

**UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU**



ADMINISTRATIVE PROCEEDING
File No. 2015-CFPB-0013

In the Matter of:

**CHASE BANK, USA N.A. and
CHASE BANKCARD SERVICES, INC.**

CONSENT ORDER

The Consumer Financial Protection Bureau (Bureau) has reviewed the debt sale and collections practices of Chase Bank, USA N.A. and its subsidiary Chase BankCard Services, Inc. (Respondents, as defined below) and has found that such practices violate Sections 1036(a)(1) and (a)(3) of the Consumer Financial Protection Act (CFPA), 12 U.S.C. §§ 5536(a)(1) and (a)(3). Under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I

Overview

1. Respondents provide consumers with credit card accounts and also have acquired credit card accounts from other credit card issuers. At the end of 2012, Respondents had approximately 64.5 million open accounts with \$124 billion in outstanding credit card debt.
2. When consumers fail to pay on these accounts they are placed in default. Respondents collect on the defaulted debts through their internal collection attempts, and, during the time period relevant to this Order, by filing collection lawsuits. Respondents also collected on defaulted debts by selling defaulted accounts to third party debt buyers who collect on the accounts, or by using all three methods. From 2009 to 2012, Respondents recovered approximately \$4.6 billion out of approximately \$57 billion of debt from defaulted accounts using these methods.
3. Respondents sold to debt buyers certain accounts that were inaccurate, settled, discharged in bankruptcy, not owed by the consumer, or otherwise uncollectable. The debt buyers then sought to collect these inaccurate, settled, discharged, not owed, or otherwise uncollectable debts from consumers.
4. Respondents filed lawsuits and obtained judgments against consumers using deceptive affidavits and other documents that were prepared without following required procedures, because for example, they were at times signing without personal knowledge of the signer, a practice commonly referred to as “robo-signing.”

5. Respondents made certain errors calculating pre- and post-judgment fees and interest when filing debt collection lawsuits, which resulted in judgments against consumers for incorrect amounts.
6. Respondents' practices harmed consumers. Respondents subjected certain consumers to collections activity for accounts that were not theirs, in amounts that were incorrect or uncollectable. Respondents also obtained judgments against consumers using documents that were falsely sworn and that at times contained inaccurate amounts. These actions may affect consumers' ability to obtain credit, employment, housing, and insurance in the future. Respondents' practices misled consumers and courts and caused consumers to pay false or incorrect debt and incur legal expenses and court fees to defend against invalid or excessive claims.
7. Respondents suspended Collections Litigation in 2011 and suspended all Debt sales in December 2013. Respondents state that they are not currently engaged in Collections Litigation or sales of Debt with respect to their consumer credit card business, which is the subject of this Order.
8. The Bureau brings this action to ensure Respondents do not revive these practices, to obtain relief for injured consumers, and to impose or obtain civil money penalties.

II

Jurisdiction

9. The Bureau has jurisdiction over this matter under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565.

III

Stipulation

10. Respondents have executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated June 26, 2015 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondents have consented to the issuance of this Consent Order by the Bureau under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, without admitting or denying any of the findings of fact or conclusions of law in Sections I and V herein, except that Respondents admit the facts necessary to establish the Bureau’s jurisdiction over Respondents and the subject matter of this action.

IV

Definitions

11. The following definitions apply to the terms of this Consent Order:
 - a. “Account” means an extension of credit to a Consumer in the United States, primarily for personal, family, or household purposes, and established or maintained for a Consumer pursuant to a credit card program.
 - b. “Affiant” means any signatory to a Declaration, other than one signing solely as a notary or witness to the act of signing, signing in his or her capacity as an employee or agent of Respondents.
 - c. “Charged-Off” and “Charge-Off” refer to Accounts treated by Respondents as a loss or expense because Respondents have determined that, under the Federal Financial Institutions Examination Council’s Final Notice of

Uniform Retail Credit Classification and Account Management Policy, 65 Fed. Reg. 36903 (June 12, 2000), or other relevant guidelines, repayment of the Debt is unlikely.

- d. “Collections Litigation” means attempts by Respondents (or a third party acting on their behalf for an Account owned by Respondents) through judicial processes in the United States of America, to collect or establish a Consumer’s liability for a Debt. Collections Litigation does not include processes or proceedings initiated by Respondents in bankruptcy or probate matters involving a Consumer, or litigation brought by a Debt Buyer that has purchased an Account through a Debt Sale, unless specifically referenced by this Consent Order.
- e. “Competent and Reliable Evidence” shall include documents and/or records created by Respondents in the ordinary course of business, which are capable of supporting a finding that the proposition for which the evidence is offered is true and accurate, and which comport with applicable law and court rules.
- f. “Consumer” means any natural person obligated or allegedly obligated to pay any Debt. For provisions regarding communications, notices, and providing information to a Consumer, this term includes the Consumer’s representative.
- g. “Consumer Reporting Agency” means, coterminous with the meaning of Consumer Reporting Agency as defined in the Fair Credit Reporting Act, 15 U.S.C. § 1681a(f), any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the

practice of assembling or evaluating Consumer credit information or other information on consumers for the purpose of furnishing Consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing Consumer reports.

- h. “Debt” means, coterminous with the meaning of “debt” as defined in the Fair Debt Collection Practices Act, 15 U.S.C. § 1692a(5), any obligation or alleged obligation of a Consumer to pay money arising out of a transaction in which the money, property, insurance, or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment. However, for the purposes of this Consent Order, “Debt” shall be limited to a Debt arising out of an Account issued or acquired by, or owed to Respondents, including obligations that have been sold or transferred to others, and established or maintained for a Consumer pursuant to a credit card program.
- i. “Debt Buyer” means an entity that purchases from Respondents a portfolio consisting primarily of Accounts with Charged-Off Debts through a Debt Sale.
- j. “Debt Sale” means a sale by Respondents of a portfolio of Accounts with Charged-Off Debts through an individual bulk sale or contractual forward-flow agreement.
- k. “Declaration” means any affidavit, sworn statement, or declaration, whether made under penalty of perjury or otherwise signed by an Affiant for purposes of affirming its accuracy and veracity, submitted to a court in

a Collections Litigation matter by or on behalf of Respondents for the purpose of collecting a Debt, but does not include affidavits, sworn statements, or declarations signed by counsel based solely on counsel's personal knowledge and not based on a review of Respondents' books and records (such as affidavits of counsel relating to service of process, extensions of time, or fee petitions).

