originally structured, without high levels of eventual defaults, rollovers or refinancings.*
- *The costs of all financed costs (including credit insurance) should be disclosed and included when calculating APR.*

California settles with CashCall	GAIN Restricts bad practices	The California Department of Business Oversight settled with CashCall for using deceptive sales pitches and marketing practices to dupe consumers into taking out larger loans than they needed in order to charge more money (since interest rate restrictions don't apply for loans of at least $2,500). CashCall agreed to pay $1 million in penalties and restitution and to reform its business practices.
West Virginia Supreme Court of Appeals affirms CashCall decision	GAIN Restricts bad practices	The West Virginia Supreme Court of Appeals affirmed a $13.8 million judgment against CashCall Inc. According to court documents, CashCall sold predatory loans in West Virginia with interest rates of up to 99% APR in violation of the state's usury laws. When consumers defaulted, CashCall used abusive and harassing collection techniques. The Court ruled that CashCall partnered with a bank to make it appear as though the bank was the lender when in fact CashCall marketed and sold loans, as well as provided the funding for and collected on those loans.
California rejects high-cost installment loan legislation	HOLD Prevents bad practices	The California legislature defeated a bill that would have authorized a new risky installment loan product. The bill would have allowed triple-digit products for loan amounts between $250-$2,500, which are currently capped at 30% APR.
Three states increase installment loan fees	LOSS Fosters bad practices	Arizona, Kentucky, and Oklahoma all enacted bills to allow increases in the cost of consumer installment products.

DoD proposes rules to close MLA loopholes	KEY MARKER Restricts bad practices	DoD published a proposed rule that would close significant loopholes in the Military Lending Act (MLA), better protecting active-duty Service members and their families from predatory lending, including payday, car-title, and consumer installment loans. The rule is expected to be finalized in 2015.

Student Lending

Student debt has skyrocketed in recent years, fueled by rising tuition rates and tight state budgets. Private student loans can be particularly dangerous for borrowers, as they don't have the same protections and repayment options as federal loans do. In addition, some for-profit colleges encourage borrowing yet provide questionable education and economic value for students. The debt burden and default rates on student loans have risen sharply in recent years leading many to question the wider economic impact of these trends.

In 2014, the federal government acted in several important ways on this issue, including by finalizing the "gainful employment" rule, finalizing several enforcement action, and highlighting key abuses related to student loans in several different studies.

Over $1 trillion **in student loans outstanding**	**30%** **of borrowers in repayment are delinquent**

- *Student loans should be used to finance a valuable education.*
- *Student loans should be affordable.*
- *Struggling borrowers should have access to flexible repayment options.*
- *Students attending for-profit colleges should not be saddled with unmanageable student loan debt*
- *Student loans should be dischargeable in bankruptcy*
- *Private student loans should be dischargeable in the event of death or disability of the student.*

Department of Education promulgates gainful employment rule	GAIN Fosters good practices	The Department of Education's promulgated its "gainful employment" rule. Although weaker than the proposed rule, the final rule would bar career education programs with extremely poor outcomes—many of which are offered by for-profit colleges— from receiving federal student-aid dollars. This will protect students from taking on debt to attend programs that deliver poor outcomes and may cause them to be unable to repay their loans successfully.
Sallie Mae settles with FTC & DOJ for $96.6 million	GAIN Restricts bad practices	The FDIC settled with Sallie Mae, the largest servicer of federal private and student loans, for "unfair and deceptive practices related to student loans." The FDIC ordered civil penalties of $6.6 million $30 million in restitution to victims. In addition, Sallie Mae settled a DOJ enforcement action by agreeing to pay $60 million for systematically violating the legal rights of U.S. service members.
CFPB & Florida shut down illegal student "debt relief" scam	GAIN Restricts bad practices	CFPB, in a joint filing with the Florida Attorney General, permanently shut down student debt relief company College Education Services for charging illegal advance fees, falsely promising lower payments, and falsely claiming quick relief from default or garnishment. In addition, CFPB separately filed a lawsuit against Student loan Processing for illegally tricking borrowers into paying up-front fees for federal loan benefits.

Federal Reserve sanctions Cole Taylor Bank for unfair student bank accounts	GAIN Restricts bad practices	The Federal Reserve settled charges against Cole Taylor Bank alleging that the Bank, along with its non-bank partner Higher One, had engaged in deceptive practices to steer students to high-fee bank accounts during the student loan disbursement process.
CFPB report highlighting problems for co-signers of private student loans	HELPS Highlights bad practices	A CFPB report found that when a co-signer of a private student loan dies or goes bankrupt, lenders are demanding immediate full payment, even if the loan is current or being paid on time. CFPB has created a consumer advisory to direct consumers in how to release co-signers from loan.
CFPB report highlighting lack of loan modification options for private student loan borrowers	HELPS Highlights bad practices	A CFPB report found that distressed borrowers receive very little information or help when they default, there are no affordable loan modification options available, and the alternatives to default are temporary at best.
CFPB supervision report highlighting risky practices in student loan servicing	HELPS Highlights bad practices	A CFPB supervision report found that companies engaged in illegal practices like charging unfair late fees and making harassing debt collection calls.
Department of Education releases data on default rates at for-profit colleges	HELPS Highlights bad practices	The Department of Education released new data showing that for-profit college students continue to experience disproportionately high levels of default.
General Accounting Office, CFPB, and Department of Education Inspector General release reports on campus banking agreements	HELPS Highlights bad practices	GAO, CFPB, and the Department of Education separately released reports expressing concern about college-bank partnerships that steer students into high-fee bank accounts during the student loan disbursement process.
New consumer complaint system for service members and veterans	HELPS Highlights bad practices	CFPB joined with the Department of Veterans Affairs, Defense, Education, and Justice to create a new portal to help service members, veterans, and their families report challenges with training programs and educational institutions that administer the GI Bill and military tuition assistance programs. Earlier in the year, the FTC announced a similar portal.
New York establishes "Student Protection Unit"	HELPS Restricts bad practices	New York established a "Student Protection Unit" whose first action was to subpoena 13 student-relief companies to gather information about misleading advertising, improper fees, and other consumer protection concerns.
Failure of Corinthian Colleges	HOLD Impact includes both losses and gains	The Department of Education placed the troubled for-profit college chain Corinthian Colleges under tight oversight, finally taking decisive action against a for-profit college with a long record of bad practices. However, rather than allowing the school to go out of business, the Department sought to keep the school afloat by engineering a sale to a nonprofit student loan debt collector and allowed Corinthian to continue enrolling students who accrued more student loan debt.

