# Financial Services Enforcement Actions Tracker — Q1 2019

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Over the past year, Guidehouse has observed an increasing trend in state regulatory activities. With several large-scale actions collaboratively enforced by multiple states, nonfederal regulators are actively collaborating with each other and filling the gaps in today's federal regulatory landscape. Starting this quarter, Guidehouse will include more detailed reporting of state actions to assist financial institutions in gaining a better and deeper understanding of state activity.

## Federal Actions Highlights from Q1 2019

**Actions by Regulators**

- **A total of 24 federal level regulatory actions were observed this period.** Compared with 45 federal actions in the last quarter and 38 federal actions in Q1 2018, the current quarter is a 47% decrease since last quarter, and a 37% decrease from Q1 2018.
- **In Q1 2019, there were 21 actions levied by the five main federal regulators,** including Consumer Financial Protection Bureau (CFPB), Office of the Comptroller of the Currency (OCC), Federal Deposit Insurance Corporation (FDIC), Federal Reserve Bank (FED), and Department of Justice (DOJ). **The number is a 36% decrease since last quarter, and a 34% decrease compared with Q1 2018.**
- **The Q1 2019 decrease was primarily driven by lower activity from the FDIC.** A total of seven actions were levied by the FDIC in Q1 2019, which is a 46% decrease since last quarter, and a 30% decrease compared with Q1 2018.

**Actions by Action Types**

- **Formal Agreement or Consent Order is the most frequently used action type for federal regulators to enforce regulatory requirements.** In Q1 2019, 19 actions involved Formal Agreement or Consent Order, making up nearly 80% of the 24 federal actions.

**Actions by Cited Regulations**

- **Unfair, Deceptive, or Abusive Acts or Practices was the area of law that was cited the most during the quarter,** with a total of four actions, or 17% of total Q1 2019 federal actions. It is also the second most frequently cited area of law in federal actions during the past five quarters, with a total of 23 citations accounting for nearly 12% of the total 199 observed regulatory citations.
- **Bank Secrecy Act / Anti-Money Laundering rules-related violations were the area of law that was cited the second-most frequently during this quarter,** with a total of three citations, or 13% of the total Q1 2019 federal level enforcement actions.

**Actions by Business Area**

- **Two federal actions in the quarter were related to closed-end mortgage origination and mortgage servicing,** with one bank had control weakness in loan pricing programs and failed to provide eligible customers with credits to closing costs or interest rate reduction, and the other leading mortgage servicing company unlawfully foreclosed servicemembers' homes.

**Monetary Penalty by Violation Types**

- In the past five consecutive quarters, **improper mortgage loan practice has been the source of the highest amount of associated monetary penalties enforced by federal regulators,** with over $10 billion enforced, most of which relates to a carryover from the credit crisis related to loan underwriting and securitizing/issuance of residential mortgage-backed securities.
- **A total of 44 actions over the past five quarters involved governance deficiencies,** making it the source of the highest number of occurrences with over $724 million in fines or penalties.

## Federal Actions Q1 2019 Summary

A total of 24 actions were levied by federal regulators in Q1 2019. The number of regulatory enforcement actions decreased 47% from Q4 2018 and was driven primarily by a decrease in activities from the FDIC, as seen in Table 1.

**Number of Actions by Federal Regulators (Table 1)**

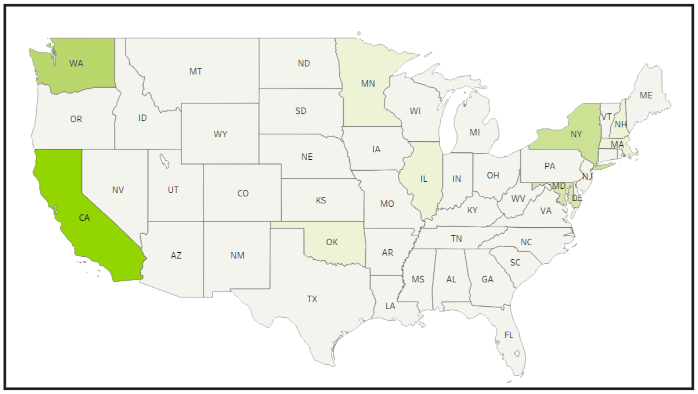
| | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 |
|---|---|---|---|---|---|
| CFPB | 0 | 3 | 4 | 5 | 4 |
| OCC | 4 | 6 | 2 | 8 | 5 |
| FDIC | 10 | 5 | 4 | 13 | 7 |
| FED | 11 | 3 | 4 | 4 | 1 |
| DOJ | 7 | 5 | 6 | 3 | 4 |
| Total Actions by Five Major Regulators | 32 | 22 | 20 | 33 | 21 |
| Other[1] | 6 | 6 | 5 | 12 | 3 |
| Grand Total | 38 | 28 | 25 | 45 | 24 |
| Less: Actions Involved Multiple Regulators | (0) | (0) | (2) | (0) | (0) |
| **Total Actions Enforced by Federal Regulators** | **38** | **28** | **23** | **45** | **24** |

