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**Consumer Finance Protection Bureau  
(CFPB)**

**Angela O. Martin  
Consumer Financial Protection Bureau  
Washington, DC**

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# Consumer Law in Legal Assistance and CFPB Resources

NC State Bar Legal Assistance for Military Personnel  
Committee

Fall CLE

November 14, 2017

Angela Martin

Senior Enforcement Attorney

Military Affairs Liaison

*(Ms. Martin's contact information is on the final slide.)*

*Note: This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.*



## **Disclaimer**

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*This presentation is being made by a Consumer Financial Protection Bureau representative on behalf of the Bureau. It does not constitute legal interpretation, guidance or advice of the Consumer Financial Protection Bureau. Any opinions or views stated by the presenter are the presenter's own and may not represent the Bureau's views.*



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## Centralizing Consumer Financial Protection Accountability

Federal agencies with consumer financial protection duties, *in addition* to their *many other responsibilities*:



July 21, 2011  
(launch date)

- Scattered approach resulted in regulatory gaps covering consumer financial products or services

- Centralized consumer financial protection responsibilities

## Joint Statement of Principles – July 6, 2011



[Joint Statement of Principles \(dated 7/6/2011\):](http://consumerfinance.gov/about-us/blog/the-cfpb-and-jags-partnering-to-protect-servicemembers)  
[consumerfinance.gov/about-us/blog/the-cfpb-and-jags-partnering-to-protect-servicemembers](http://consumerfinance.gov/about-us/blog/the-cfpb-and-jags-partnering-to-protect-servicemembers) (posted 7/7/2011)

# OFFICE OF ENFORCEMENT

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## Office of Enforcement

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- \$20 trillion consumer finance marketplace
- Subjects:
  - **Depository institutions and credit unions** with assets over \$10 billion, as well as affiliates and service providers (less than 200); and
  - **Non-bank providers of consumer financial products and services** (more than 80,000)
  - **Aiders & abettors** who “knowingly or recklessly provide substantial assistance to a covered person or service provider” in violation of Section 1031
  - Subjects of various specific statutes, such as the Fair Debt Collection Practices Act

## Office of Enforcement

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### Core Work

- Auto loans
- Bank accounts and deposit products
- Consumer credit reporting
- Credit cards
- Debt collection
- Debt relief and credit counseling
- Electronic fund transfers
- Fair lending
- General consumer finance
- Mortgage origination
- Mortgage servicing
- Payday lending
- Prepaid cards
- Student loans



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## Office of Enforcement

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### Selected Laws the CFPB Enforces

- Alternative Mortgage Transaction Parity Act (AMTPA)
- **Consumer Financial Protection Act (Title X of Dodd-Frank)**
- Consumer Leasing Act (CLA)
- Electronic Fund Transfer Act
- Equal Credit Opportunity Act (ECOA)
- Fair Credit Billing Act (FCBA)
- Fair Credit Reporting Act (FCRA)
- Fair Debt Collection Practices Act (FDCPA)
- Federal Deposit Insurance Act (FDIA)
- Gramm-Leach-Bliley Act
- Home Mortgage Disclosure Act (HMDA)
- Home Owners Protection Act (HOPA)
- Home Ownership and Equity Protection Act (HOEPA)
- Interstate Land Sales Full Disclosure Act (ILSA)
- **Military Lending Act (MLA)**
- Omnibus Appropriations Act 2009
- Real Estate Settlement Procedures Act (RESPA)\*
- S.A.F.E. Mortgage Licensing Act
- Truth in Lending Act (TILA)
- Truth in Savings Act (TISA)



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## Office of Enforcement



- **Choice of Fora**
  - Administrative proceedings
  - Federal courts
- **§ 1055 Remedies (including without limitation)**
  - Injunctive relief
  - Disgorgement of profits
  - Monetary restitution and damages
  - Rescission of contracts
  - Civil money penalties
  - “any appropriate legal or equitable relief”

## Office of Enforcement

**Consumer Financial  
Civil Penalty Fund**

12 CFR Part 1075

### Civil Penalties

- *“Any person that violates . . . any provision of Federal consumer financial law shall forfeit and pay a civil penalty pursuant to this subsection”*
  - Section 1055(c)(1)
- Civil money penalties available both administratively and in federal court
- Three tiers of penalties:
  - Up to \$5,000/day
  - Up to \$25,000/day for reckless violations
  - Up to \$1 million/day for knowing violations