Federal court remands Dept. of Education incentive compensation rule	HARMS Promotes bad practices	The DC District Court remanded a consumer-friendly rule to the Department of Education after a lawsuit by the for-profit college trade association. The rule would have banned incentive compensation in for-profit college recruiting, which would have helped to ameliorate some of the worst incentives for pressuring students to enroll in expensive, low-value programs using student loans.
Executive order authorizes expansion of "Pay As You Earn" program	KEY MARKER Fosters good practices	The President issued an Executive Order to authorize the Department of Education to expand the "Pay As You Earn" program so that five million more borrowers would have the ability to cap their federal direct student loan payments at ten percent of their income. The Department of Education is now beginning the rulemaking process.
Dept. of Education initiates rulemaking on campus bank accounts	KEY MARKER Restricts bad practices	The Department of Education initiated rulemaking that would prevent school-bank marketing partnerships from steering students into high-fee bank accounts during the student loan disbursement process.
Department of Education initiates rulemaking on online education	KEY MARKER Restricts bad practices	The Department of Education initiated rulemaking on the state authorization of distance education programs, which could help ensure that online programs are subject to strong state oversight as a condition of being able to participate in the student loan program.

<table>
<tr><td rowspan="2">Auto Lending</td><td colspan="3">A car is one of the largest purchases American consumers make. The lack of transparency and regulation in auto finance has allowed different predatory practices to thrive throughout the years, creating unnecessarily expensive and unsustainable loans for consumers. Particularly harmful practices include auto dealers marking up the interest rate for compensation; coercing consumers who left the lot with what they thought was a final deal to sign second, more expensive financing contracts because the dealer was unsatisfied with the first; and aggressively selling add-on products such as extended warranties and other insurance products, which can have price markups of well over 100% and be riddled with exclusions and deductibles. Although all car buyers are affected, discriminatory practices result in a disproportionate impact on consumers of color.

There were some important auto lending developments in 2014. CFPB continued to move toward the challenge of enforcing anti-discrimination laws in auto lending. It released a white paper on the methodology used to determine whether racial disparities exist in auto lending, held a public forum on auto lending, and released supervisory highlights describing the Bureau's fair-lending activity. In addition, BMO Harris Bank ended the practice of allowing dealers to mark up interest rates in response to CFPB guidelines.</td></tr>
<tr><td>$25.8 billion
added over the life of auto loans because of dealer interest-rate mark-ups</td><td>25-30%
of buy here pay here deals end in repossession</td><td>10-30 basis point increase
for non-white borrowers</td></tr>
<tr><td colspan="4">

- *Prices of all financed costs (car, any add-on products, and interest rates including mark-up) should be clearly presented to borrowers.*
- *The loan used to finance an auto purchase should be final before the consumer takes possession of the vehicle.*
- *Dealers should not be allowed to mark up the rates on loans for reasons unrelated to credit worthiness.*

</td></tr>
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BMO Harris Bank ends dealer interest rate markups	GAIN Restricts bad practices	In response to CFPB guidelines on dealer interest-rate markups, MBO Harris Bank eliminated dealer discretion to set interest rates. Instead, it will pay auto dealers a flat percentage of the loan amount as compensation for originating indirect auto loans.
DoD establishes new protections for service member allotments	GAIN Restricts bad practices	DoD will no longer allow military allotments—which allow service members to direct a portion of their paycheck to a financial institution—to be used to buy, lease, or rent personal property, including vehicles. This will allow service members to continue to use allotments for legitimate purposes but will eliminate the part of the system most prone to abuse from unscrupulous lenders.
CFPB's takes first action against buy here pay here (BHPH) dealer	GAIN Restricts bad practices	CFPB settled with BHPH dealer DriveTime for $8 million for having made harassing debt collection calls and provided inaccurate credit information to the credit bureaus. DriveTime also agreed to fix its credit reporting practices and gave victims free credit reports.