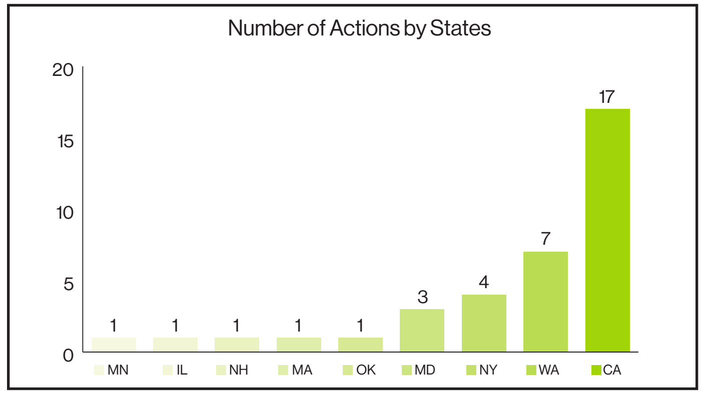
Note: Other consists of certain relevant enforcement actions by Commodity Futures Trading Commission (CFTC), Federal Housing Finance Agency (FHFA), Financial Crimes Enforcement Network (FinCEN), Financial Industry Regulatory Authority (FNRA), Federal Trade Commission (FTC), Department of Housing and Urban Development (HUD), Securities and Exchange Commission (SEC), National Credit Union Association (NCUA), and Office of Foreign Assets Control (OFAC) at banks and subsidiaries of bank holding companies.

The five major federal regulators issued 88% of total federal enforcement actions this quarter, with seven from the FDIC, five from the OCC, four from the CFPB, four from the DOJ, and one from the FED. Among these federal regulators, the FED had its lowest number of actions in a single period observed over the past five quarters.

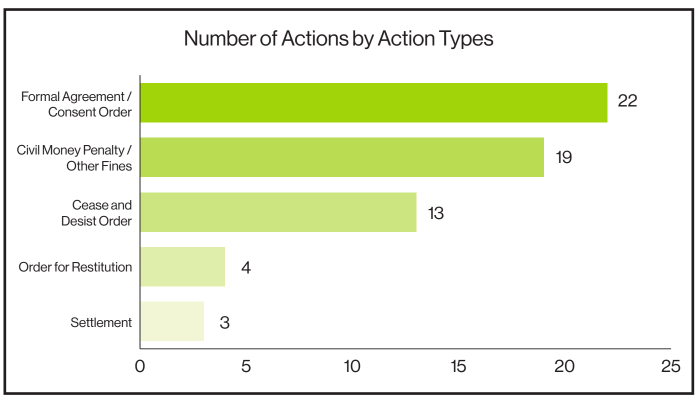
# State Actions Highlights from Q1 2019

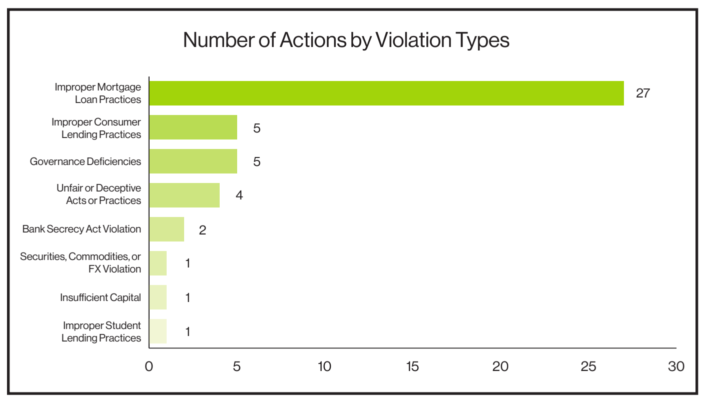
Guidehouse tracks financial enforcement actions issued by the state regulators that are referenced on the CFPB website.1 These actions are primarily associated with consumer finance, specifically related to mortgage and other consumer lending activities.



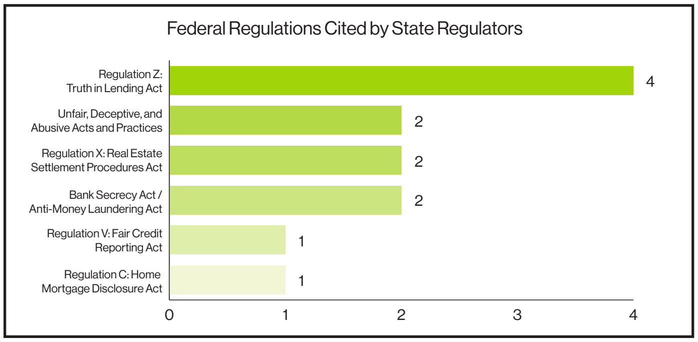

- **A total of 36 actions were brought by state regulators in Q1 2019.** Four of these actions were collaboratively enforced with federal regulators, including the CFPB and the FDIC.
- **California is the most active state regulator in this quarter,** with 17 mortgage loan related actions enforced. The second-most active state regulator is the Washington Department of Financial Institutions, which had seven actions enforced in this quarter.
- **State regulators enforced nearly $61 million fines and penalties in Q1 2019.** New York regulators (NY DFS and NY AG) enforced over $60 million in fines and penalties in this quarter, making New York the state regulator that enforced the highest number of fines and penalties in this quarter.




- **In Q1 2019, a total of 22 state actions were enforced as a formal agreement or consent order by state regulators,** making it the most frequently used action type.
- **There were 19 state actions involved civil money penalty or other fines, and 13 actions involved order to cease and desist,** making them the second- and third-most frequently used action types.
- While a majority of the in-scope Q1 state actions were related to improper mortgage loan practices, five actions were related to improper consumer lending practices, five actions were related to governance deficiencies, and four actions were related to unfair or deceptive acts or practices. **It is noteworthy that Governance Deficiencies is a regulatory area that is being increasingly focused by both federal and state regulators.**

1. CFPB, "How do I find my state's bank regulator?", September 28, 2017, https://www.consumerfinance.gov/ask-cfpb/how-do-i-find-my-states-bank-regulator-en-1637/.




