



## Compliance eNewsletter

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### InfoSight News

#### Where can you find what you are looking for?

Check out the *Resources* area on InfoSight for many tools and helpful information. For instance:

- **A-Z Listing:** This is a great way to easily find a topic you are seeking, even if you don't know exactly which channel it might reside under.
- **InfoSight Listing by State:** InfoSight is available in all 50 states and includes state specific information for each one! Use the *InfoSight Listing by State* to easily connect if you need to check the requirements in other states.
- **Newsletter:** View the current newsletter and the archived editions for this year and the prior year.

### Compliance and Advocacy News & Highlights

#### CFPB settles with mortgage companies

The CFPB has issued consent orders against [Sovereign Lending Group, Inc.](#) and [Prime Choice Funding, Inc.](#) Sovereign is a California corporation that is licensed as a mortgage broker or lender in about 44 states and the District of Columbia. Prime Choice is a California corporation that is licensed as a mortgage broker or lender in about 35 states and the District of Columbia. Both companies offer and provide mortgage loans guaranteed by the United States Department of Veterans Affairs (VA).

The Bureau found that the companies mailed consumers advertisements for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or lacked required disclosures, in violation of the Consumer Financial Protection Act's prohibition against deceptive acts and practices, the Mortgage Acts and Practices – Advertising Rule, and Regulation Z.

The consent order against Sovereign requires Sovereign to pay a civil penalty of \$460,000. The consent order against Prime Choice requires Prime Choice to pay a civil penalty of \$645,000. The consent orders also impose injunctive relief to prevent future violations, including requiring the companies to bolster their compliance functions by designating an advertising compliance official who must review their mortgage advertisements for compliance with mortgage advertising laws prior to their use; prohibiting misrepresentations similar to those identified by the Bureau; and

requiring the companies to comply with certain enhanced disclosure requirements to prevent them from making future misrepresentations.

*Source: CFPB*

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## FTC action bans robocallers who targeted seniors

The Federal Trade Commission [reported](#) recently that operators of a Florida-based company that allegedly defrauded financially-distressed and often older-adult consumers with deceptive robocalls claiming they could save them money by reducing the interest rates on their credit cards have settled Commission charges that their conduct was both deceptive and illegal. A [complaint](#) filed by the FTC against 11 entities and three individuals who ran a maze of interrelated operations targeting financially distressed consumers—often seniors—with offers of bogus credit card interest rate reduction services. In the calls, the defendants deceptively told consumers that for a fee they could lower their credit card interest rates to zero percent permanently for the life of the debt.

The [proposed order](#) settling the Commission charges permanently bans the defendants from, among other things: 1) any involvement in the sale of debt-relief products or services; 2) all telemarketing; 3) applying for any product or service on behalf of a consumer without their knowledge and consent or if the defendants know or have reason to believe any of the information on the application is false or misleading; 4) obtaining a cash advance on a consumer's credit card or submitting billing information for payment without prior approval, and 5) using or benefiting from any consumer information collected through the scheme.

*Source: FTC*

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## NCUA Issues Regulatory Alert (20-RA-06): Treatment of Certain COVID-19-Related Loss Mitigation Options Under the Real Estate Settlement Procedures Act

The NCUA has issued [this alert](#) to notify credit unions that the Consumer Financial Protection Bureau's [interim final rule](#) that amends parts of [Regulation X](#) became **effective July 1, 2020**. This interim final rule added a temporary exception in Subpart C to Regulation X for certain COVID-19-related loss mitigation options. This document outlines important changes that may impact credit unions that service mortgages regulated by Regulation X.

Under this rule, a loan mortgage servicer may offer a borrower a loss mitigation option based on its evaluation of limited information collected from a borrower, if certain criteria (described in the rule) are met. The new exception permits credit unions and their affiliates to align their loss mitigation programs with the criteria of the FHFA COVID-19 payment deferral or other comparable programs.

*Source: NCUA*

## Equifax Alternative Dispute Resolution Program

Equifax has settled a suit (Thomas v. Equifax Information Services, LLC) in the United States District Court for the Eastern District of Virginia. The court [approved the settlement](#) related to claims that Equifax included inaccurate information on its credit reports about tax liens and civil judgments, including how they were disposed (or described), or that did not belong on the credit reports.

Equifax has established an Alternative Dispute Resolution Program (“ADR Program”) for consumers who were injured by an Equifax credit report containing an inaccurate civil judgment or tax lien. Affected consumers can participate now. If they are able to show they were injured, they can get a payment of \$1,500. The ADR Program is available until December 31, 2021. Consumers may be included if Equifax sent their credit report to a third party between June 28, 2015 and May 14, 2019, and the report contained a tax lien or civil judgment that was inaccurate or did not belong to them.

Consumers should visit the [ADR Program website](#) to fill out a form to participate in the program.

*Source: CFPB*

## CFPB requests input on creating inclusive fair credit environment

The CFPB has issued a [request for information](#) to seek public input on how best to create a regulatory environment that expands access to credit and ensures that all consumers and communities are protected from discrimination in all aspects of a credit transaction. The information provided will help the Bureau continue to explore ways to address regulatory compliance challenges while fulfilling the Bureau's core mission to prevent unlawful discrimination and foster innovation.

The Bureau is substituting the request for information for a symposium on Equal Credit Opportunity Act issues that had been planned for the fall. Comments on the request will be accepted for 60 days following publication in the Federal Register.

*Source: CFPB*

## Articles of Interest

- [NCUA to Host Webinar on Lending to Small Business Exporters with EXIM Bank](#)
- [SBA Issues Procedural Notice Outlining Process for Lenders to Submit PPP Forgiveness Decisions Beginning August 10](#)

## CUNA's Advocacy Resources:

- [This week in Washington](#)
- [CUNA Advocacy Issues - COVID-19](#)

## Compliance Calendar

- September 7th, 2020: Labor Day - Federal Holiday
- October 12th, 2020: Columbus Day - Federal Holiday
- October 25th, 2020: **5300 Call Report Due to NCUA**
- November 11th, 2020: Veterans Day - Federal Holiday
- November 19th, 2020: **Payday Lending, Vehicle Title, and Certain High-Cost Installment Loans (CFPB)**