CFPB auto lending settlement	GAIN Restricts bad practices	CFPB ordered Texas-based First Investors Financial Services Group to pay a $2.75 million fine for having systemically provided information to credit reporting agencies that it knew was inaccurate, potentially harming tens of thousands of customers. The company also was required to fix the mistakes and change its business practices.
FTC multi auto dealer settlement	GAIN Restricts bad practices	The FTC settled with nine auto dealers and took action against one other in an effort called "Operation Steer Clear." The dealers engaged in deceptive advertising that misrepresented the costs of vehicles and financing.
FTC auto lending settlement	GAIN Restricts bad practices	Consumer Portfolio Service, a national subprime auto lender, paid $5.5 million to settle FTC charges that it used illegal tactics to service and collect consumers' loans. These tactics included collecting money that consumers did not owe, harassing them, and disclosing debts to friends, family members, and employers.
New York settles with Condor Capital	GAIN Restricts bad practices	In the first lawsuit brought by a state regulator using new authority in the Dodd-Frank Act, the New York Department of Financial Services shut down Condor Capital, a subprime auto lender accused of stealing millions of dollars from borrowers by deceptively retaining borrowers' excess payments. Condor agreed to make full restitution to consumers, pay a $3 million penalty, and liquidate the company.
CFPB white paper on the "proxy methodology" to evaluate compliance with fair lending laws	HELPS Highlights bad practices	CFPB released a white paper on the "proxy methodology" it will use to evaluate a lender's compliance with fair lending laws. Examiners will rely on data associated with consumers' last names and places of residence to establish whether lenders are complying with fair lending laws.
CFPB supervision report and field hearing on nonbank auto lending abuses	HELPS Highlights bad practices	CFPB held a field hearing in Indianapolis at which it released a supervision report describing the Bureau's fair lending activity in the indirect auto lending market.
CFPB issues proposed "larger participant" auto lending rule	KEY MARKER Restricts bad practices	CFPB issued a proposed rule to oversee larger nonbank auto finance companies for the first time ever at the federal level. Under the proposed rule, CFPB would supervise nonbank auto finance companies that make, acquire, or refinance 10,000 or more loans or leases in a year, which would affect 38 companies that originate about 90% of nonbank auto loans and leases.

Credit Reporting	Credit bureaus collect and analyze consumer financial transactions and produce credit reports and scores. Sometimes the reports contain errors that can be hard for consumers to resolve. Furthermore, it can be difficult for consumers to get access to their score without paying a fee. Credit reports and scores are increasingly important and can affect not only the availability and price of credit but also insurance, rental, and employment opportunities. In 2014, credit reporting abuses continued, but there were some positive developments, particularly in terms of FICO's announcement that it would place less weight on medical debt in its scoring model, which came just before CFPB released a report finding that medical debt that goes into collection overly penalize consumers' credit scores.	
	20% **of consumers had a verified error on their credit report**	**7 years** **Amount of time most negative information stays on a credit report**

- *Consumers should have free access to their credit information (reports and scores) used by most lenders.*
- *Credit reporting agencies should have procedures to ensure that errors on credit reports are extremely rare.*
- *Errors on credit reports should be corrected by the credit reporting agency and/or creditor in a timely manner following a meaningful investigation of disputes*
- *Credit scores should not be for employment purposes or to set auto insurance rates.*

FICO places less weight on medical debt	GAIN Fosters good practice	FICO changed its credit scoring model, placing less emphasis on medical debt, which makes up about half of all unpaid collections on credit reports. The change is expected to increase the median credit score by about 25 points.
FTC, Illinois, & Ohio bring an end to illegal credit monitoring scheme	GAIN Restricts bad practices	The FTC, along with the Illinois and Ohio Attorneys General, settled with three companies that offered a "free" credit score and then billed a recurring $29.95 monthly fee for credit monitoring that people never ordered. In addition to shutting down their illegal activities permanently, the defendants paid $22 million for consumer refunds.
Some credit card companies begin disclosing credit score on credit card statements	GAIN Fosters good practices	Several credit card issuers began to disclose a customer's credit score on the monthly statement and online. CFPB, calling this an industry best practice, urged other credit card issuers to do so. As of the end of 2014, 50 million consumers received free and regular access to their credit scores through their monthly credit card statements or online.
Credit bureaus improve process to dispute errors on credit report	HELPS Fosters good practices	The three major credit bureaus now allow consumers to submit documentation when disputing an error on their credit report. Previously, consumers couldn't provide supporting evidence when submitting a complaint and had to mail in any supporting documentation.
CFPB issues report on credit reporting complaints	HELPS Highlights bad practices	CFPB issued a report on the 31,000 complaints it had received related to credit reporting. The report found that the top three consumer complaints were mistakes in the credit report, frustration with the credit reporting company's investigation, and difficulty obtaining a credit report or score.

CFPB issues report on medical debit & credit scores	HELPS Highlights bad practices	A CFPB research report found that medical debt that goes into collection may overly penalize consumers' credit scores. That is, credit scoring models may underestimate the creditworthiness of consumers who owe medical debt in collections.
CFPB publishes action letters for child welfare case workers	HELPS Prevents bad practices	CFPB published action letters for child welfare case workers to send to credit bureaus if they find errors on the credit reports of children in their care. This aims to protect foster children from credit reporting mistakes that could compromise their future credit.

<table>
<tr><td rowspan="2">Deposit Accounts and Overdraft Practices</td><td colspan="3">Consumers rely on deposit accounts to be a safe place to keep their money. High, tricky fees erode that confidence. In particular, overdraft practices have transitioned from an occasional courtesy to a practice designed to extract fees from consumers.