- **While state enforcement actions usually reference state and local regulations, in Q1 2019, four of the state actions cited Regulation Z: Truth in Lending Act.** Other regulations cited by state regulators include Unfair, Deceptive and Abusive Acts and Practices, Regulation X, BSA / AML Act, Regulation V, and Regulation C.

## Regulatory Actions Highlights

**Noteworthy Actions from the Q1 2019 are Detailed Below:**

**Stop Payment Processing / UDAAP Violations**

A stop payment is a request issued by an account holder that withholds the financial institution from processing a check or payment.[2] Under the Electronic Fund Transfer Act and Regulation E, preauthorized electronic fund transfers (EFTs) can only be authorized by a writing signed or similarly authenticated by the consumer, and financial institutions should allow consumers to stop future payments by verbal or written notifications if the notifications are received up to three business days preceding the scheduled date of such payments transfer.[3] Consumers also have the right to contest incorrect or unauthorized past EFTs through an error resolution procedure.[4]

On January 3, 2019, USAA Federal Savings Bank settled with the CFPB for $3.5 million civil money penalty and over $12 million in restitution regarding its improper handling of stop payment requests on preauthorized EFTs, failure to initiate and complete reasonable error resolution investigations, and unfair acts or practices surrounding deposit accounts reopening.[5]

1. Failure to honor stop payments request or resolve errors

According to the consent order, the investigation at USAA revealed that prior to 2015, the bank lacked a systemic mechanism to stop payment of preauthorized EFTs processed via a debit card and had improperly handled consumers' stop payment requests in numerous occasions, including **refusing to enter stop payments and requiring consumers to contact the merchants initiating the EFTs as a prerequisite to implementing stop payment orders.**

The bank also failed to properly initiate error resolution investigations when consumers notified USAA about suspected errors, including: (1) refusing to investigate reported errors unless the consumer asserting the error submitted a completed Written Statement of Unauthorized Debit (WSUD) within 10 days of receiving the form; (2) instructed the payday loan account holders to contact the lender to dispute the transactions; (3) instructed USAA representatives to warn payday loan consumers about potential legal and financial consequences of proceeding with an Error Resolution Investigation; and, (4) requiring consumers to have their WSUDs notarized before submitting them.

By failing to properly honor consumers' stop payment requests and initiate and complete error resolution investigations, USAA violated the Electronic Fund Transfer Act and Regulation E. The Bank is required to provide a restitution of $181.59 to each of the 66,240 WSUD Affected Consumers, causing a total restitution of over $12 million.

2. Julia Kagan, "Stop Payment", Investopedia, May 7, 2019, https://www.investopedia.com/terms/s/stop-payment.asp.
3. Electronic Fund Transfer Act, 15 U.S. Code §1693e, Preauthorized Transfers, https://www.law.cornell.edu/uscode/text/15/1693e.
4. Electronic Fund Transfer Act, 15 U.S. Code §1693f, Error Resolution, https://www.law.cornell.edu/uscode/text/15/1693f.
5. CFPB, "Consumer Financial Protection Bureau Settles with USAA Federal Savings Bank", January 3, 2019, https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-settles-usaa-federal-savings-bank/.

2. Unfairly reopening closed depository accounts

It is also disclosed in the Consent Order that between July 21, 2011 and Nov. 1, 2016, USAA had **reopened 16,980 accounts previously closed by the account holders without obtaining consumers' authorization or providing timely notice.** Some of these accounts were subjected to overdraft fees or non-sufficient funds fees when debits were processed by the creditors, causing substantial injury to 5,118 account holders with an estimated total incurred fee of $269,365.[6]

The bank's misconduct in reopening closed accounts constituted unfair, deceptive, or abusive acts or practices prohibited by the Consumer Financial Protection Act. Along with other compliance plans, USAA is required to pay an amount of not less than $270,521 as the restitution to consumers who had their accounts reopened.

The last time Guidehouse observed Regulation E related violations was in Q1 2018. It is not uncommon that EFTA violations to some extent involve unfair, deceptive, and abusive acts or practices. However, banks can effectively reduce such risks by implementing strong internal controls and maintaining integrated policies and procedures. The USAA action in Q1 2019 not only highlights a regulatory focus back in the EFTA area, but also addresses regulators' expectations for financial institutions to properly conduct error resolutions and root cause analysis.

**Fair Housing Act Violations**

The Fair Housing Act protects people from discrimination when they are engaging in housing-related activities, such as renting, buying, getting a mortgage, seeking housing assistance, etc. Specifically, it prohibits discrimination in housing because of race, color, national origin, sex, familial status, and disability.[7]

In Q1 2019, **Citibank settled with the OCC for its violation of the Fair Housing Act.** Citibank was found to have control weaknesses related to its Relationship Loan Pricing ("RLP") Program, which was piloted in 2011 and widely implemented across the bank's customer base in 2012. The program was designed to give customers who have a qualifying banking relationship with Citibank or have applied for RLP eligible mortgages either a credit to closing costs or an interest rate reduction for their mortgage loan application.[8]

However, because of the bank's ineffective risk management and control weaknesses during 2011 to 2015, some of the eligible borrowers did not receive the RLP benefit and were adversely affected based on their race, color, national origin, etc. According to the Consent Order, Citibank is required to reimburse a total amount of approximately $24 million to nearly 24,000 customers and pay another $25 million civil money penalty to the U.S. Treasury.