## **Military-specific Enforcement Matters**

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- **US Bank (MILES)/DFS**

In the Matter of: U.S. Bank National Association (File No. 2013-CFPB-0003 and 2013-CFPB-0004)

- **USA Discounters**

In the Matter of: USA Discounters, Ltd. (File No. 2014-CFPB-0011)

- **Freedom Furniture**

CFPB, et al., v. Freedom Stores, Inc., et al. (E.D. Va. No. 2:14-cv-00643-AWA-TEM)

- **Colfax (a.k.a. Rome Finance)**

In the Matter of: Colfax Capital Corp., et al. (File No. 2014-CFPB-0009)

- **RMK Mortgage**

In the Matter of: RMK Financial, Corp. (File No. 2015-CFPB-0007)

- **New Day**

In the Matter of: NewDay Financial, LLC (File No. 2015-CFPB-0004)



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## **Military-specific Enforcement Matters**

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- **MAC**

In the Matter of: Fort Knox National Company and Military Assistance Company, LLC (File No. 2015-CFPB-008)

- **SNAAC**

CFPB v. Security National Automotive Assistance Company, LLC (S.D. Oh. No. 1:15-cv-401)

- **NFCU**

In the Matter of: Navy Federal Credit Union (File No. 2016-CFPB-0024)

- **Military Credit Services, LLC**

In the Matter of: Military Credit Services, LLC (File No. 2016-CFPB-0029)

- **Navient Corporation, Navient Solutions, Inc. and Pioneer Credit Recovery, Inc.**

CFPB v. Navient Corp. et al. (M.D. Pa. No. 3:17-cv-00101-RDM)

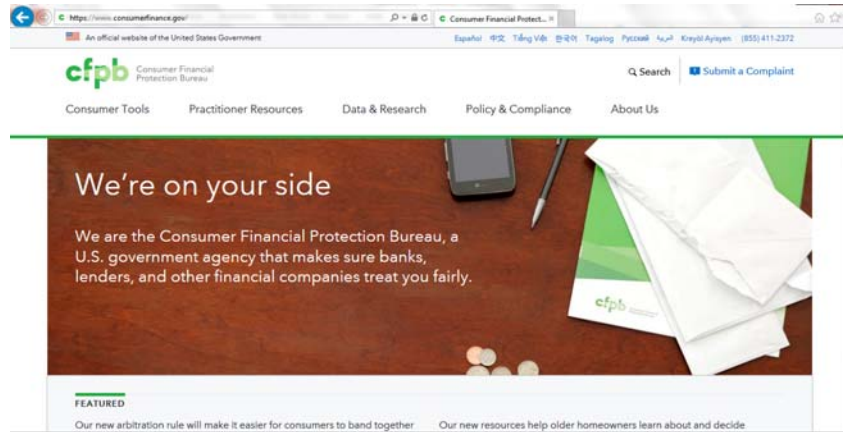


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## CFPB Website

[consumerfinance.gov](https://www.consumerfinance.gov)

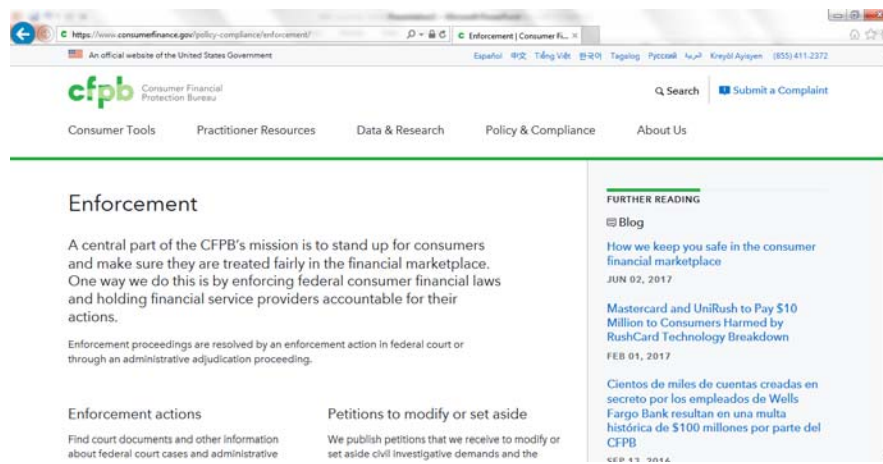


**cfpb** Consumer Financial Protection Bureau

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## Office of Enforcement

[consumerfinance.gov/policy-compliance/enforcement/](https://www.consumerfinance.gov/policy-compliance/enforcement/)



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## Office of Servicemember Affairs

[consumerfinance.gov/service-members/](https://consumerfinance.gov/service-members/)

The screenshot shows the CFPB website's 'Information for servicemembers' page. The page features the CFPB logo, a search bar, and a 'Submit a Complaint' button. The main content area is titled 'Information for servicemembers' and includes a paragraph explaining the CFPB's commitment to addressing financial challenges for servicemembers and their families. A sign-up form for staying informed is also present, with an email address input field and a 'SIGN UP' button. The page is part of a series, indicated by the number '15' in the bottom right corner.