- l. "Effective Credit Agreement" means the written document or documents evidencing the terms of the legal obligation between Respondents and the Consumer at the time of Charge-Off.
- m. "Effective Date" means the date on which this Consent Order is issued.
- n. "Enforcement Director" means the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau, or his/her delegee.
- o. "Respondents" and "Chase" mean Chase Bank USA, N.A. and Chase BankCard Services, Inc. and their successors and assigns.
- p. "Servicemember" means "servicemembers in military service" as defined in Section 101, Paragraph (1) of the Servicemembers Civil Relief Act, to the extent that such servicemembers in military service are identified on the Department of Defense's Defense Manpower Data Center (DMDC) database.

V

Bureau Findings and Conclusions

The Bureau finds the following:

12. Respondent Chase Bank USA, N.A. is a national banking association headquartered in Newark, DE.
13. Respondent Chase BankCard Services, Inc. is a Chase Bank USA, N.A. subsidiary incorporated in Delaware and headquartered in Newark, DE.
14. At all times material to this Consent Order, Respondents issued, collected on, or sold credit card Accounts. Respondents suspended their Collections Litigation program in 2011 and suspended all Debt sales in December 2013. Respondents state that they are not currently engaged in Collections Litigation or sales of Debt with respect to their consumer credit card business, which is the subject of this Order.
15. Respondents are “covered persons” as that term is defined by 12 U.S.C. § 5481(6).

Chase’s Credit Card Business

16. When Consumers fail to pay on their Accounts, Respondents use various methods to collect these Debts. During the time period relevant to this Order, Respondents made collection calls and sent collection letters to Consumers, obtained judgments against Consumers through Debt collection lawsuits, and sold defaulted Accounts to third party Debt Buyers. Respondents also created sworn documents used to establish their legal authority to collect delinquent Accounts in Collections Litigation, and provided sworn documents and other support services to the Debt Buyers to whom Respondents sold Accounts. Respondents also supplied these documents to the attorneys Respondents and their buyers used to file collection lawsuits against Consumers.

17. Between 2009 and 2012, Respondents recovered approximately \$4.6 billion out of approximately \$57 billion of Debt from defaulted Accounts using these collection methods.
18. When Respondents sought to collect through litigation, they referred the defaulted Accounts to a network of in-house collections attorneys as well as outside counsel. Between 2009 and 2011, Respondents, through their internal and external attorneys, filed more than 500,000 collections lawsuits against Consumers across the country.
19. When Respondents sold defaulted Accounts to Debt Buyers, they did so at a significant discount to the face value of the Debts. On average, Respondents received 5% of the balance owed. For example, an Account where the Consumer owed \$10,000 might have been sold for \$500. The Debt Buyer could then seek to collect from the Consumer the full \$10,000 balance plus interest, attorney's fees, and other costs of collection.
20. From 2009 to 2013, Respondents sold approximately 5.3 million defaulted credit card Accounts, with a face value of \$27.2 billion, for approximately \$1.3 billion.

**Findings and Conclusions as to Respondents' Sale of
Credit Card Accounts That Were Inaccurate or Unenforceable**

21. Respondents used several different databases and automated processes to track and manage their credit card Accounts. These databases contained relevant

information about the Accounts such as payment history, Account balances, and credit reporting information.

22. Respondents relied on the information contained within these databases to determine whether to sell the Accounts.
23. When Respondents sold defaulted credit card Accounts, they provided account information from these databases to the Debt Buyers. Chase typically provided an electronic sale file gathered from their databases containing information about the portfolio of Debts. Debt Buyers used the information that Respondents provided to collect these amounts from Consumers.
24. Because Respondents sometimes failed to accurately update, maintain, and reconcile the Account information in their databases before selling defaulted Accounts to Debt Buyers, the resulting Account information was not always accurate for accounts that had gone to judgment.
25. Compounding this problem, when Respondents obtained portfolios of credit card Accounts from acquired banks, they did not always receive important documentation needed to support claims that Consumers owed the Debts and owed the amount stated. On certain Accounts Respondents were unable to conform their databases with the original Account documents for Accounts that they acquired.
26. As a result of these failures, Respondents sold certain Accounts to Debt Buyers that Respondents knew or should have known were unenforceable or uncollectable. Respondents also provided erroneous and incomplete

information to Debt Buyers who Respondents knew or should have known would use this information in conducting collection activity.

27. Respondents sold certain Accounts to Debt Buyers where Respondents knew or should have known the electronic sale file contained erroneous or missing information about the identity of the Account holder, the amount owed, whether the Account had been paid or settled, and whether Respondents' internal operations had deemed an Account to be fraudulent.
28. Respondents also sold certain Accounts that were not enforceable or otherwise should not have been subject to collection, including:
 - a. Accounts that were settled by agreement;
 - b. Accounts that were paid in full;
 - c. Accounts that were no longer owned by Respondents when they were sold; and
 - d. Accounts that had been identified as fraudulently opened or subject to fraudulent charges or otherwise not owed by the identified debtor.
29. Respondents also sold certain Accounts that Debt Buyers could not lawfully collect, or which were susceptible to unlawful collection practices by Debt Buyers, including:
 - a. Accounts with inaccurate amounts owed;
 - b. Accounts where Respondents knew or should have known supporting data was inaccurate or unavailable;
 - c. Accounts that were subject to litigation;
 - d. Accounts that were subject to a bankruptcy stay;

- e. Accounts that were subject to an agreed payment plan;
 - f. Accounts that were pending settlement; or
 - g. Accounts that had deceased debtors.
30. Respondents' actions caused harm to certain Consumers because the Debt Buyers who purchased the Accounts demanded payment from Consumers and filed lawsuits based on invalid or inaccurate Debts, or inaccurate information provided by Chase. Consumers were thus pursued to pay amounts not owed or which were uncollectable. Consumers also could be sued and have a judgment entered against them based on documents that were falsely sworn. Further, if Debt Buyers furnished faulty information to Consumer Reporting Agencies, then the Consumers' credit files and credit reports would contain inaccurate information, which could affect these Consumers' ability to obtain credit, employment, housing, and insurance in the future.
31. Consumers have very limited control over their Accounts in default. They cannot prevent Respondents from selling the Accounts or ensure that the Account information Respondents sell is accurate and that the Debts are enforceable. Once Respondents sold their Accounts, Consumers could not obtain documents regarding the Debt from Respondents.