It is also noteworthy (although not tracked in Guidehouse's totals since Facebook is not a financial institution) that the **Department of Housing and Urban Development (HUD) charged Facebook on March 28, 2019,** alleging that the social media giant has violated the Fair Housing Act by **"encouraging, enabling, and causing housing discrimination through the company's advertising platform."** [9]

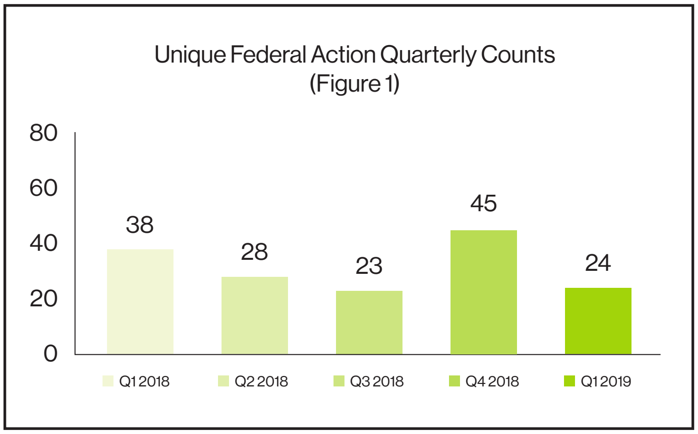
According to the charge, Facebook has restricted the audience group for housing-related ads and mined extensive data for determining the audience for viewing these ads based on protected characteristics such as race, color, national origin, etc.

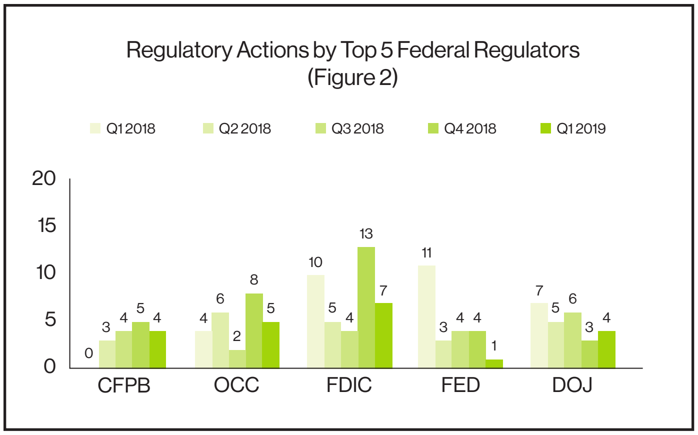
As stated by the HUD General Counsel, "fashioning appropriate remedies and the rules of the road for today's technology as it impacts housing are a priority for HUD". As regulatory expectations surrounding the Fair Housing Act practices expand into areas outside of traditional financial institutions, it is essential for all market participants to address new challenges and risks posted by technologies while leveraging the flexibility provided by dynamic marketing tools.

6. CFPB, "USAA Federal Savings Bank Consent Order", January 3, 2019, https://files.consumerfinance.gov/f/documents/bcfp_usaa-federal-savings-bank_consent-order.pdf.
7. HUD, "Housing Discrimination Under the Fair Housing Act", May 20, 2019, https://www.hud.gov/program_offices/fair_housing_equal_opp/fair_housing_act_overview.
8. OCC, "Office of the Comptroller of the Currency Fines Citibank, N.A. $25 Million for Violating the Fair Housing Act", March 19, 2019, https://www.occ.treas.gov/news-issuances/news-releases/2019/nr-occ-2019-27.html.
9. HUD, "HUD Charges Facebook with Housing Discrimination over Company's Targeted Advertising Practices", March 28, 2019, https://www.hud.gov/press/press_releases_media_advisories/HUD_No_19_035.