## CFPB Online Complaints

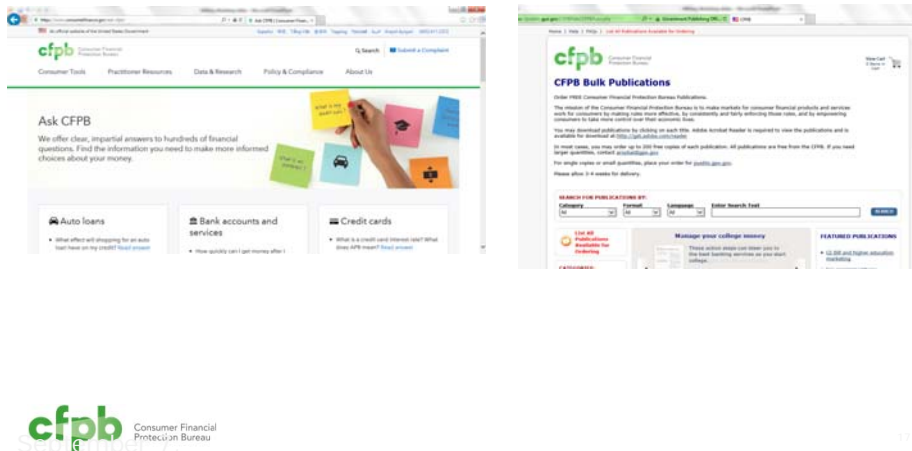
Online Complaints:  
[consumerfinance.gov/complaints](https://consumerfinance.gov/complaints)

The screenshot shows the CFPB website's 'Online Complaints' page. The page features the CFPB logo, a search bar, and a 'Submit a Complaint' button. The main content area is titled 'Having a problem with a financial product or service?' and includes a paragraph explaining that users can submit a complaint and receive a response within 15 days. A 'Submit a complaint' section provides more details about the process, and an 'About us' section describes the CFPB's role. The page is part of a series, indicated by the number '16' in the bottom right corner.

## Other CFPB Resources

Online answers to hundreds of financial questions:  
[consumerfinance.gov/ask-CFPB](http://consumerfinance.gov/ask-CFPB)

Free bulk publications:  
[pueblo.gpo.gov/CFBPBpubs/CFBPBpubs.php](http://pueblo.gpo.gov/CFBPBpubs/CFBPBpubs.php)



## Questions?

- Local and regional training
- Individual responses from liaison
- Preventive law materials
- Distribution list for Enforcement information

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July 6, 2011

***Joint Statement of Principles on Consumer Financial Protection***

**By The Offices of The Judge Advocate Generals of the  
Army, Navy, Air Force, and Coast Guard,  
The Staff Judge Advocate to the Commandant of the Marine Corps,  
And the Consumer Financial Protection Bureau**

The Consumer Financial Protection Bureau (“the Bureau”), the Offices of The Judge Advocate Generals of the Army, Navy, Air Force, and Coast Guard, and the Staff Judge Advocate to the Commandant of the Marine Corps (“Offices of The Judge Advocate Generals”) hereby adopt this Joint Statement of Principles on Consumer Financial Protection, as agreed between them. The purpose of this Joint Statement is to establish and enhance a lasting and productive partnership between the Bureau and the Offices of The Judge Advocate Generals, as contemplated by the Dodd-Frank Wall Street Reform and Consumer Protection Act (“the Dodd-Frank Act”). In particular, these principles are a first step towards establishing more formal agreements as contemplated by Section 1013(e)(2)(B) of the Dodd-Frank Act.