Respondents' Debt Sales Practices Were Unfair

32. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause Consumers substantial injury that is not reasonably avoidable

and if the substantial injury is not outweighed by countervailing benefits to Consumers or competition.

33. Respondents' acts and practices of selling certain credit card Accounts to Debt Buyers that Respondents knew or should have known were unenforceable or selling such Accounts with inaccurate information or information inadequate to support the claims that Consumers owed the Debts and owed them in the amounts stated, caused or were likely to cause substantial injury to Consumers that was not reasonably avoidable or outweighed by any countervailing benefit to Consumers or to competition.
34. Thus, Respondents engaged in unfair acts and practices in violation of sections 1036(a)(1)(B) and 1031(c)(1) of the CFPA. 12 U.S.C. § 5536(a)(1)(B) and 5531(c)(1).

Respondents' Debt Sales Practices Provided Substantial Assistance to Debt Buyers' Deceptive Collection Practices

35. Section 1036(a)(3) of the CFPA prohibits "knowingly or recklessly" providing "substantial assistance" to a covered person in engaging in an unfair, deceptive or abusive act or practice. 12 U.S.C. § 5536(a)(3).
36. Respondents knew or should have known that Debt Buyers would seek to collect on certain Accounts sold by Respondents that were unenforceable, had inaccurate information, or included inadequate information to support the claims that Consumers owed the Debts and owed them in the amounts stated.
37. Respondents knew or should have known that the Debt Buyers would attempt to collect on and file lawsuits against Consumers over these Debts.

38. Thus Respondents knowingly or recklessly provided substantial assistance to the deceptive acts and practices of a covered person or service provider in violation of section 1036(a)(3) of the CFPB, 12 U.S.C. § 5536(a)(3).

Findings and Conclusions as to Respondents' Use of Statements that were Falsely Sworn to Enforce Debts

39. From 2009 to 2011, Respondents brought over 500,000 lawsuits to collect delinquent credit card Accounts, many of which required some form of sworn, certified, or verified factual allegations.
40. Respondents also provided more than 150,000 sworn statements and documents to support collection lawsuits brought by the Debt Buyers that purchased their defaulted credit card Accounts. Respondents' in-house and outside counsel prepared sworn statements and sent those documents to be signed by Respondents' employees in centralized locations.
41. These sworn statements were representations to courts, debtors, and non-debtor Consumers that the statements were truthful and accurate statements of fact, verified by the Affiant based on personal knowledge or a review of business records, made under oath, and properly witnessed or notarized by the witness or notary.
42. Respondents' employees and agents prepared the sworn statements in bulk using stock templates. The statements often were not prepared and reviewed by the individual who signed the sworn statements. The signing individual at times lacked personal knowledge of the information they were attesting to and did not perform the review or follow the signing and notary procedures required by law. Their failure to properly prepare, review, or execute certain

sworn documents resulted in these sworn statements containing misleading representations.

43. The specific practices Respondents engaged in include the following:
- a. Swearing to personal knowledge of facts without personal knowledge of those facts. For example, Respondents' employees or agents swore to practices regarding business recordkeeping without personal knowledge of those practices;
 - b. Swearing to having reviewed the contents of records when in fact they had not. For example, Respondents' employees or agents swore to the accuracy, authenticity, and veracity of attached exhibits without reviewing those exhibits or without having the personal knowledge needed to verify the contents of the exhibits;
 - c. Swearing to personal knowledge of how records accompanying a sale were kept by Respondents and how the records were transferred to buyers without actually identifying the records they were swearing to;
 - d. Signing complaint verification forms in batches and then attaching the verifications to complaints that the signer had never seen or reviewed;
 - e. Notarizing or attesting to documents without witnessing the signing of those documents;
 - f. Notarizing documents without administering oaths; and
 - g. Notarizing documents without names and dates so that this information could be inserted later.
 - h. Signing certain proofs of claim in bankruptcy without reviewing the records supporting those claims.

44. These practices, in many cases, resulted in Respondents lacking a proper evidentiary basis to prove the debt. Consumers, who were not notified of Respondents' practices, did not know about a potential basis to challenge Respondents' improperly sworn documents. Courts, which also were not provided notice that the documents were improperly sworn, relied on and entered certain judgments against Consumers. Although Respondents ceased engaging in collections litigation and ceased making collections efforts against Affected Consumers in 2012, they took no action to notify Consumers or to seek vacatur or another remedy from the courts.
45. Some judgments obtained by Respondents after charge-off were reported on the public records section of Consumers' credit reports. A reported judgment can have additional negative effects on Consumers. Mortgage lenders may insist that the judgments be paid because unsatisfied judgments may make it more difficult for Consumers to make their mortgage payments or are a threat to their security interest. Before making hiring decisions, employers may search public records or obtain credit reports showing civil judgments against prospective employees and be dissuaded from hiring them, particularly if the employee will be handling money or finances.
46. Consumers themselves had little opportunity to challenge the documents that were falsely sworn or to demand that Respondents use proper procedures because they were unaware that part or all of the evidentiary basis for the judgment was improperly sworn documents. For most Consumers, the obstacles and cost to seek a remedy post-judgment, such as vacatur, could be too significant.

47. Consumers obtained no legitimate benefit from Respondents' document execution practices. Any additional costs that Respondents would have incurred by conforming their practices to their legal obligations or otherwise remediating Consumers were outweighed by the harm to Consumers.