**Additional commentary on Q1 2019 financial enforcement actions, and related charts and graphs, can be found below:**

**Actions by Federal Regulators (Figure 1-2)**

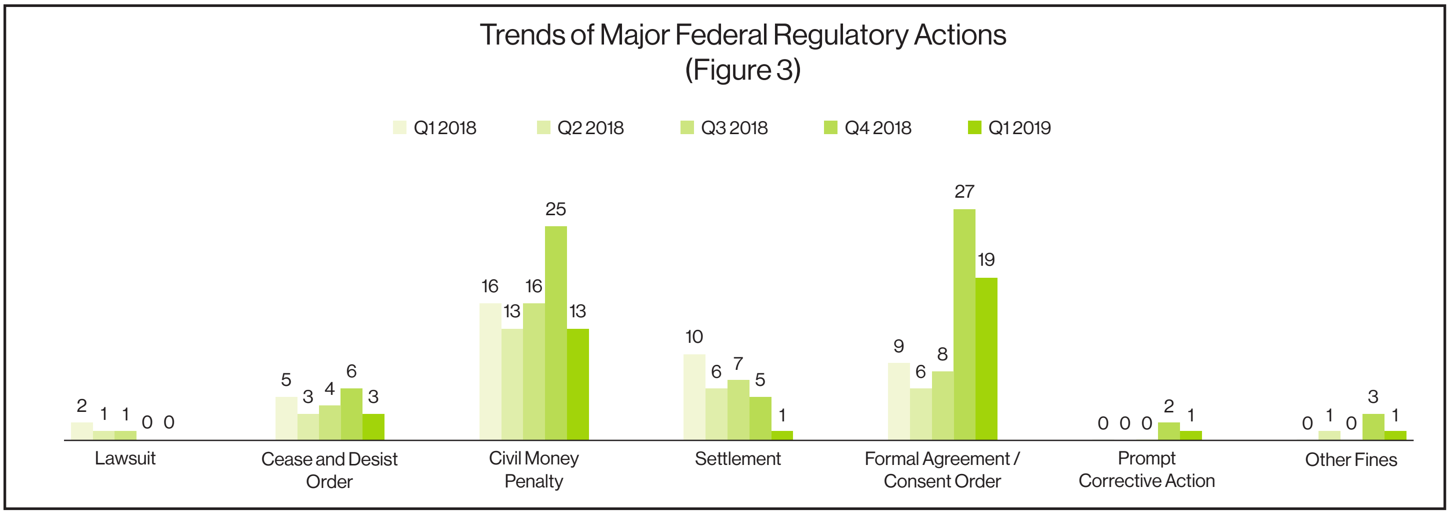



**Highlights:**

- A total of 24 actions were levied by federal regulators in Q1 2019, which is a 47% decrease compared to Q4 2018, and a 37% decrease compared to Q1 2018.
- Enforcement actions by the five major federal regulators decreased in Q1 2019. Except the DOJ, the other four regulators all had lower number of actions in this quarter, with the FED had its lowest number of actions in the past five quarters.
- The FDIC is the most active federal regulator in this quarter, with seven actions enforced. The actions enforced by the FDIC were primarily related to governance deficiencies, bank secrecy act violation, insufficient capital, national flood insurance program violation, and unfair or deceptive acts or practices.

**Regulatory Trends by Action/Violation and Enforcement Occurrences (Figure 3-5)**




Note: One regulatory action may be categorized as multiple action types. Actions from previous quarters issued after the previous publication's cutoff date may be included in the above figures.

**Highlights:**

- While the distribution of regulatory actions varies across each quarter, formal agreement or consent order is the most frequently used action type by federal regulators in Q1 2019, with 19 total actions.
- Usually embedded in consent order or settlement actions, civil money penalty is the second most frequently used action type in the quarter, with 13 total actions.

Q1 2018 to Q1 2019 Number of Regulations Cited by Federal Regulators (Figure 4)

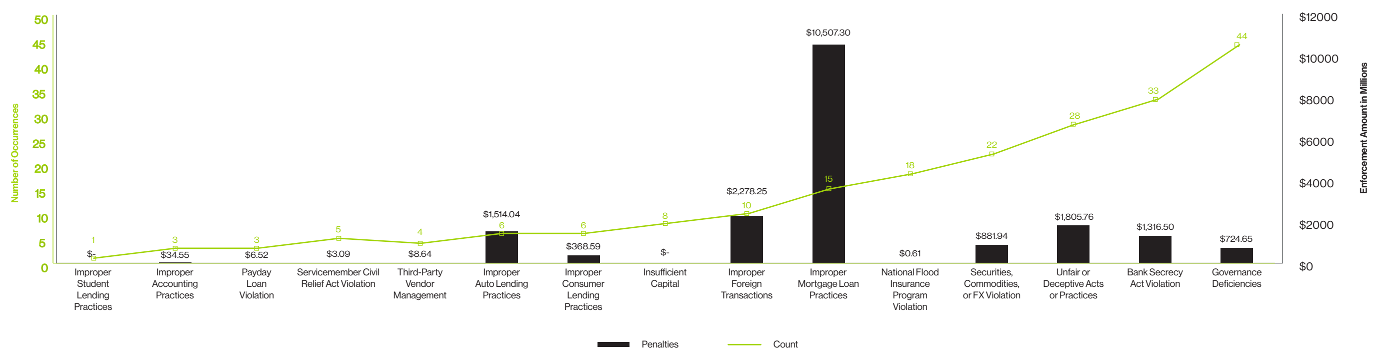
| REGULATORY VIOLATION TYPE | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Q1 2019 | TOTAL | % OF TOTAL |
|---|---|---|---|---|---|---|---|
| Allowance for Loan and Lease Losses | 0 | 0 | 0 | 2 | 0 | 2 | 1.01% |
| Bank Secrecy Act/Anti-Money Laundering Act | 11 | 5 | 3 | 13 | 3 | 35 | 17.59% |
| Basel - Capital Requirements | 1 | 0 | 0 | 2 | 0 | 3 | 1.51% |
| Commodities or Securities Exchange Act | 3 | 6 | 4 | 5 | 2 | 20 | 10.05% |
| Fair Housing Act | 0 | 1 | 0 | 0 | 1 | 2 | 1.01% |
| Financial Industry Regulatory Authority | 1 | 0 | 0 | 0 | 0 | 1 | 0.50% |
| National Flood Insurance Program | 6 | 4 | 2 | 5 | 1 | 18 | 9.05% |
| Office of Foreign Assets Control | 1 | 2 | 1 | 6 | 0 | 10 | 5.03% |
| Regulation AB: Asset-backed Securities & RMBS Violations | 0 | 1 | 2 | 0 | 0 | 3 | 1.51% |
| Regulation B: Equal Credit Opportunity Act | 0 | 1 | 0 | 0 | 0 | 1 | 0.50% |
| Regulation C: Home Mortgage Disclosure Act | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Regulation E: Electronic Fund Transfer Act | 3 | 0 | 0 | 0 | 1 | 4 | 2.01% |
| Regulation H: Membership of State Banking Institutions in The Federal Reserve System | 0 | 1 | 0 | 2 | 0 | 3 | 1.51% |
| Regulation V: Fair Credit Reporting Act | 0 | 1 | 0 | 1 | 0 | 2 | 1.01% |
| Regulation X: Real Estate Settlement Procedures Act | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Regulation Y: Bank Holding Companies and Change in Bank Control | 0 | 0 | 0 | 0 | 0 | 0 | 0.00% |
| Regulation Z: Truth in Lending Act | 2 | 1 | 2 | 1 | 2 | 8 | 4.02% |
| Service member Civil Relief Act | 2 | 0 | 0 | 1 | 2 | 5 | 2.51% |
| Unfair, Deceptive, or Abusive Acts or Practices | 3 | 7 | 5 | 4 | 4 | 23 | 11.56% |
| Other | 12 | 8 | 7 | 18 | 14 | 59 | 29.65% |
| **Total** | **45** | **38** | **26** | **60** | **30** | **199** | **100%** |

Note: Multiple violation types may be counted as part of one action taken by federal and state regulators. Actions from previous quarters issued after the previous publication's cutoff date may be included in the above figures.