These principles have been developed to advance the following goals shared by the parties: (1) protecting servicemembers and their families from unlawful acts or practices by providers of consumer financial products or services; (2) creating mechanisms that enable the Offices of The Judge Advocate Generals to provide input on the Bureau’s efforts to improve the marketplace for servicemembers and families and law-abiding businesses, including through enforcement actions if necessary; (3) finding ways to work together to address concerns raised by servicemembers and their families about consumer financial products or services as efficiently and effectively as possible; and (4) working with other offices in the Department of Defense to support improved financial literacy training for servicemembers and their families.

## **Principles of Enforcement Cooperation**

Under the Dodd-Frank Act, the Bureau is granted authority to enforce the Federal consumer financial laws, with certain exceptions, against providers of consumer financial products or services who engage in unfair, deceptive, or otherwise unlawful acts or practices. The Offices of The Judge Advocate Generals have special expertise and experience in identifying and addressing illegal conduct targeted at servicemembers by providers of consumer financial products or services. Therefore, the parties will seek to work together, where appropriate and to the greatest possible extent, to:

- Facilitate the Offices of The Judge Advocate Generals' identification of potential violations of Federal consumer financial laws and the referral of such potential violations to the Bureau;
- Establish a single point of contact within the Bureau's Enforcement Division who can work with Legal Assistance Attorneys to address potential violations of Federal consumer financial laws that result or could result in harm to servicemembers or their families;
- Establish a single point of contact within each Office of The Judge Advocate General to serve as a conduit for information coming from the Bureau, such as assisting the Enforcement Division in establishing contact with Legal Assistance Attorneys who may have clients who have been harmed by businesses that are under investigation by the Bureau; and
- Create a formal working group between the Bureau – including its Office of Servicemember Affairs and Enforcement Division – and the Offices of The Judge Advocate Generals, with the goal of achieving a coordinated response to unlawful conduct targeted at servicemembers and their families.

## Principles of Complaint Cooperation

Under the Dodd-Frank Act, one of the primary functions of the Bureau is to collect, investigate, and respond to complaints raised about consumer financial products or services. These complaints will be a valuable resource for the Bureau's work. To ensure that information contained in consumer complaints is analyzed and used effectively, the Bureau and the Offices of The Judge Advocate Generals intend to share such information, to the extent practicable and consistent with governing law. Therefore:

- The Bureau will share information on the consumer complaints that it receives from servicemembers and their families, to the extent consistent with legal requirements and privacy protections, with the Offices of The Judge Advocate Generals;
- The Offices of The Judge Advocate Generals will share information on consumer complaints they receive, to the extent consistent with legal requirements, privacy protections, and only with the consent of the client, and relevant standards of professional conduct, with the Bureau;
- The Offices of The Judge Advocate Generals will encourage servicemembers and Legal Assistance Attorneys to file appropriate complaints through the Bureau's complaint system as that system is developed and implemented;
- The Offices of The Judge Advocate Generals and the Bureau will work together to analyze and determine how to utilize and respond to the input they receive from servicemembers and their families in order to advance their mutual goal of protecting servicemembers and their families from unlawful or otherwise harmful practices in connection with consumer financial products or services; and
- The Offices of The Judge Advocate Generals and the Bureau will share resources for training and equipping their staff members to carry out the principles and shared goals outlined herein.

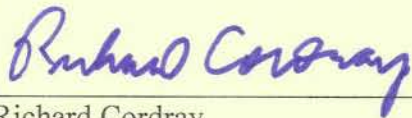
**Conclusion**

Therefore, the parties adopt this Joint Statement of Principles for the purposes stated above and commit to working toward a more formal Memorandum of Understanding identifying specific strategies for achieving these purposes.

For the Consumer Financial Protection Bureau:



Hollister K. Petraeus  
Assistant Director  
Office of Servicemember Affairs  
Consumer Financial Protection Bureau

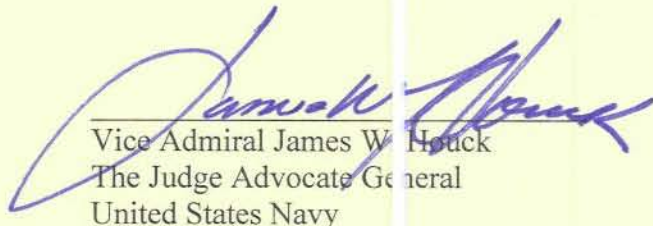


Richard Cordray  
Assistant Director  
Enforcement Division  
Consumer Financial Protection Bureau

For the United States Armed Forces:



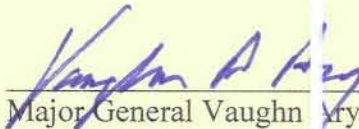
Lieutenant General Dana K. Chipman  
The Judge Advocate General  
United States Army



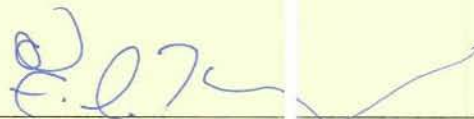
Vice Admiral James W. Hotick  
The Judge Advocate General  
United States Navy



Lieutenant General Richard C. Harding  
The Judge Advocate General  
United States Air Force



Major General Vaughn Fry  
Staff Judge Advocate to the Commandant  
United States Marine Corps



Rear Admiral Frederick J. Kenney  
The Judge Advocate General  
United States Coast Guard





Office of Enforcement  
Senior Enforcement Attorney/Military Affairs Liaison

ANGELA MARTIN, Consumer Financial Protection Bureau (CFPB) (2011-present) [*Senior Enforcement Attorney/Military Affairs Liaison (2014-present); Senior Enforcement Attorney (2013); Chief Counsel, Office of Consumer Response (2012-2013); Enforcement Attorney (2011-2012)*]; Consumer Attorney, Martin Attorney at Law, PLLC, Sanford, NC (2008-2011); employed as a civil servant in the U.S. Army JAG Corps, serving in Legal Assistance Offices in Hanau, Germany (V Corps), Fort Stewart, Georgia (Third Infantry Division) and Fort Bragg, North Carolina (XVIII Airborne Corps) (2001-2008); J.D., University of Georgia (1999); B.A. Political Science (Magna Cum Laude), University of South Carolina-Aiken (1997); U.S. Army enlisted member of the Military Intelligence Corps as a Czech and Persian-Farsi linguist (1984-1994); member of the bars of Georgia, North Carolina, U.S. District Courts for the Eastern, Middle, and Western Districts of North Carolina, Southern District of Georgia, and the Fourth Circuit United States Court of Appeals; CFPB Liaison to the American Bar Association's Committee on Legal Assistance to Military Personnel (LAMP) Committee; member of the North Carolina State Bar LAMP Committee; served on the North Carolina State Bar LAMP Committee's Executive Board and the Advisory Council for the Legal Aid of North Carolina; adjunct professor for consumer law at the military JAG schools since 2006.

Under the tutelage of Ms. Martin, the XVIII Airborne Corps Legal Assistance Office operated the only consumer law program in the Department of Defense which provided in-court representation for clients as plaintiffs and defendants in federal and state courts. The cases overwhelmingly consisted of litigation under the Fair Debt Collection Practices Act and third-party debt defense. Other cases arose from violations of the Truth-In-Lending Act, Unfair and Deceptive Trade Practices Act, other North Carolina Consumer Protection Statutes, North Carolina Landlord/Tenant statutes, and the Servicemembers' Civil Relief Act. Aside from monetary damages awarded to the clients, the litigation resulted in a general manager and other employees being fired, default judgments set aside, credit reports cleaned, security clearances granted or reinstated, automobile liens paid off, debts erased, evictions stayed, home foreclosures stopped and homes saved.

Ms. Martin currently serves as the Military Affairs Liaison for the Office of Enforcement at the CFPB. In that capacity, she works with the JAG attorneys on consumer law matters. Any attorney should feel free to contact Angela directly for any questions pertaining to consumer law matters. Her contact information is:

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Military Affairs Liaison  
Office of Enforcement  
Consumer Financial Protection Bureau

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## Office of Enforcement

The CFPB was created by Title X of the Dodd-Frank Act of 2010 (12 U.S.C. § 5481 et seq.). Through the Office of Enforcement the Bureau enforces Federal consumer financial laws, such as the Truth in Lending Act and the Dodd-Frank Act prohibition against Unfair, Deceptive or Abusive practices. The CFPB's jurisdiction covers a wide range of areas, including:

- Mortgage Origination and Servicing
- Real Estate Settlement Services
- Student Loan
- Auto Finance
- Payday Lending and Small Dollar Loans
- Debt Collection
- Debt Relief and Credit Counseling
- Credit Cards and Prepaid Cards
- Electronic Fund Transfers
- Consumer Credit Reporting
- Bank Accounts and Deposit Products
- Privacy
- Credit Discrimination (in collaboration with the Office of Fair Lending and Equal Opportunity)

### Our Jurisdiction:

- **What:** Generally consumer financial products and services, with a few exceptions such as securities and traditional insurance.
- **Who:** Generally, anyone who offers or provides a consumer financial product or service and anyone who provides a material service to those persons in connection with their offer or provision of a consumer financial product or service.