Respondents' Sworn Document Practices Were Deceptive

48. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B).
49. In numerous instances, in connection with collecting or attempting to collect credit card Accounts, Respondents represented, directly or indirectly, expressly or by implication, that the sworn documents prepared by Respondents' employees or agents were executed and notarized in accordance with the law, that the statements of fact therein were accurate and based on direct knowledge or a review of Account-level documentation.
50. In truth and in fact, in numerous instances, Respondents' sworn documents were not executed and notarized in accordance with the law, the statements of fact therein were not accurate or were not based on direct knowledge or a review of Account-level documentation by the signer.

51. Respondents' representations were material because they were likely to affect a Consumer's choice or conduct regarding how to respond to a lawsuit or collection attempt and were likely to mislead Consumers acting reasonably under the circumstances.
52. Thus Respondents' representations constitute deceptive acts or practices in violation of sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a), 5531(a)(1)(B).

Respondents' Sworn Document Practices Were Unfair

53. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause Consumers substantial injury that is not reasonably avoidable and if the substantial injury is not outweighed by countervailing benefits to Consumers or competition.
54. Respondents' sworn documents practices that resulted in a lack of proper evidentiary support for some judgments were likely to cause substantial injury to Consumers that was not reasonably avoidable or outweighed by any countervailing benefit to Consumers or to competition.
55. Thus Respondents engaged in unfair acts and practices in violation of sections 1036(a)(1)(B) and 1031(c)(1) of the CFPA. 12 U.S.C. § 5536(a)(1)(B) and 5531(c)(1).

Respondents' Failure to Provide Notice that Judgments Were Obtained Using Documents that were Falsely Sworn Was Unfair

56. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or

is likely to cause Consumers substantial injury that is not reasonably avoidable and if the substantial injury is not outweighed by countervailing benefits to Consumers or competition.

57. Respondents' act and practice of failing to notify Consumers and the courts once it learned that some or all of the evidentiary support for its judgments was based on documents that were falsely sworn was likely to cause substantial injury to Consumers that was not reasonably avoidable or outweighed by any countervailing benefit to Consumers or to competition.
58. Thus Respondents engaged in unfair acts and practices in violation of sections 1036(a)(1)(B) and 1031(c)(1) of the CFPA. 12 U.S.C. § 5536(a)(1)(B) and 5531(c)(1).

Findings and Conclusions as to Respondents' Miscalculation of Judgments

59. When Respondents filed Debt collection suits against Consumers, their employees and agents made certain errors in calculating the amounts owed. **Approximately 9% of the judgments that Respondents obtained against Consumers contained erroneous amounts that were greater than what the Consumers legally owed.**
60. These erroneous amounts were stated in documents that Respondents submitted to the court and that formed the basis for the judgments entered against the Consumers.
61. Although Respondents halted collection efforts on these accounts after they became aware of the errors, Respondents' failure to notify Affected Consumers and to move to vacate judgments harmed Consumers who paid or were subject

to collection attempts for a judgment amount that was greater than what they legally owed.

62. Consumers had little opportunity to avoid such injuries because they were unaware of and lacked any meaningful way of proving that certain judgments against them were for erroneous amounts.
63. Consumers obtained no legitimate benefit from Respondents' errors. Any additional costs that Respondents would have had to incur to calculate amounts owed accurately, include accurate amounts in the sworn documents it submitted to the court, and inform Consumers of the erroneous judgment were outweighed by the ongoing harm to Consumers.

Respondents' Failure to Remediate the Miscalculation of Judgments Was Unfair

64. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices. 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair if it causes or is likely to cause Consumers substantial injury that is not reasonably avoidable and if the substantial injury is not outweighed by countervailing benefits to Consumers or competition.
65. Respondents' failure to immediately address the erroneous judgment amounts that Respondents obtained was likely to cause substantial injury to Consumers that was not reasonably avoidable or outweighed by any countervailing benefits to Consumers or to competition.
66. Thus Respondents engaged in unfair acts and practices in violation of sections 1036(a)(1)(B) and 1031(c)(1) of the CFPA. 12 U.S.C. § 5536(a)(1)(B) and 5531(c)(1).

Order

VI

Conduct Provisions

IT IS ORDERED under Sections 1053 and 1055 of the CFPB, that:

67. Requirements relating to Debt Sales

- a. Respondents will not knowingly or recklessly provide substantial assistance to a Debt Buyer's unfair, deceptive, or abusive acts or practices in violation of 12 U.S.C. § 5536(a)(3).
- b. Respondents will implement effective processes, systems, and controls to provide accurate documentation and information to Debt Buyers and Consumers in connection with Debt Sales. Respondents will document the referenced processes, systems, and controls in writing, and will make such documentation available to appropriate employees of Respondents.

68. Documentation and Information Provided to Debt Buyers at Debt Sale

- a. For Debt Sale contracts entered into after the Effective Date, Respondents' contracts or other agreements with Debt Buyers will prohibit Debt Buyers from engaging in Debt Buyer initiated collection efforts on any Account for which Respondents have not provided the following Account-level documentation substantiating the Debt:

- i. the last four digits of the Account number that was used at the time of the Consumer's last statement, or, if not available, when credit was last extended to the Consumer;
- ii. the Consumer's name and last known address;
- iii. the first date of delinquency for purposes of consumer reporting;
- iv. the date and amount of last payment;
- v. the date the Account was Charged-Off;
- vi. the unpaid balance due on the Account, with a breakdown of the post-Charge-Off balance, interest, and fees;
- vii. the name of the last creditor to extend credit to the Consumer;
and
- viii. whether the Consumer has demanded in writing that Respondents cease contact with the Consumer, if the Consumer has done so and has not revoked the demand.

69. Documentation and Information Available to Debt Buyers After Debt Sale

- a. For Debt Sale contracts entered into after the Effective Date, Respondents will make available to a Debt Buyer, **for a minimum of three years following the Debt Sale**, upon request at no or nominal cost to the Debt Buyer, at a minimum:

- i. the Effective Credit Agreement;
- ii. if the Consumer, within eighteen (18) months prior to the Debt Sale and while Respondents were the creditors on the Account, has disputed the amount of a Debt Respondents claimed to be owed in a monthly Account statement, a record of any such dispute and the result of Respondents' investigation of the dispute;
- iii. if the Account is subject to a judgment, an itemization of the judgment amount as awarded, including the amounts awarded by the court for costs, attorney's fees, interest, and any other fee;
- iv. copies of the last eighteen (18) monthly Account statements. If the Account was open for less than eighteen (18) months, Respondents shall make available all Account statements; and
- v. the name and address of the original creditor, such that the Debt Buyer may comply with any obligation of the Debt Buyer to provide "the name and address of the original creditor" under the Fair Debt Collection Practices Act, 15 U.S.C. § 1692g(a)(5) and (b).