In 2014, abuses continued in this area, but both government regulators and the industry itself took important steps in eliminating abuses. Several banks began to offer checkless checking accounts with no overdrafts. In addition, CFPB took an enforcement action against M&T Bank, and it also released an overdraft report that will lay the foundation needed for a rulemaking on overdraft.</td></tr>
<tr><td>$16.7 billion
in overdraft fees annually</td><td>$225
Average fees paid by accountholders with at least one overdraft</td><td>¾
of the nation's largest banks charge overdraft fees on debit card purchases</td></tr>
<tr><td colspan="4">
Banks should not manipulate the processing order of transactions to maximize fees.
Banks should not charge overdraft fees on debit card purchases and ATM withdrawals.
Banks should not charge customers more than six overdraft fees in a single year.
Regulators should collect and make data on overdraft fees widely available.
All deposit account fees should be transparent, reasonable, and fair. Pricing structures should facilitate comparison and not rely on back-end fees.
Customers should have effective means to resolve account disputes.
Banks should prevent and reverse unauthorized payments.
Customers should be able to easily close an account and transfer necessary charges without encountering fees.
Consumers with blemished credit histories should have access to safe bank accounts
</td></tr>
</table>

Bank of America & Citibank offer new checkless checking accounts with no overdraft fees	GAIN Fosters good practices	Bank of America and Citibank separately announced the introduction of new checkless checking accounts that do not charge any overdraft fees.
Capital One expands access to checking accounts for low-income families	GAIN Fosters good practices	The New York Attorney General announced that Capital One has agreed to limit its use of ChexSystems, a credit bureau, to screen those who apply for checking or savings accounts. Under the agreement, Capital One will continue screening customers for past fraud but will no longer use ChexSystems to assess credit risk, as doing so can disproportionately punish applicants for relatively small financial errors and force them into fringe banking services. This action is expected to expand access to banking accounts for low-income consumers.
Green Dot Bank offers checking account with no overdraft fees	GAIN Fosters good practices	Green Dot Bank partnered with Wal-Mart to provide a mobile checking account with no overdraft fees called "GoBank."

CFPB $3.1 million enforcement action against M&T bank	GAIN Eliminates bad practices	CFPB took enforcement action against M&T Bank for deceptively advertising "no strings attached" free checking accounts without disclosing key eligibility requirements. Consumers who failed to meet those requirements were automatically given checking accounts with fees. Under the consent decree, M&T Bank agreed to refund $2.9 million for the 59,000 customers affected and to pay a $200,000 penalty.
FTC lawsuit on fake Medicare scam that took money from seniors' bank accounts	GAIN Restricts bad practices	At Federal Trade Commission's request, a federal court halted a scheme that pretended to be a part of Medicare and took millions from consumers' bank accounts without their consent. FTC is now seeking to permanently end the operation and return victims' money.
CFPB issues overdraft report	HELPS Highlights bad practices	CFPB released a report that found that the majority of debit-card overdraft fees are assessed on transactions of $24 or less and that the majority of overdrafts are repaid within three days.
CFPB holds forum on access to checking accounts	HELPS Highlights bad practices	CFPB held a forum on how consumers are affected by checking account screening policies and practices.
NACHA proposes new electronic payments rules	KEY MARKER Fosters good practices	NACHA proposed new rules to require banks to offer the option of accepting same-day electronic payments. The rules would make it easier for consumers to make payments on time the day they are due and to receive wages promptly in the event of emergency payrolls or job termination.

Credit Cards	Credit cards have become ubiquitous methods of payment for most Americans. The Credit CARD Act of 2009 put in place a number of consumer-friendly reforms. However, abuses remain, particularly in the card products targeted for subprime consumers. In 2014, the Credit CARD Act protections continued to prove successful and regulators continued to hold issuers responsible for consumer abuses, particularly in the sale of add-on products.	
	68% **of Americans have a credit card**	**$4 billion** **Annual savings for consumers from reductions in over-the-limit and late fees in the Credit CARD Act**

- *The interest rate the borrower will pay for credit card purchases should be stated and agreed to by the borrower before credit is extended.*
- *All fees associated with credit cards should be clearly presented.*
- *Lenders should assess the borrower's ability to repay the full cost (fees and interest) of credit before extending credit.*
- *Credit cards should not use up-front fees, add-on products, or other means to disguise and add to the cost of the card.*
- *Credit cards that promote no interest on certain purchases should not be allowed to charge interest retroactively if the amount is not paid in full by the end of the promotional period.*
- *Minimum payment amounts should make reasonable progress in reducing the debt.*

CFPB/OCC enforcement action against Bank of America for illegal billing and deceptive marketing	GAIN Restricts bad practices	CFPB and OCC ordered Bank of America to pay $727 in consumer relief, along with a $20 million civil penalty to CFPB and $25 million penalty to OCC, for illegal billing and deceptive marketing. Bank of America illegally charged credit card customers for credit monitoring and reporting services that they did not receive and deceptively marketed add-on products.
CFPB/DOJ action against Synchrony Bank (formerly GE Capital) for deceptive marketing and Fair Lending Act violations	GAIN Restricts bad practices	CFPB ordered GE Capital Retail Bank, now known as Symphony Bank, to provide $225 million to customers for its deceptive add-on products. Violations included incorrectly telling customers they did not need to pay for the products as long as they paid off their credit card balance and selling products to retires and disabled customers who could not receive benefits. In addition, CFPB and DOJ jointly ordered GE capital to provide $169 million to borrowers who were excluded from debt relief offers because of their national origin.
CFPB/OCC enforcement action against U.S. Bank	GAIN Restricts bad practices	CFPB and OCC ordered U.S. Bank to provide $48 million in customer restitution for illegal billing practices. U.S. Bank charged customers for identity theft and credit monitoring services that they did not receive. U.S. Bank also paid a $5 million penalty to CFPB and a $4 million penalty to OCC.
FDIC enforcement action for illegal marketing and servicing of credit card add-on products	GAIN Restricts bad practices	FTC announced a settlement with Merrick Bank for illegal marketing and servicing of credit card add-on products. The bank will pay restitution of $15 million and a civil penalty of $1.1 million for having illegally marketed a payment protection credit card add-on product.