**Highlights:**

- In Q1 2019, there were four actions involved violations related to Unfair, Deceptive, or Abusive Acts or Practices, making it the most frequently cited regulations in the quarter.
- Three actions involved violations related to Bank Secrecy Act / Anti-Money Laundering, making it the second most frequently cited regulations in the quarter.
- The top areas of violations over the past five quarters were issues around Bank Secrecy Act/Anti-Money Laundering (BSA/AML) (18%); UDAAP (12%); Commodities or Securities Exchange Act (10%), National Flood Insurance Program (9%); and Office of Foreign Assets Control (5%).

Q1 2018 - Q1 2019 Number of Enforcement Occurences and Total Amount in Fines and Penalties Enforced by Federal Regulators (Figure 5)




Note: Multiple violation types may be counted as part of one consent order or action taken by federal and state regulators. Actions from previous quarters issued after the previous publication's cutoff date may be included in the above figures.

**Highlights:**

- Improper mortgage loan practices accounted for the highest total related fines over the past five quarters; improper foreign transactions accounted for the second-highest total dollars in fines and penalties.
- Governance deficiencies (21%); BSA/AML violations (16%); UDAAP violations (14%); Securities, Commodities, or FX Violation (11%); and national flood insurance program violation (9%), were the most frequent enforcement occurrences over the past five quarters.

# Methodology

- Guidehouse's dedicated internal research team leverages regulatory agency publications, Factiva, SNL Financial, and LSM to monitor regulatory action in the financial services space by key federal, state, and local regulators.
- Our internal research team collected information about actions taken over the past five quarters by the following U.S. regulators:
- Office of the Comptroller of the Currency (OCC)
- Federal Deposit Insurance Corporation (FDIC)
- Federal Reserve (Fed)
- Consumer Financial Protection Bureau (CFPB)
- Department of Justice (DOJ)

For state and local enforcement actions, Guidehouse tracks the actions enforced by state regulators who are introduced by the CFPB:

| STATES | REGULATORS | STATES | REGULATORS |
|---|---|---|---|
| AL | Alabama State Banking Department | MT | Division of Banking and Financial Institutions |
| AK | Alaska Division of Banking and Securities | NE | Nebraska Department of Banking & Finance |
| AZ | Arizona Department of Financial Institutions | NV | Nevada Financial Institutions Division |
| AR | Arkansas Attorney General | NH | New Hampshire State Banking Department |
| CA | California Division of Corporations | NJ | New Jersey Department of Banking and Insurance |
| CO | Colorado Office of the Attorney General | NM | New Mexico Financial Institutions Division |
| CT | Connecticut Department of Banking | NY | New York State Department of Financial Services |
| DE | Delaware Office of the State Bank Commissioner | NC | North Carolina Commissioner of Bankers/NC Attorney General |
| FL | Florida Office of Financial Regulation/Florida Attorney General | ND | North Dakota Department of Financial Institutions |
| GA | Georgia Office of the Commissioner of Insurance | OH | Ohio Division of Financial Institutions |
| HI | Hawaii Department of Commerce and Consumer Affairs | OK | Oklahoma Department of Consumer Credit |
| ID | Idaho Department of Finance | OR | Oregon Department of Consumer & Business Services |
| IL | Illinois Division of Financial Institutions | PA | Pennsylvania Department of Banking |
| IN | Indiana Department of Financial Institutions | RI | Rhode Island Department of Business Regulation |
| IA | Iowa Division of Banking | SC | South Carolina State Board of Financial Institutions |
| KS | Office of the State Bank Commissioner/Kansas Attorney General | SD | South Dakota Division of Banking |
| KY | Kentucky Office of Financial Institutions | TN | Tennessee Department of Financial Institutions |
| LA | Louisiana Office of Financial Institutions | TX | Texas Office of Consumer Credit Commissioner |
| ME | Maine Office of Consumer Credit Regulation | UT | Utah Department of Financial Institutions |
| MD | Maryland Commissioner of Financial Regulation/MD Attorney General | VT | Vermont Banking Division |
| MA | Massachusetts Division of Banks | VA | Virginia Bureau of Financial Institutions |
| MI | Michigan Office of Financial and Insurance Regulation | WA | Washington Department of Financial Institutions |
| MN | Minnesota Department of Commerce | WV | Office of West Virginia Attorney General |
| MS | Mississippi Department of Banking and Consumer Finance | WI | Wisconsin Department of Financial Institutions |
| MO | Missouri Division of Finance | WY | Wyoming Division of Banking |

The team focused on regulatory issues related to violations of:

- Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)
- Real Estate Settlement Procedures Act (RESPA)
- Bank Secrecy Act/Anti-Money Laundering Laws (BSA/AML)
- Servicemembers Civil Relief Act (SCRA)
- Equal Credit Opportunity Act (ECOA)
- Truth in Lending Act (TILA)
- Fair Credit Reporting Act (FCRA)
- Various state laws, and others

Actions against individuals, removal or prohibition orders, termination of insurance, Section 19 letters, 1829 letters, certain securities enforcement actions, and actions related to improper report filing or licensing, unlawful debt collection, and complaints are not captured in this tracker. Actions published after March 31, 2019, are not included in this report.