70. **Documentation and Information Provided to Consumers at Debt Sale**

- a. When Respondents sell an Account to a Debt Buyer after the Effective Date, Respondents shall provide to the Consumer prior to the time that the Debt Buyer is authorized, by contract, to begin Debt Buyer-initiated Debt collection efforts, notice of the sale of the Account, which shall include:
- i. the name and contact information (at a minimum, phone number and address) of the Debt Buyer;
 - ii. the name of the last creditor to extend credit to the Consumer;
 - iii. the last four digits of the Account number at the time of the Consumer's last statement or, if not available, the Account number that was used when credit was last extended to the Consumer;
 - iv. the amount due on the Account at the time of sale, with a breakdown of the post-Charge-Off balance, interest, and fees;
 - v. a description of the readily available method(s) provided by Respondents pursuant to Section VI, Paragraph 71 (b) below that former customers can use to obtain Account information;
 - vi. a statement that this is not a bill and the Consumer should not send payment to Respondents and a description of the toll free number and other contact information for Respondents' customer service if the Consumer has any questions about the contents of this notice; and

- vii. a statement that the Debt Buyer is prohibited from reselling the Consumer's Debt to an entity other than Respondents.

71. Documentation and Information Available to Consumers After Debt Sale

- a. For Debt Sales following the Effective Date, Respondents will make available to a Consumer, upon request and at no cost to the Consumer, at a minimum:
 - i. the Effective Credit Agreement;
 - ii. if the Account is subject to a judgment, an itemization of the judgment amount as awarded, including the amounts awarded by the court for costs, attorney's fees, interest, and any other fee;
 - iii. copies of the last eighteen (18) monthly Account statements. If the Account was open for less than eighteen (18) months, Respondents shall make available all Account statements; and
 - iv. the name and address of the original creditor, as that term is used in the Fair Debt Collection Practices Act, 15 U.S.C. § 1692g(a)(5) and (b).
- b. Respondents shall establish readily available method(s), including telephone routing based on Account verification to customer service agents familiar with Debt Sales, for Consumers to obtain the information identified in Section VI, Paragraph 71 (a) above.

72. Restrictions on Respondents' Sale of Accounts

- a. Even if otherwise permissible under law, Respondents will not sell Accounts that, as of the date of sale, possess any of the following characteristics:
- i. the Consumer's Debt has been discharged in a Chapter 7 bankruptcy case with no assets available for distribution to creditors;
 - ii. the Consumer has notified Respondents, in writing to the address provided by Respondents for direct disputes, or to Respondents' business address if Respondents have not specified an address, of identity theft or unauthorized use and Respondents have not determined, after reasonable review, that the Consumer owes the Debt;
 - iii. Respondents have been informed or have knowledge that the Consumer(s) responsible for the Debt is deceased;
 - iv. the Account has been settled;
 - v. Respondents lack Competent and Reliable Evidence that they own the Account;
 - vi. Respondents cannot comply with Section VI, Paragraphs 68 or 69 of this Agreement because Respondents cannot provide the required information or documentation;

- vii. the Consumer has alleged in writing that he or she does not owe the amount claimed by Respondents, and Respondents have not determined, after a reasonable review, that the Consumer owes all of the amount Respondents will be selling, and have not provided a response to the Consumer, either directly to the Consumer or through a Consumer Reporting Agency, as appropriate;
 - viii. the Consumer is paying pursuant to and in accordance with the terms of a modification or payment plan;
 - ix. more than three years have passed since the date on which the Account was Charged-Off, or the date of the Consumer's last payment, whichever is later;
 - x. the Consumer is a Servicemember;
 - xi. Respondents have determined that the Account was opened and is maintained, at the time of the Debt Sale, by a minor; or
 - xii. the Consumer is currently engaged offensively in litigation with Respondents, in an individual action.
- b. Respondents will not sell Accounts that are beyond the date of obsolescence under Section 605 of the Fair Credit Reporting Act or Regulation V without including in their sales contract or similar agreement a term requiring the Debt Buyer to provide clear and prominent notice to the Consumer that, due to the age of the Debt, the Debt is not likely to appear on the Consumer's credit report.

- c. If, after Respondents sell the Consumer's Account, a Consumer disputes information that Respondents have furnished to a Consumer Reporting Agency, Respondents will comply with the Fair Credit Reporting Act, 15 U.S.C. §1681s-2 and Regulation V, 12 C.F.R. Parts 1022.40-1022.43.
- d. If Respondents determine that they have sold an Account in violation of the above provisions, Respondents shall make a reasonable effort to repurchase the Account and take reasonable steps to require their Debt Buyers to inform Respondents about any amounts paid on the Debt since the date of sale, so that Respondents may reconcile the Account balance upon repurchase. However, if Respondents determine more than one year after the date of a Debt Sale that they sold the Account of a deceased person, Respondents shall not be required to make efforts to repurchase the Account.

73. Requirements Relating to Debt Buyers

- a. Respondents will conduct due diligence before entering into new relationships with Debt Buyers, and will conduct due diligence periodically when forward-flow contractual arrangements are in place.
- b. Respondents will not sell Accounts to a Debt Buyer unless the Debt Buyer represents to Respondents that it is licensed or otherwise authorized to conduct business in the states where the Consumers reside or, where authorized by state law, that the Debt Buyer will engage vendors that are licensed or otherwise authorized to conduct business in the states where the Consumers reside.