OneUnited Bank launches new consumer-friendly credit card	GAIN Fosters good practices	OneUnited Bank launched a new secured credit card with a fixed rate, no fees for purchases and deposits, and automatic enrollment in the bank's "how to rebuild credit" program.
CFPB warns credit card companies about deceptive marketing of promotional offers	HELPS Restricts bad practices	CFPB warned credit card companies not to engage in deceptive marketing of promotional interest rate offers.
CFPB issues report on college credit card agreements	HOLD Provides industry overview	CFPB released its annual report on college credit cards, finding that college credit card agreements continue to decline and that prepaid cards and debit cards are now more common than credit cards.
FTC illegal credit-card processing lawsuit	KEY MARKER Restricts bad practices	FTC charged seven defendants with illegally processing credit card payments on behalf of a massive Internet scam that allegedly bilked millions of dollars from consumers by repeatedly charging them for "trial" memberships they never ordered. Three of the defendants agreed to settle the charges.

Prepaid Cards	Prepaid credit cards can provide convenience and safety, but most lack basic consumer protections and they can come loaded with fees, sometimes including overdraft fees. Because the disclosure of these fees varies from card to card and is often hidden, consumers have difficulty comparison-shopping. Some employers and states push for or require wages and public benefits to be loaded onto a particular prepaid card. Some payday lenders and others have used prepaid cards as vehicles for offering predatory loans and evading credit rules. In 2014, there remained no widespread regulation of prepaid cards, which continued to grow in popularity. It is likely that federal regulators will seek to address prepaid concerns in the coming years.
	41 States Provide unemployment benefits on a prepaid card — **22% growth** In prepaid card usage

- *Prepaid cards should not have overdraft or credit features.*
- *The fees on prepaid cards should be limited and well-disclosed. Customers should have access to statements and account information for free.*
- *Prepaid cards should include deposit insurance.*
- *Prepaid cards should have the same protections in place as those on electronic payments generally (Regulation E).*
- *Workers and other consumers should be able to choose how they receive the funds they are entitled to.*
- *Prepaid cards should not include mandatory arbitration clauses for dispute resolution.*

Improvements to state unemployment prepaid cards	GAIN Fosters good practices	Several states improved their unemployment prepaid cards, including Alaska and Colorado, among others.
Chase implements a simpler disclosure box for prepaid cards	HELPS Fosters good practices	Chase was the first company to use Pew's model disclosure box for prepaid cards.
CFPB holds field hearing on prepaid cards	HELPS Highlights bad practices	CFPB held a field hearing in Delaware to discuss consumer protection concerns in prepaid cards and release its proposed rule on prepaid cards.
CFPB issues proposed rule on prepaid cards	KEY MARKER Restricts bad practices	CFPB issued a proposed rule on prepaid cards that would add a number of important consumer protections. With respect to overdraft and other credit, the proposal would, among other things, subject prepaid cards that allow overdraft charges or other credit features to the Credit CARD Act. It would require underwriting for the ability to repay, provide consumers at least 21 days to pay a balance without incurring a late charge, and prohibit automatic repayment from a prepaid card balance. Many commenters are urging CFPB to go further and prohibit overdraft on prepaid cards altogether.

Money Transfer (Remittances)	Millions of Americans transfer money electronically to friends and family overseas. These transfers (remittances) provide critical support to people across the world. Unfortunately, the process of sending money can be fraught with fees and confusion. Reducing fees and bringing transparency and increasing protections to this market can have great impact, as the majority of both senders and recipients have low incomes. Among the outcomes for 2014 in this area, CFPB promulgated two remittance-related rules and decided to put off Dodd-Frank reforms for another five years. The private sector also made market changes, with Wal-Mart introducing a new low-cost domestic remittance program, and many large banks deciding not to offer international remittance products anymore.
	>$400 billion Sent annually — **8.8% growth** Annual growth predicted

- *Costs associated with money transfer should be disclosed in a clear, understandable way that allows customers to compare across providers.*
- *Transfers should be secure and accurate.*
- *Customers should have an effective means to dispute and correct errors.*