# Appendix

**Enforcement Tracker Violation Type Definitions**

**Bank Secrecy Act violation:** Failure of the financial institution to meet internal controls and monitoring requirements set forth by the Bank Secrecy Act or anti-money laundering regulations.

**Fraudulent lending to insiders:** Extension of credit to an insider, as defined by Regulation O and Regulation W, that exceeds limits set by Regulation O or Regulation W or provides the insider with any preferential treatment.

**Governance deficiencies:** Failure of a financial institution and/or its board to fulfill its fiduciary responsibilities in various areas of bank management, such as compliance risk management, operational efficiency, or interest rate risk management. (This category includes directors and officers' actions; compliance risk management; management replacement and operations; credit risk and interest risk management).

**Improper accounting practices:** Failure to follow generally accepted accounting principles through means such as fraudulent reporting, omission of assets or liabilities, etc.

**Improper auto lending practices:** Violation of laws or regulations in the origination or servicing of an auto loan.

**Improper foreign transactions:** Violation of any law or regulation governing interactions with foreign entities; commonly an OFAC violation.

**Improper mortgage loan practices:** Violation of a law or regulation in the origination or servicing of a mortgage loan or mortgage-backed securities.

**Improper student lending practices:** Violation of law or regulation in the origination or servicing of an education loan.

**Improper consumer lending practices:** Violation of law or regulation in the origination or servicing of a consumer loan, other than mortgage, auto, or student loans.

**Insufficient capital:** Failure of a financial institution to meet minimum capital requirements set forth by Basel.

**National Flood Insurance Program violation:** Violation of the National Flood Insurance Program requirements or related acts and regulations, such as the National Flood Insurance Act or Flood Disaster Protection Act.

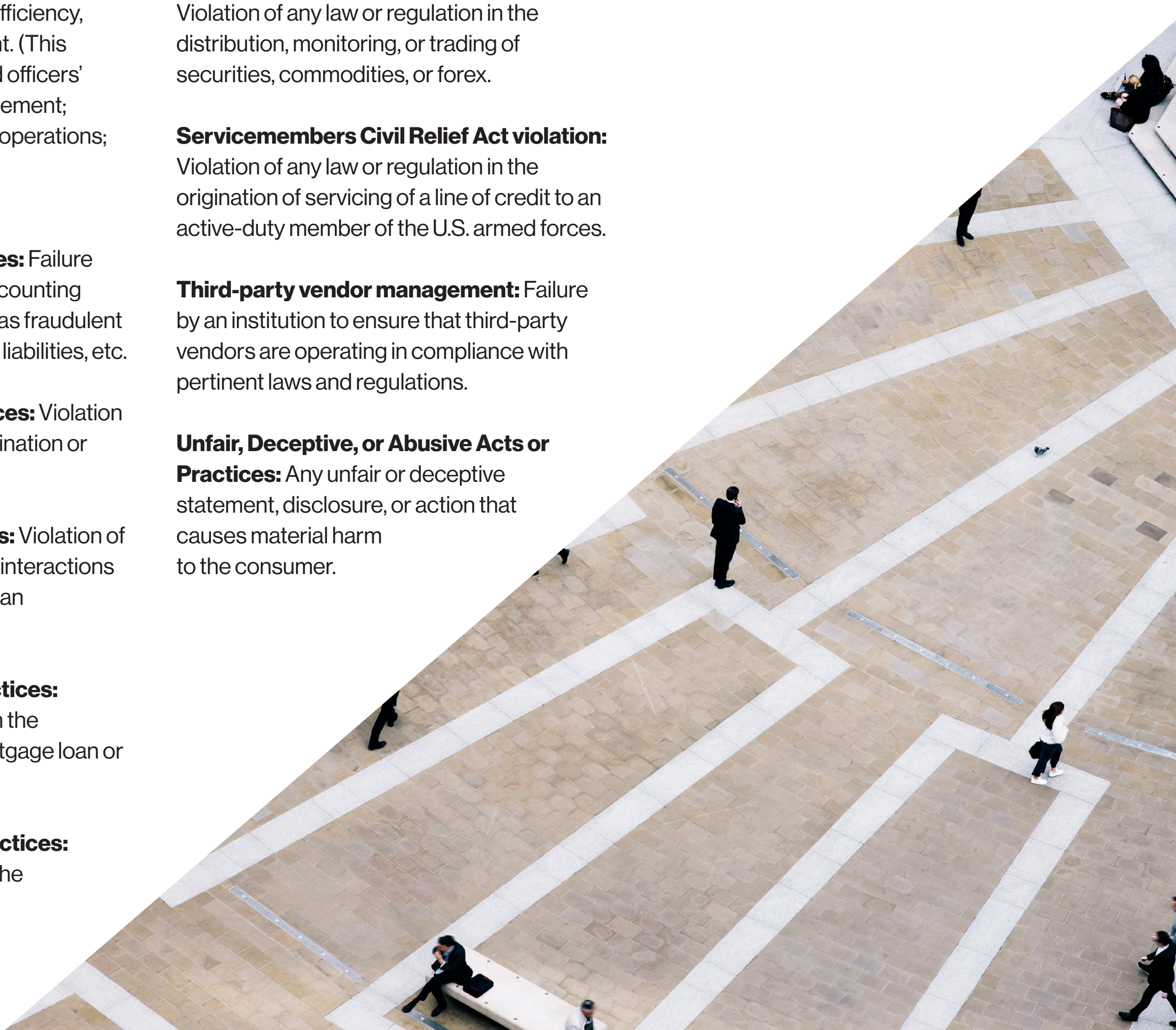
**Payday loans violation:** Violation of any law or regulations in the issuance or servicing of payday loans.

