

## The Consumer Financial Protection Bureau (CFPB), Recent Developments: June 9, 2014 – June 13, 2014

### CFPB Begins to Study Mobile Banking

On June 11<sup>th</sup>, the CFPB announced the initiation of an inquiry into consumer issues presented by the use of mobile financial services. The CFPB issued a request for information (RFI) in order to aid its exploration of “how mobile technologies are impacting unbanked and underserved consumers with limited access to traditional banking systems.”<sup>1</sup> According to a recent study by the Federal Reserve, an increasing number of people are using mobile banking services in order to carry out routine banking activities such as transferring money between accounts, monitoring account balances, and depositing checks. The CFPB’s RFI requests information on the following issues:

- **Access for the underserved:** The CFPB is requesting information regarding whether the use of mobile devices by the unbanked and underbanked opens up options in financial services and money management for these consumers. The CFPB also wants to know whether these mobile services are less expensive than traditional services.
- **Real-time money management:** The CFPB is requesting information on how mobile financial services can aid consumers by allowing them to continually monitor their accounts.
- **Customer service:** The CFPB is requesting information on what kind of assistance is available to consumers using mobile financial services in the event that issues arise and they need help resolving them. The CFPB is also interested in what kind of protections are available to consumers when they lose their mobile device or are otherwise cut off from mobile access.
- **Privacy concerns and data breaches:** The CFPB is requesting information on the kinds of consumer information companies are collecting, how that information is being used, and what disclosures companies are providing to consumers.

The deadline for submitting comments is September 9, 2014.

### Enforcement Action Against Real Estate Firm for Alleged RESPA Violations

On June 12<sup>th</sup>, the CFPB entered into a consent order with a New Jersey title services company to settle allegations that the company paid illegal kickbacks for referrals.<sup>2</sup> The CFPB alleged that the company violated the Real Estate Settlement and Practices Act (RESPA) by paying commissions to independent salespeople who referred title insurance business to the company. Section 8 of RESPA prohibits kickbacks and the payment of unearned fees in residential real estate transactions. Under the consent order, the company must pay a civil fine of \$30,000.

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<sup>1</sup> See the request for information [here](#).

<sup>2</sup> See the consent order [here](#).

This *GT Alert* was prepared by **Gil Rudolph**, **Brett Kitt**, **Scott Sheehan** and **Peter Cockrell**. Questions about this information can be directed to any member of Greenberg Traurig's **Consumer Financial Protection Bureau (CFPB)** team of professionals:

- [Gil Rudolph](#) | Co-Chair, Financial Regulatory & Compliance | +1 703.749.1383 | [rudolphg@gtlaw.com](mailto:rudolphg@gtlaw.com)
- [Brett Kitt](#) | Financial Regulatory & Compliance | +1 202.533.2359 | [kittb@gtlaw.com](mailto:kittb@gtlaw.com)
- [Scott Sheehan](#) | Financial Regulatory & Compliance | + 1 713.374.3543 | [sheehans@gtlaw.com](mailto:sheehans@gtlaw.com)
- [Michael Sklaire](#) | Financial Services Litigation & Regulation | +1 703.749.1308 | [sklairem@gtlaw.com](mailto:sklairem@gtlaw.com)
- [Andy Berg](#) | Financial Services Litigation & Regulation | +1 202.331.3181 | [berga@gtlaw.com](mailto:berga@gtlaw.com)
- [Michele Stocker](#) | National Chair, Financial Services Litigation | +1 954.768.8271 | [stockerm@gtlaw.com](mailto:stockerm@gtlaw.com)
- [Jennifer Gray](#) | Financial Services Litigation & Regulation | +1 310.586.7730 | [grayjen@gtlaw.com](mailto:grayjen@gtlaw.com)
- [Brian Schulman](#) | Financial Services Litigation & Regulation | +1 602.445.8407 | [schulmanb@gtlaw.com](mailto:schulmanb@gtlaw.com)
- [Jacob Bundick](#) | Financial Services Litigation & Regulation | +1 702.792.3773 | [bundickj@gtlaw.com](mailto:bundickj@gtlaw.com)
- [Alan Slomowitz](#) | Government Law & Policy | +1 202.533.2318 | [slomowitza@gtlaw.com](mailto:slomowitza@gtlaw.com)
- [Patrick Anderson](#) | Government Law & Policy | +1 202.331.3100 | [andersonp@gtlaw.com](mailto:andersonp@gtlaw.com)
- [Thomas McKee](#) | Litigation | +1 703.749.1300 | [mckee@gtlaw.com](mailto:mckee@gtlaw.com)
- [Michael Lawrence](#) | Litigation | +1 310.586.7719 | [lawrencem@gtlaw.com](mailto:lawrencem@gtlaw.com)
- [Peter Cockrell](#) | Financial Regulatory & Compliance | +1 703.749.1357 | [cockrellp@gtlaw.com](mailto:cockrellp@gtlaw.com)

<b>Albany</b> +1 518.689.1400	<b>Denver</b> +1 303.572.6500	<b>New York</b> +1 212.801.9200	<b>Shanghai</b> +86 (21) 6391.6633
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