Wal-Mart introduces low-cost domestic remittance product	GAIN Fosters good practices	Wal-Mart introduced a new product that allows customers to transfer funds domestically through Walmart stores, cutting fees by up to 50%.
CFPB promulgates rule to increase consumer protections for international money transfers	GAIN Fosters good practices	CFPB finalized a rule that would increase consumer protections for those who send money internationally
CFPB promulgates rule that expands oversight of international money transfer providers	HELPS Increases oversight	CFPB finalized a rule that allows it to supervise international money transfer providers that provide more than one million international money transfers annually.
Congress enacts "Money Remittances Improvement Act"	HOLD Unclear impact	Congress enacted the "Money Remittances Improvement Act," which permits the Treasury Department to reply on state examination reports on non-bank remittance providers.
Many large banks remove international remittance products	HOLD Unclear impact	Many large banks are no longer transferring money from the U.S. to other countries as a result of a government regulator crackdown on the financing of terrorists and drug traffickers and possibly because of new rules (not yet in effect for banks) to provide consumer protections for remittances. Banks have tended to be more expensive than other remittance services, and to the extent that their exit directs consumers to cheaper and safer alternatives, this may be a positive development, although it may decrease options for remittances.
CFPB further delays Dodd-Frank remittance reforms by five years	HOLD Allows bad practices	The CFPB extended for five years (until July 21, 2020) the temporary exception in its remittance transfer rule that allows insured depository institutions to estimate fees and exchange rates in certain circumstances.

<table>
<tr><td rowspan="2">Debt Collection/Buying</td><td colspan="3">Debt collection abuses have for years been at the top of the list of complaints reported to the FTC and CFPB. Debt collectors commonly engage in illegal threats, harassment, and privacy violations. The debt-buying industry has grown rapidly, spurred by rapidly rising amounts of consumer debt and an increased willingness of creditors to sell charged-off consumer debts. Debt buyers typically purchase portfolios of consumer debts, some of which are years old, for pennies on the dollar and then attempt to collect on the debts using a variety of techniques. However, these companies rely on scant and potentially inaccurate information obtained from the original creditors. As a result, unreliable records are used to collect or bring suits on debts. The records may show inaccurate amount and include debts that are beyond the statute of limitations, have been discharged in bankruptcy or already paid, or which do not even belong to the consumer being contacted or sued.

Although debt-collection abuses persisted in 2014, the federal government and states put in place important policies to further regulate the industry. Most importantly, OCC put forth strong debt-collection guidelines, and numerous federal and state regulators took enforcement action against abusive debt collectors.</td></tr>
<tr><td>1 in 10
Americans is pursued by a debt collector</td><td>$1,500
Average amount of each debt</td><td>4 cents
Average amount paid per dollar of debt</td></tr>
<tr><td colspan="4">

- *Debt collectors should collect debts only in a fair manner without threats or harassment and with respect for consumer privacy.*
- *First-party creditors, such as payday lenders, should be required to abide by fair debt collection rules.*
- *Consumers should have effective remedies against unfair debt collection practices.*
- *Debt collection actions (in and out of court) should be brought only by creditors or debt buyers who actually own the debt, against consumers who actually owe the debts, and for the amounts being collected.*
- *Consumer information should travel with the debt from the lender or original creditor to subsequent collectors and debt buyers. No debt should be sold or assigned without business records establishing the essential facts about the debt and previous debt collection efforts.*
- *Appropriate and strong laws, regulations, and court rules should govern the sale of charged-off consumer debt, debt-buying companies, and debt-collection lawsuits. These laws, regulations, and court rules should be enforced rigorously.*

</td></tr>
</table>

Note: Issue-specific debt-collection outcomes and key markers are listed in the specific issue section. For example, payday debt-collection actions are listed in the "payday lending" section.

<table>
<tr><td rowspan="2">OCC issues strong guidelines on debt buying</td><td>GAIN</td><td rowspan="2">OCC issued strong guidance on debt buying, requiring banks to provide debt buyers basic information and documentation about the debts sold at the time of sale; ensure the accuracy of the information they provide; refrain from selling certain debts, such as those in bankruptcy; and notify consumers when their debts are sold.</td></tr>
<tr><td>Restricts bad practices</td></tr>
</table>

CFPB, North Carolina, and Virginia settle service member debt collection lawsuit	GAIN Restricts bad practices	CFPB, along with the Attorneys General of North Carolina and Virginia, agreed to settle with three companies that engaged in illegal debt-collection practices against military service members. The practices including filing illegal lawsuits, debiting accounts without authorization, and contacting commanding officers. The companies agreed to pay more than $2.5 million in consumer restitution and $250,000 in a civil penalty.
FTC shuts down Texas debt collector	GAIN Restricts bad practices	FTC finalized a settlement with Goldman Schwartz Inc., which requires the owner to pay restitution and end all debt collection activities. The company used illegal tactics, including harassment and making false threats, to collect on payday loans and other debts.
FTC shuts down California debt collector	GAIN Restricts bad practices	FTC secured more than $4 million in consumer restitution from Asset Capital and Management Group, which also must stop all debt collection activities. The Southern California debt-collection company used illegal tactics, including false threats, to collect on purchased debt.
FTC shuts down debt-collection scheme	GAIN Restricts bad practices	FTC imposed a $23 million judgment against Rincon Debt Management, which will be suspended for inability to repay except for $3.3 million in frozen funds. The owners also agreed to be permanently banned from the debt-collection business. The company engaged in illegal debt-collection activities, including making bogus threats that consumers had been sued or could be arrested for debts they often did not owe.
FTC ends "phantom" debt-collection scheme	GAIN Restricts bad practices	FTC halted the abusive debt-collection practices of Pinnacle Payment Services, which used fictitious names and threatened consumers into paying phantom debts that many consumers did not owe. The owners also agreed to permanently exit the debt-collection business. The judgment, for nearly $11 million, is suspended for some of the defendants for inability to repay.
FTC shuts down Houston debt-collection scheme	GAIN Restricts bad practices	A Houston debt-collection company, Allied Data Corporation, and its owner agreed to a federal court order prohibiting them from engaging in deceptive debt-collection tactics. They also agreed to a $4 million penalty, which will be partially suspended for inability to repay The company used illegal tactics to collect more than $1.3 million in "convenience" and "transaction" fees from consumers who authorized payments by telephone by incorrectly stating that payments would not be accepted by U.S. mail and that the fees were unavoidable. In some cases, the fees were added to consumers' accounts without their knowledge and consent. They also made other false threats and used false identities.