- c. In their contracts or other agreements with Debt Buyers, Respondents will prohibit Debt Buyers from reselling Accounts. This prohibition shall not prohibit Respondents from repurchasing Accounts they sell to Debt Buyers.
- d. In the event Respondents provide Debt Buyers with Declarations, those Declarations must comply with the requirements of Section VI, Paragraph 74 of this Consent Order.
- e. In their contracts or other agreements with Debt Buyers, Respondents will prohibit Debt Buyers from imposing interest on Charged-Off Accounts unless permitted by law.
- f. In their contracts or other agreements with Debt Buyers, Respondents will prohibit Debt Buyers from swearing to the validity or otherwise attesting to the accuracy of any documentation or information provided by Respondents, unless the Debt Buyer must do so as part of filing a bankruptcy proof of claim (POC) based on information from Respondents or are otherwise allowed by law to do so.
- g. In their contracts or other agreements with Debt Buyers, Respondents will prohibit Debt Buyers from assessing fees and interest on any Account in violation of any terms and conditions of the Effective Credit Agreement that remain applicable when such fees or interest are assessed, or any applicable state or federal law.

- h. In their contracts or other agreements with Debt Buyers, Respondents will require Debt Buyers to comply with all applicable state and federal consumer protection and debt collection laws and regulations, including the Fair Debt Collection Practices Act, 15 U.S.C. §§ 1692 et seq., laws prohibiting the imposition of interest on Charged-Off Accounts, and laws regarding the assessment of fees and interest.
- i. Upon notice, through their periodic due diligence obligations in Section VI, Paragraph 73 (a) above or otherwise, that a Debt Buyer is violating provisions of its agreement with Respondents, Respondents shall take reasonable action with respect to the Debt Buyer including, but not limited to, recalling Accounts or terminating future Debt Sales to the Debt Buyer where appropriate, or both.

74. Requirements Relating to Declarations

- a. Factual assertions made in Declarations must be accurate and capable of being supported by Competent and Reliable Evidence.
- b. Declarations shall be based on personal knowledge, a review of Respondents' books and records, or other appropriate standard as set forth in the Declaration and in accordance with the applicable requirements of state or federal law.
- c. Affiants shall review their Declarations for accuracy and completeness.
- d. If an Affiant relies on a review of business records for the basis of a Declaration, the referenced business record shall be attached when the Declaration is executed by or on behalf of Respondents if required by applicable state or federal law or court rule. If the record is not required to

be attached, Respondents shall provide the Effective Credit Agreement and most recent monthly statement to the Consumer upon request.

- e. Respondents shall maintain and keep available records needed to establish that the Declarations and documents attached thereto in Collections Litigation were substantiated with Competent and Reliable Evidence for five years or such other period as required by relevant regulatory authorities.
- f. Respondents shall have effective processes, systems, and controls such that Affiants review relevant business records or other Competent and Reliable Evidence to substantiate the Consumer's Debt. Respondents will document the referenced processes, systems, and controls in writing, and will make such documentation available to appropriate employees of the Respondents.
- g. Respondents shall have written standards for qualifications, training, and quality control of employees who regularly prepare or execute Declarations. Respondents shall require covered employees to properly and timely complete such training.
- h. For Declarations used on a frequent or repetitive basis, Respondents will implement effective processes, systems, and controls to review and approve standardized templates for compliance with applicable law, rule, court procedure, and the terms of this Consent Order. Respondents will document the referenced processes, systems, and controls in writing, and will make such documentation available to appropriate employees of the Respondents.

- i. Declarations shall accurately and legibly identify the Affiant's name, title, employer, and the date of signing.
- j. Respondents shall have effective processes, systems, and controls to maintain adequate numbers of employees to prepare, verify, and execute Declarations, based on current and future projected workload demands.
- k. Respondents shall not pay incentives to employees or third-party providers based solely on the volume of Declarations prepared, verified, or executed.
- l. Affiants shall be individuals, not entities, and Declarations shall be signed by hand signature of the Affiant, except for permitted electronic filings.
- m. All material information in a Declaration required to be completed or provided by an Affiant prior to submission under applicable state or federal law or court rule must be complete at the time the Affiant signs the Declaration.
- n. Affiants shall date their signatures on Declarations using the actual date of signing.
- o. Respondents shall maintain or require the notary to maintain records of notarizations of documents used in Collections Litigation executed by each notary employed by Respondents who notarizes documents as part of that notary's employment.
- p. Where Respondents submit an affidavit, declaration, or other sworn statement in arbitration, bankruptcy, or probate proceedings for the purposes of collecting a Debt, those shall comply with all the applicable requirements of this Section.

75. **Requirements Related to Collections Litigation**

- a. Any complaint or claim filed by or on behalf of Respondents in Collections Litigation shall include the name of the creditor at the time of the Consumer's last payment, or if not available, the last creditor to extend credit to the Consumer and the date of the last credit extension, the date of the last payment, the amount of the Debt owed, and a breakdown of any post-Charge-Off interest and fees.
- b. The attorney's fees Respondents or their counsel seek from a court or in arbitration shall be reasonable and authorized by law and the Effective Credit Agreement.
- c. Documents submitted to courts in Collections Litigation for the purpose of supporting factual allegations in Declarations to establish a Debt shall be actual and applicable business records or true copies or reproductions of those records and not documents prepared solely for litigation, unless the use of documents prepared solely for litigation is permitted by the court.
- d. If Respondents learn that any information that was contained in a Declaration, court pleading, or bankruptcy POC, and which relates to the character, amount or legal status of a Debt, was materially inaccurate at the time the Declaration, court pleading, or POC was executed or made, Respondents will correct such information if the matter in which the Declaration, court pleading, or POC was executed or made remains pending.
- e. Before obtaining a default judgment against a Consumer, Respondents shall proffer to the court relevant information and documentation

maintained by Respondents to support their claims, unless prohibited by law or court rule.

- f. Respondents shall implement effective processes, systems, and controls to prohibit the assessment of fees, expenses, and other charges collected through Collections Litigation that are not in accordance with the terms of the Effective Credit Agreement and applicable law.
- g. Respondents will maintain policies and procedures requiring that when Respondents engage in Collections Litigation, such Collections Litigation complies with the applicable legal requirements and is based on accurate information. Respondents will develop and implement, to the extent not in place already, measures to provide accurate documents to their law firms for use in Collections Litigation.
- h. Any complaint or claim for payment of a Debt that Respondents assert in arbitration, bankruptcy, or probate proceedings for the purpose of collecting on an Account shall comply with all the applicable requirements for Collections Litigation in this Section.

