

State Regulatory Enforcement Initiatives: Cooperation and Conflict

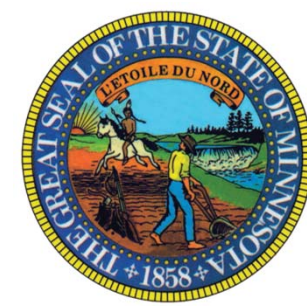
Andrew Lorentz, Partner

ACI Prepaid Card
Compliance Conference

Washington, D.C.

January 30-31, 2018

State AG Letter to President Trump Dec. 12, 2017



Examples of State/Federal Enforcement Cooperation

- Taking joint enforcement actions against companies that allegedly scammed 9/11 first responders afflicted with cancer and other serious illnesses out of millions of dollars in compensation fund payments

http://files.consumerfinance.gov/f/documents/201702_cfpb_RD-Legal-complaint.pdf

- Filing suit against a nationwide network of dozens of fly-by-night debt collection shops that harassed, threatened, and deceived millions of consumers into paying inflated debts or amounts they did not owe

https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/112016_cfpb_NorthResolutionGroupComplaint.pdf

Examples of State/Federal Enforcement Cooperation

- Investigating for-profit colleges, student loan originators and student loan servicers, and recovering \$183.3 million for 41,000 students nationwide in a settlement with [LendingCo], a lender that defrauded students

https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201709_cfpb_aequitas-stipulated-final-judgment-and-order.pdf

- Securing a nationwide settlement with [FinanceCo], a consumer finance company that preyed on active duty US military personnel and their families with deceptive and usurious loans and abusive debt collection practices, ultimately recovering \$92 million dollars for more than 17,000 service members

http://files.consumerfinance.gov/f/201407_cfpb_consent-order_rome-finance.pdf

Examples of State/Federal Enforcement Cooperation

- Securing a nationwide settlement with [a major bank] recovering \$136 million for 528,000 consumers who were victims of abusive credit card debt collection practices

http://files.consumerfinance.gov/f/201507_cfpb_consent-order-chase-bank-usa-na-and-chase-bankcard-services-inc.pdf

- Securing a settlement with [a mortgage servicer] providing \$540 million in financial relief to consumers in order to settle allegations of systemic mortgage servicing misconduct, including robo-signing and illegal foreclosure practices

http://files.consumerfinance.gov/f/201510_cfpb_consent-judgement_sun-trust.pdf

- Securing a settlement with the country's largest nonbank mortgage loan servicer, [MortgageCo], and its subsidiary, [MortgageCo Servicing], to provide \$2 billion in principal reduction to underwater borrowers in order to settle allegations of systemic misconduct by [MortgageCo] at every stage of the mortgage servicing process

http://files.consumerfinance.gov/f/201403_cfpb_entered-judgment-with-exhibits_ocwen.pdf

NY Department of Financial Services

Statement by DFS Superintendent Maria T. Vullo Regarding CFPB 's Troublesome Policy Shift Away from Consumer Protection

"Since its founding, the CFPB has been a strong and vital partner with the New York State Department of Financial Services (DFS) and state regulators nationwide on many important consumer protection issues. I am disappointed by the new administration's sudden policy shift, which is clearly intended to undermine necessary national financial services regulation and enforcement. DFS remains committed to its mission to safeguard the financial services industry and protect New York consumers, and will continue to lead and take action to fill the increasing number of regulatory voids created by the federal government."

“Statement of Interest by the United States”, Jan. 8, 2018

Commonwealth of Massachusetts, Plaintiff, v. Pennsylvania Higher Education Assistance Agency, d/b/a FedLoan Servicing, Defendant

“In this action, the Commonwealth of Massachusetts contends that state law requires PHEAA to count periods of forbearance toward loan forgiveness, to permit TEACH Grant recipients to correct their documentation after the certification deadline has passed, and change its allocation of overpayments. **Because these specific practices are either required or authorized by federal statutes, federal regulations, or PHEAA’s contract with the [U.S.] Department [of Education], Plaintiff’s state-law claims violate the Supremacy Clause.**”

THANK YOU!



Andrew J. Lorentz

andrewlorentz@dwt.com

202.973.4232

www.paymentlawadvisor.com



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