Unfair, Deceptive, or Abusive Acts or Practices are generally defined as follows:

#### Unfair:

- Conduct likely to cause substantial consumer injury that is not reasonably avoidable, when the injury is not outweighed by benefits to consumers or to competition.

#### Deceptive:

- A representation likely to mislead consumers who are acting reasonably under the circumstances, when that representation is material to the consumer's decision.

#### Abusive:

- Conduct that materially interferes with a consumer's ability to understand a term or condition of a product or service or takes "unreasonable advantage" of the consumer as described in Dodd-Frank, 12 U.S.C. § 5531(d).

### Remedies Available Through CFPB Enforcement:

- A wide range of civil remedies including injunctive relief, asset freezes, disgorgement, monetary restitution and damages, rescission of contracts, and money penalties.
- The CFPB can obtain remedies administratively and in federal and state court proceedings.

**Federal Consumer Financial Statutes Enforced by the CFPB:**

- Alternative Mortgage Transaction Parity Act (12 U.S.C. § 3801 et seq.)
- Consumer Financial Protection Act (Title X of Dodd-Frank) (12 U.S.C. § 5481 et seq.)
- Consumer Leasing Act (15 U.S.C. § 1667 et seq.)
- Electronic Fund Transfer Act (15 U.S.C. § 1693 et seq. – excluding § 920)
- Equal Credit Opportunity Act (15 U.S.C. § 1691 et seq.)
- Fair Credit Billing Act (15 U.S.C. § 1666 et seq.)
- Fair Credit Reporting Act (15 U.S.C. § 1681 et seq. – excluding §§ 1681m(e) and 1681w)
- Fair Debt Collection Practices Act (15 U.S.C. § 1692 et seq.)
- Federal Deposit Insurance Act (in part) (12 U.S.C. § 1831t(b) – (f))
- Gramm-Leach-Bliley Act (15 U.S.C. §§ 6802-6809 – in part)
- Home Mortgage Disclosure Act (12 U.S.C. § 2801 et seq.)
- Home Owners Protection Act (12 U.S.C. § 4901 et seq.)
- Home Ownership and Equity Protection Act (15 U.S.C. § 1601 note)
- Interstate Land Sales Full Disclosure Act (15 U.S.C. § 1701)
- Military Lending Act (10 U.S.C. § 987)
- Omnibus Appropriations Act, 2009, Section 626 (Public Law 111-8)
- Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.)
- S.A.F.E. Mortgage Licensing Act (12 U.S.C. § 5101 et seq.)
- Truth in Lending Act (15 U.S.C. § 1601 et seq.)
- Truth in Savings Act (12 U.S.C. § 4301 et seq.)

**Selected Consumer Financial Regulations Enforced by the CFPB:**

- Regulation B – Equal Credit Opportunity (12 C.F.R. part 1002)
- Regulation C – Home Mortgage Disclosures (12 C.F.R. part 1003)
- Regulation D – Alternative Mortgage Transaction Parity (12 C.F.R. part 1004)
- Regulation E – Electronic Fund Transfers (12 C.F.R. part 1005)
- Regulation F – Fair Debt Collection Practices (12 C.F.R. part 1006)
- Regulations G and H – S.A.F.E. Mortgage Licensing (12 C.F.R. parts 1007, 1008)
- Regulations J, K, and L – Interstate Land Sales Registration Program (12 C.F.R. parts 1010, 1011, 1012)
- Regulation M – Consumer Leasing (12 C.F.R. part 1013)
- Regulation N – Mortgage Acts and Practices – Advertising (12 C.F.R. part 1014)
- Regulation O – Mortgage Assistance Relief Services (12 C.F.R. part 1015)
- Regulation P – Privacy of Consumer Financial Information (12 C.F.R. part 1016)
- Regulation V – Fair Credit Reporting (12 C.F.R. part 1022)
- Regulation X – Real Estate Settlement Procedures (12 C.F.R. part 1024)
- Regulation Z – Truth in Lending (12 C.F.R. part 1026)
- Regulation DD – Truth in Savings (12 C.F.R. part 1030)

**Selected Consumer Financial Rules Enforced by the CFPB:**

- Telemarketing Sales Rule (16 C.F.R. part 310)
- Credit Practices Rule (16 C.F.R. part 444)