76. Requirements Related to Remediation and Balance Adjustments

Within sixty [60] days of the Effective Date of this Consent Order, unless another time period is stated:

Remediation

- a. Respondents represent that, consistent with appropriate local rules and practice, they have sought the withdrawal, dismissal, or termination of all pre-judgment Collections Litigation matters that were pending at any time

between January 1, 2009 and June 30, 2014. In the event that Respondents are notified of a pre-judgment matter that was pending in this time period that Respondents have not sought to withdraw, dismiss, or terminate under this Paragraph, Respondents will move or take other affirmative action to withdraw, dismiss, or terminate such matter.

- b. For Collections Litigation matters that were pending at any time between January 1, 2009 and June 30, 2014 in which Respondents have obtained a judgment, Respondents represent that they have, consistent with appropriate local rules and practice, sought to cease their current post-judgment enforcement activities, and to remove, withdraw, or terminate its active wage garnishments, bank levies, and similar means of enforcing those judgments. In the event that Respondents are notified that post-judgment enforcement activities are being taken by Respondents or on their behalf that Respondents have not sought to cease under this Paragraph, Respondents shall move or take other affirmative action to stop such activities.
- c. Where Respondents have obtained a court judgment against a Consumer through Collections Litigation that was pending at any time between January 1, 2009 and June 30, 2014, Respondents shall notify the Consumer that they shall not seek to enforce, collect, sell or otherwise transfer the judgment they have obtained and/or that they will request that the Consumer Reporting Agencies amend, delete, or suppress information regarding the judgment, as applicable. Respondents shall provide this notification, consistent with Exhibit A to this Consent Order,

to the Consumer's last known address. Respondents shall complete this notification consistent with the timetable set forth in Section VII, Paragraph 80.

- d. Respondents shall request that each of the Consumer Reporting Agencies that compiles and maintains files on Consumers on a nationwide basis amend, delete, or suppress information in the public record section of such files regarding the judgments obtained in Collections Litigation for cases that were pending at any time between January 1, 2009 and June 30, 2014. Respondents shall complete this request consistent with the timetable set forth in Section VII, Paragraph 80.
- e. Respondents shall not reinstitute Collections Litigation that was pending, filed, withdrawn, adjudicated, or dismissed between January 1, 2009 and the Effective Date and will take no further affirmative action to collect; enforce through Collections Litigation, arbitration, bankruptcy (other than pursuant to bankruptcy payment plans currently in effect), or probate; or sell or transfer these Accounts, except that, where a Consumer pursues a claim against Respondents, Respondents may assert, through a set-off, counterclaim, or other means, Respondents' entitlement to amounts (less the pre-and post-judgment interest, fees, and costs that accrued after the referral to Collections Litigation consistent with Section VI, Paragraph 76(h) of this Consent Order). Where a Consumer, in an individual action, seeks to vacate a judgment regarding an Account that was the subject of Collections Litigation that was pending, filed, withdrawn, adjudicated or dismissed between January 1, 2009 and the Effective Date, Respondents

will rely, for factual statements to be proved by declaration, on Declarations that are in compliance with Section VI, Paragraph 74 (a)–(d), (i), (l), (m) and (n) of this Consent Order.

- f. This Section shall not be construed to prohibit Respondents from filing a POC in response to a request from a Consumer or trustee.
- g. Nothing in this Consent Order shall be construed to prohibit Respondents from receiving voluntary payments sent by Consumers whose Accounts were subject to Collections Litigation that was dismissed per Section VI, Paragraph 76 (a) of this Consent Order.

Balance Adjustments

- h. For all Accounts referred to Collections Litigation from January 1, 2009 to June 30, 2014, Respondents shall address potential balance inaccuracies following Collections Litigation by treating each Account as if it had not been referred to Collections Litigation, including by waiving all pre- and post-judgment interest, fees, and costs that accrued after the referral, thereby reducing the amount owed.
- i. Respondents shall provide the Bureau with semiannual reports describing their implementation of the remediation and balance adjustment requirements set forth above. Such reports shall include a description of Respondents' remediation and balance adjustment plans, updates on progress, and state-specific data.

VII

Order to Pay Redress

IT IS FURTHER ORDERED that:

77. Respondents shall provide to Consumers against whom Collections Litigation was pending at any time between January 1, 2009 and June 30, 2014, a cash refund of amounts paid by individual Consumers in excess of such Consumer's contractual balance at the time of referral to Collections Litigation plus 25% of the excess amount paid. Respondents shall also refund or otherwise refuse payments from such Consumers, after the date of this Consent Order, in excess of the Consumer's contractual balance at the time of referral to Collections Litigation.
78. Respondents shall provide redress to Consumers in an aggregate amount of not less than Fifty Million Dollars (\$50,000,000). If, by July, 1, 2016, the total redress to Consumers is less than \$ 50 million, Respondents shall pay half of the remaining amount to the Bureau as a civil penalty under 12 U.S.C. § 5565(c). For purposes of calculation of the redress amount, the total aggregate redress shall include refunds and payments made on these Collections Litigation cases by Respondents at any point before or after the date of this Consent Order, including any amounts of these refunds and payments escheated to the states, as well as actions taken by Respondents to provide redress to Consumers by refunding payment or refusing to accept payments by Consumers prior to the date of this Consent Order.

Redress Plan

79. Within ninety (90) days of the Effective Date, Respondents shall deliver a written plan describing how Respondents intend to identify and provide redress to eligible Consumers as required by Paragraphs 77 and 78 of this Section (“Redress Plan”), subject to further refinement and required approval by the appropriate prudential regulatory authority.
80. Respondents will make all payments to Consumers required by Paragraphs 77 and 78 of this Section pursuant to the Redress Plan following receipt of full required approval by the appropriate prudential regulatory authorities. In the event that Respondents require more than Two Hundred Seventy (270) days from full approval to complete the notifications under Section VI, Paragraph 76 (c), the request to the Consumer Reporting Agencies under Section VI, Paragraph 76 (d), and the payments under Paragraphs 77 and 78 of this Section, Respondents and the Bureau shall discuss in good faith an extension of the date. Prior to the good faith discussions, Respondents shall provide the Bureau an explanation of the steps they took to make the notifications, requests and payments and the reasons why they were unable to make all notifications, requests and payments within the 270 days.
81. Respondents shall provide the Bureau with semiannual reports describing their implementation of the redress requirements set forth above. Such reports shall include a description of Respondents’ redress plans, updates on progress, and state-specific data. Upon receipt of a reasonable request of the Bureau, Respondents will provide further information on their implementation of the redress requirements.