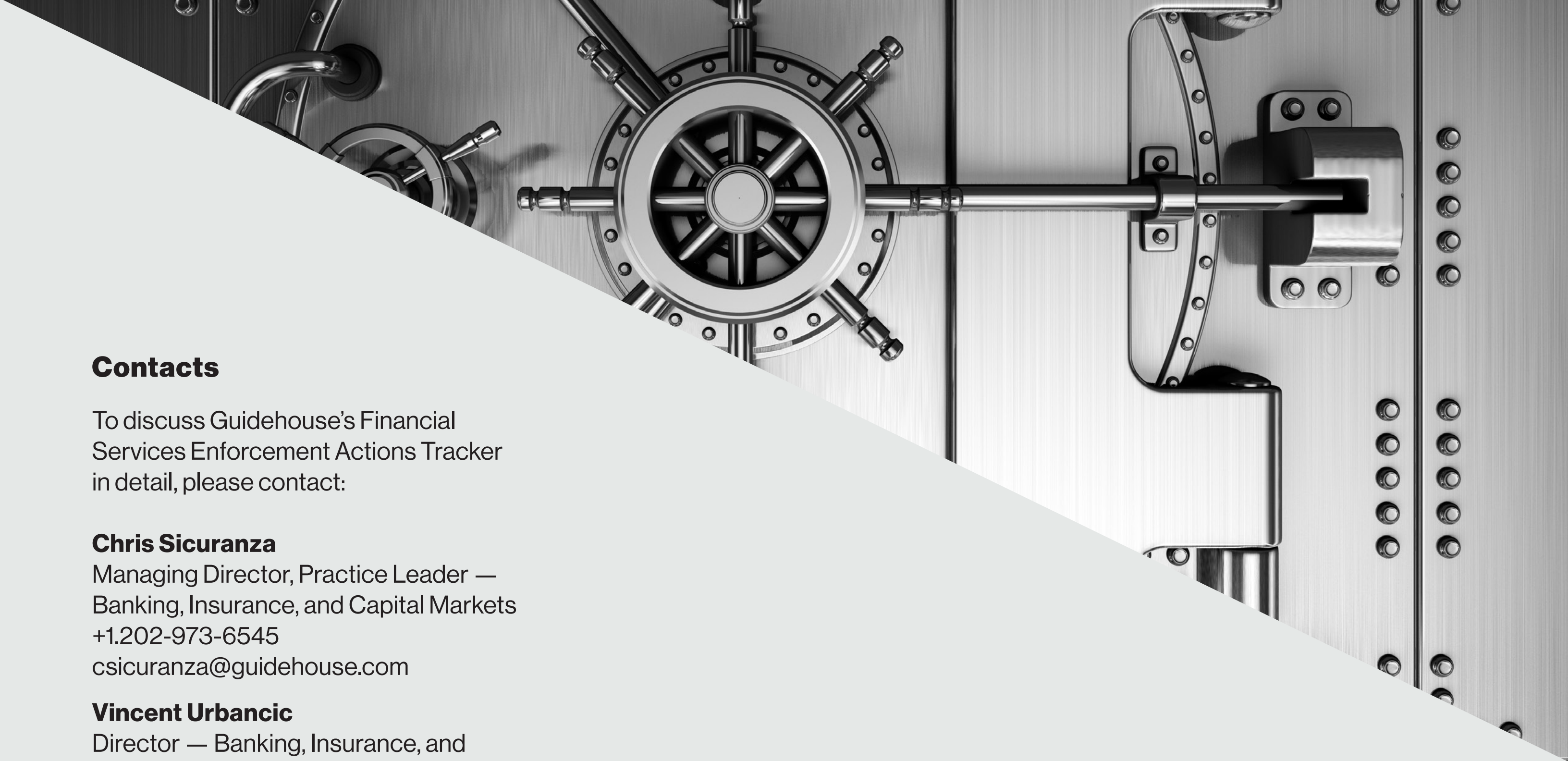
**Securities, commodities or FX violation:** Violation of any law or regulation in the distribution, monitoring, or trading of securities, commodities, or forex.

**Servicemembers Civil Relief Act violation:** Violation of any law or regulation in the origination of servicing of a line of credit to an active-duty member of the U.S. armed forces.

**Third-party vendor management:** Failure by an institution to ensure that third-party vendors are operating in compliance with pertinent laws and regulations.

**Unfair, Deceptive, or Abusive Acts or Practices:** Any unfair or deceptive statement, disclosure, or action that causes material harm to the consumer.





## Contacts

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### About Guidehouse

Guidehouse is a leading global provider of consulting services to the public and commercial markets with broad capabilities in management, technology, and risk consulting. We help clients address their toughest challenges with a focus on markets and clients facing transformational change, technology-driven innovation and significant regulatory pressure. Across a range of advisory, consulting, outsourcing, and technology/analytics services, we help clients create scalable, innovative solutions that prepare them for future growth and success. Headquartered in Washington DC, the company has more than 7,000 professionals in more than 50 locations. Guidehouse is a Veritas Capital portfolio company, led by seasoned professionals with proven and diverse expertise in traditional and emerging technologies, markets, and agenda-setting issues driving national and global economies. For more information, please visit: www.guidehouse.com.



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