New York AG settles with Encore Capital for improper debt collection	GAIN Restricts bad practices	New York Attorney General Eric Schneiderman settled with Encore Capital Group, a major debt buyer, for having obtained default judgments against thousands of New Yorkers in lawsuits whose underlying claims were outside the statute of limitations. Encore agreed to vacate more than 4,500 improper judgments and to pay a $675,000 penalty.
New York state court system issues strong debt-collection litigation rules	GAIN Restricts bad practices	The New York State court system issued strong debt-collection litigation rules for suits on debts stemming from consumer credit transactions. Among other things, they require the original creditor to vouch for the accuracy and validity of the debt and the chain of custody. Debt buyers will also be required to submit enhanced information and documentation.
New York regulator issues strong debt-collection rules	GAIN Restricts bad practices	The New York Department of Financial Services issued its first-ever debt collection regulations, which require debt collectors and debt buyers to provide certain notices to consumers, including a notice about income that is exempt from being taken to pay a debt. The rules also require debt collectors and debt buyers to substantiate the debts being collected and provide an itemization of the amount claimed to be owed.
Federal court temporarily halts Spanish-language debt collection scam	GAIN Restricts bad practices	At FTC's request, a federal court temporarily shut down a fraudulent phantom debt-collection operation that deceived and abused thousands of Spanish-speaking consumers around the country in order to collect on debts they did not owe.
Federal court temporarily halts New York debt collection operation	GAIN Restricts bad practices	At FTC's request, a federal court temporarily halted a debt-collection operation that was falsely representing itself as a government agency, accusing consumers of check fraud, and threatening consumers with arrest. The court order stopped the illegal conduct, froze the operation's assets, and appointed a temporary receiver to take over the business pending further action in 2015.
CFPB issues debt-collection report	HELPS Highlights bad practices	CFPB issued a report on the more than 30,000 consumer complaints it has received about the debt-collection market. The report found that many consumers say that debt collectors are "hounding" them for debts they do not owe. Consumers also complain about debt collectors' use of aggressive communication tactics and threats of illegal action.

CFPB issues research report and holds hearing debt collection issues	HELPS Highlights bad practices	CFPB issued a report and held a field hearing on debt-collection issues, both generally and specifically as they relate to medical debt. The research report found that one in five consumers with a credit report has a medical collections item, and about half of the overall debt collection trade lines are from medical bills at hospitals and other providers. Fifteen million consumers have medical debt collections item as the only collections items on their credit reports, and many have no other seriously delinquent debt.
CFPB issues report finding that debt collection tops older consumers' complaints	HELPS Highlights bad practices	CFPB released a report highlighting debt collection as the top complaint for older Americans, many of which struggle with debt in retirement.
CFPB & FTC hold roundtable on debt collection & the Latino community	HELPS Highlights bad practices	CFPB and FTC held a roundtable on debt collection and the Latino community in Long Beach, California, to discuss the issue with consumer advocates, industry representatives, state and federal regulators, and academics.
Delaware fails to enact bad debt collection proposal	HOLD Prevents bad practices	The Delaware House—but not the Senate—passed a bill that would allow private, third-party debt collectors to seize tax refunds to satisfy a judgment, including the state Earned Income Tax Credit. The bill did not move in the Senate and thus was not enacted.
New Jersey debt collection reform bill defeated	HOLD Allows bad practices	A bill that would have eliminated abusive debt collection and debt buying practices was pulled by request of the sponsor.
Oregon predatory debt-collection bill defeated	HOLD Prevents bad practices	An Oregon bill, which would have allowed for the sale of tax liens to private companies, was defeated. Debt buyers who buy tax liens sometimes engage in abusive and harassing debt-collection tactics, including foreclosing on homes for small debts and charging thousands of dollars in bogus fees.

<table>
<tr><td rowspan="2">Debt Settlement</td><td colspan="2">The for-profit debt settlement industry grew significantly in the last decade by exploiting vulnerable consumers who are drowning in debt. Companies advertise and promise that they can eliminate consumer debt by negotiating reduced payoffs with creditors, usually credit card providers. However, these companies rely on a flawed model that typically requires consumers to stop paying their bills without any guarantee that their creditors will agree to reduce their debt loads and may also impose costs on the consumer that dwarf any benefit. Late fees and increased interest rates resulting from the default follow quickly, and any savings achieved on any debts settled may be dwarfed by the increase in the consumer's overall debt load. Most consumers do not realize the limited benefits these companies claim they can provide, and many end up worse off, with larger debt loads and often lawsuits filed against them by their creditors. These problems are exacerbated when companies evade the FTC's ban on charging fees before a debt is even settled.

