

CFPB Observer: Recent Developments from Dec. 1-5, 2014

CFPB Takes Action Against Debt-Settlement Firm

On Dec. 4, the CFPB entered a [consent order](#) with a debt-settlement firm to settle allegations that the firm charged consumers illegal upfront fees for debt-settlement services in violation of the Telemarketing Sales Rule (TSR). According to the terms of the consent order, the firm will be required to pay a civil penalty of \$69,075, a sum representing the amount of advance fees that the firm collected from consumers who did not have any debt settled. In addition, the firm will be prohibited from any future violations of the TSR.

CFPB Ombudsman Office Issues Annual Report

The CFPB's Ombudsman's Office recently issued its [third annual report](#) detailing the Ombudsman's activities during fiscal year 2014. The Ombudsman informally assists in resolving process issues that regulated entities or consumers have with the CFPB. The report addressed various issues, including industry concern about overly broad examination requests and differences in language used in consent orders and the descriptions of those actions in the CFPB's press releases. The report also identified issues raised in previous reports that the Ombudsman continues to examine, such as how the CFPB shares information about its activities and regulated entities' experiences with the CFPB examination process. Finally, the CFPB will also be updating its website to improve the presentation and communication of regulatory guidance and other important information.

CFPB Releases Updated Rulemaking Agenda

The CFPB recently released an updated [rulemaking agenda for fall 2014](#). The agenda details timetables for addressing rulemakings covering mortgages, prepaid cards, payday loans, debt collection, overdraft, and privacy disclosures. Note that the new agenda indicates that "pre-rule activities" for payday loan products, overdrafts and debt collection have been delayed to February 2015, July 2015 and April 2015, respectively.

The Consumer Financial Protection Bureau (CFPB), created by the Dodd-Frank Wall Street Reform and Consumer Protection Act, implements and enforces federal consumer financial law. Greenberg Traurig monitors the CFPB's activities, including the almost daily movement on multiple industry fronts that the CFPB makes as it redefines consumer finance law. An entirely new system has been and is being created for the consumer financial services industry. Once complete, the question will be, "How does our clients' business match up?" Our GT CFPB Team regularly observes and analyzes the actions of the CFPB in order to advise clients in best practices, risk management and compliance procedures.

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 | +1 202.530.8575 | rudolphg@gtlaw.com
- [Brett Kitt](#) | Financial Regulatory & Compliance | +1 202.533.2359 | kittb@gtlaw.com
- [Scott Sheehan](#) | Financial Regulatory & Compliance | + 1 713.374.3543 | sheehans@gtlaw.com
- [Michael Sklaire](#) | Financial Services Litigation & Regulation | +1 703.749.1308 | sklairem@gtlaw.com
- [Andy Berg](#) | Financial Services Litigation & Regulation | +1 202.331.3181 | berga@gtlaw.com
- [Michele Stocker](#) | National Chair, Financial Services Litigation | +1 954.768.8271 | stockerm@gtlaw.com
- [Jennifer Gray](#) | Financial Services Litigation & Regulation | +1 310.586.7730 | grayjen@gtlaw.com
- [Brian Schulman](#) | Financial Services Litigation & Regulation | +1 602.445.8407 | schulmanb@gtlaw.com
- [Jacob Bundick](#) | Financial Services Litigation & Regulation | +1 702.792.3773 | bundickj@gtlaw.com
- [Alan Slomowitz](#) | Government Law & Policy | +1 202.533.2318 | slomowitza@gtlaw.com
- [Patrick Anderson](#) | Government Law & Policy | +1 202.331.3100 | andersonp@gtlaw.com
- [Thomas McKee](#) | Litigation | +1 703.749.1300 | mckee@gtlaw.com
- [Michael Lawrence](#) | Litigation | +1 310.586.7719 | lawrencem@gtlaw.com
- [Peter Cockrell](#) | Financial Regulatory & Compliance | +1 202.530.8517 | cockrellp@gtlaw.com

Albany +1 518.689.1400	Denver +1 303.572.6500	New York +1 212.801.9200	Shanghai +86 (21) 6391.6633
Amsterdam +31 (0) 20 301 7300	Fort Lauderdale +1 954.765.0500	Northern Virginia +1 703.749.1300	Silicon Valley +1 650.328.8500
Atlanta +1 678.553.2100	Houston +1 713.374.3500	Orange County +1 949.732.6500	Tallahassee +1 850.222.6891
Austin +1 512.320.7200	Las Vegas +1 702.792.3773	Orlando +1 407.420.1000	Tampa +1 813.318.5700
Boca Raton +1 561.955.7600	London* +44 (0) 203 349 8700	Philadelphia +1 215.988.7800	Tel Aviv^ +972 (0) 3 636 6000
Boston +1 617.310.6000	Los Angeles +1 310.586.7700	Phoenix +1 602.445.8000	Warsaw~ +48 22 690 6100
Chicago +1 312.456.8400	Mexico City+ +52 (1) 55 5029 0000	Sacramento +1 916.442.1111	Washington, D.C. +1 202.331.3100
Dallas +1 214.665.3600	Miami +1 305.579.0500	San Francisco +1 415.655.1300	Westchester County +1 914.286.2900
Delaware +1 302.661.7000	New Jersey +1 973.360.7900	Seoul∞ +82 (0) 2 369 1000	West Palm Beach +1 561.650.7900

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