In 2014, federal and state regulators took important enforcement actions against abusive debt-settlement schemes. Unfortunately, Pennsylvania enacted a harmful debt-settlement law.</td></tr>
<tr><td>20-25%
Of the total debt is charged as a fee</td><td>Few consumers benefit
Estimates show 65-90% of consumers leave these programs without settling their debt</td></tr>
<tr><td colspan="3">

- *Consumers should not pay for debt settlement services unless they receive a benefit.*
- *Debt settlement companies should screen consumers for affordability and suitability, provide an overall net benefit to the consumer, and forego their fee where the consumer experiences a net loss.*
- *Debt settlement companies should not direct consumers to stop paying creditors without the prior written agreement of the creditor.*
- *Appropriate and strong laws should govern debt settlement companies and these laws should be appropriately enforced.*

</td></tr>
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Note: Issue-specific debt-settlement outcomes and key markers are listed in the specific issue section. For example, student loan-related debt-settlement outcomes are in the "student lending" section.

Debt settlement firm pleads guilty in criminal charges	GAIN Restricts bad practices	Michael Levitis and his debt settlement firm, Mission Settlement Agency, pleaded guilty to conspiracy charges of mail and wire fraud. This was the first criminal case that CFPB has referred to U.S. prosecutors. Levitis will face ten years in prison, and the company faces fines of more than $6 million.
North Carolina enforcement action against Legal Helpers	GAIN Restricts bad practices	North Carolina Attorney General Roy Cooper announced a court judgment against Legal Helpers Debt Resolution, a debt-settlement firm that Illegally collected up-front payments from North Carolinians and then note settling their debts. The defendants paid $122,000 in fees to cover refunds for North Carolina consumers, and Cooper obtained a $1.5 million court judgment, which he will try to obtain in the company's bankruptcy proceedings. The company and its owners are also banned from doing business in North Carolina.

West Virginia settles against Legal Helpers	GAIN Restricts bad practices	West Virginia's Attorney General, Patrick Morrisey, settled with Legal Helpers Debt Resolution for having collecting up-front fees and then not settling consumers' debts. The company will pay $135,000, $50,000 of which will be used for consumer restitution. The company is also prohibited from doing business in West Virginia.
CFPB settles Global Client Solutions enforcement action	GAIN Restricts bad practices	Under the consent order, Global Client Solutions, a leading debt-settlement payment processor, paid over $6 million in restitution and $1 million in penalties for helping other companies collect tens of millions of dollars in illegal up-front fees from consumers who never received any benefits.
CFPB settles Premier Consulting Group enforcement action	GAIN Restricts bad practices	CFPB filed a consent order requiring Premier Consulting Group to pay $69,075 for charging consumers illegal up-front fees for debt-settlement services they never received and to take other steps to prevent future legal violations.
Connecticut regulator obtains enforcement actions for illegal debt settlement activity	GAIN Restricts bad practices	The Connecticut Department of Banking obtained at least 30 consent orders, settlement agreements, and/or final orders against debt settlement companies engaging in illegal debt settlement activities in the state. The actions were for unlicensed activity, illegally collecting up-front fees, obtaining illegal charges, and failure to perform the promised debt settlement services.
Massachusetts rejects bill to legalize for-profit debt-collection companies	HOLD Prevents bad practices	Massachusetts did not pass a bill that would have legalized for-profit debt-relief services. The state does ban for-profit debt counselors, but a loophole allows their affiliates to do business. The proposal would have ended the ban but subjected the firms to increased oversight by the state. Consumer groups opposed the bill.
Pennsylvania enacts harmful debt-settlement bill	LOSS Allows bad practices	Pennsylvania enacted a bill that would authorize for-profit debt-settlement companies to charge unlimited fees.

Other Issues	This section reviews outcomes in areas that do not fall into the issue areas above and/or cover multiple issues.

CFPB & 13 states settle with Rome Finance for $92 million	GAIN Restricts bad practices	CFPB and 13 state Attorneys General obtained $92 million in debt relief from Rome Finance for 17,000 service members and others. Rome Finance promised no money down and instant financing, concealing its expensive finance charges by artificially inflating the disclosed price of the consumer goods being sold.
CFPB wins relief for service members	GAIN Restricts bad practices	CFPB shut down a service relief scam at USA Discounters, a company operating a chain of retail stores near military bases. USA Discounters tricked thousands of service members into paying fees for legal protections available for free. The company provided more than $350,000 in refunds for service members and an additional $50,000 penalty.
NACHA adopts rules to increase scrutiny of electronic payment fraud and other practices that harm consumers.	HELPS Restricts bad practices	NACHA lowered the rates of electronic payments returned as unauthorized that would require a bank or payment processor to scrutinize and potentially cut off a merchant. NACHA also added a new return rate threshold for all returns, including payments returned for insufficient funds. This policy is expected to force payday lenders and debt collectors, among others, to institute practices that result in fewer bounced payments.
CFPB accepts complaints in several new areas	HELPS Highlights bad practices	CFPB began to accept complaints in several new areas, including prepaid cards, debt settlement services, credit repair services, and car-title loans.
Congress does not enact proposals to weaken CFPB	HOLD Prevents bad practices	The House approved, but the Senate did not act on, a series of bills that would weaken the CFPB.
CFPB proposes to add narrative to public consumer complaints database	KEY MARKER Highlights bad practices	CFPB proposed a policy to give consumers the option to share the stories behind their complaints in its public consumer complaints database.