VIII

Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

82. Under Sections 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations described in Section V of this Consent Order, and taking into account the factors in 12 U.S.C. § 5565(c) (3), Respondents must pay a civil money penalty of Thirty Million Dollars (\$30,000,000) to the Bureau.
83. Within 10 days of the Effective Date, Respondents must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the wiring instructions to be provided by counsel for the Bureau.
84. The civil penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
85. Respondents must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondents must not:
 - a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
 - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.

IX

Notices

IT IS FURTHER ORDERED that:

86. Unless otherwise directed in writing by the Bureau, Respondents must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, "*In re Chase BankCard Services, Inc*, File No. 2015-CFPB-0013," and send them either:

87. By overnight courier (not the U.S. Postal Service), as follows:

Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1625 Eye Street, N.W.
Washington D.C. 20006;
or

88. By first-class mail to the below address and contemporaneously by email to Enforcement_Compliance@cfpb.gov:

Assistant Director for Enforcement
Consumer Financial Protection Bureau
ATTENTION: Office of Enforcement
1700 G Street, N.W.
Washington D.C. 20552

X

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

89. Respondents may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Enforcement Director.
90. The Enforcement Director may, in his/her discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if he/she determines good cause justifies the modification. Any such modification by the Enforcement Director must be in writing.

XI

Administrative Provisions

91. Nothing herein shall be construed as relieving Respondents of the obligation to comply with all state and federal laws, regulations or rules, nor shall any of the provisions herein be deemed to be permission to engage in any acts or practices prohibited by such laws, regulations, or rules.
92. In the event of a conflict between this Consent Order and the requirements of federal, state, or local laws, such that Respondents cannot comply with this Consent Order without violating these requirements, Respondents shall document such conflicts and notify the Bureau that they intend to comply with the requirements to the extent necessary to eliminate the conflict.

93. Respondents shall designate one or more management-level employees to be the primary contact for the Bureau regarding complaints and inquiries from Consumers regarding their Debt, including those whose Accounts have been sold. Respondents shall provide a written response to such inquiries, or seek additional time to respond, within forty-five (45) days to the Consumer.
94. It is the intent of the parties to work collaboratively to address any potential violations of this Consent Order. If the Bureau determines that Respondents are potentially in violation of one of the provisions of this Consent Order, before initiating any application for injunctive or monetary relief, the Bureau shall notify Respondents in writing as soon as practicable. Respondents shall thereafter have forty-five (45) days from receipt of such written notice, or such additional time as Respondents and the Bureau agree in writing, to provide a written response to the Bureau's notice. Respondents will be considered to have cured a potential violation of this Consent Order and to be in compliance with this Consent Order where Respondents: (1) correct the violation; (2) fully remediate any non-de minimis monetary Consumer harm; and (3) can establish that the violation was isolated and is therefore not likely to reoccur. The Bureau shall determine whether Respondents have satisfied the above elements of any cure, and a determination that the cure is sufficient shall not be unreasonably withheld. In response to any enforcement action brought by the Bureau, any party may present evidence that Respondents have or have not taken corrective or remedial action to address any potential violation.


95. The Bureau is not required to provide notice in advance of taking any enforcement action if necessary to protect the health, safety or welfare of the public.
96. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau or any other governmental agency from taking any other action against Respondents, except as described in Paragraph 97.
97. The Bureau releases and discharges Respondents for all potential liability for law violations that the Bureau has or might have asserted arising out of or relating to any aspect of any Covered Conduct, to the extent that such practices occurred before the Effective Date, including all civil claims pursuant to consumer protection statutes or other consumer-related or civil fraud laws (including common law), and civil statutes or common law related to Respondents' Collections Litigation before the courts or arbitral panels. "Covered Conduct" means (1) any aspect of Collections Litigation, including without limitation processes and procedures for signing affidavits and other Declarations prepared for use in Collections Litigation; the preparation or provision of information or other documentation, including Declarations, in connection with Collections Litigation; Respondents' liability for actions taken by Respondents' outside law firms related to Collections Litigation, including without limitation the determination of fees and interest owed (any claims against the outside law firms themselves are not being released and are explicitly preserved) by a Consumer in connection with any Debt and reporting to or communications with Consumer Reporting Agencies arising out of or concerning Collections Litigation; (2) any aspect of Debt Sales, including

- without limitation signing affidavits or Declarations prepared for use by Debt Buyers; the preparation or provision of information or other documentation, including Declarations, to any Debt Buyer or Consumer in connection with or following any Debt Sale; reviewing the business practices of and negotiating with Debt Buyers; and reporting to or communications with Consumer Reporting Agencies arising out of or concerning Debt Sales; and (3) the provision of information or documentation concerning any Debt, including Declarations, in connection with a bankruptcy, arbitration or probate proceeding, or a proof of claim. This release does not preclude or affect any right of the parties to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.
98. This Release is neither an admission of liability of the allegations of the Complaint or in cases settled pursuant to this Order, nor a concession by the States or the United States that their claims are not well-founded.
99. Nothing in this Order shall be construed to create, waive, or limit any private right of action, including any claims individual Consumers have or may have under state consumer protection laws against any person or entity, including Chase.
100. The Release by the parties of the above-listed claims is intended to be and shall be for the benefit only of the parties and no other individual or entity.
101. This Consent Order is intended to be and will be construed as, a final Consent Order issued under Section 1053 of the CFPB, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.

102. The obligations of Respondents under this Consent Order shall commence and terminate as follows:
 - a. The obligations of Respondents under Sections VI, Paragraphs 67-73 shall apply to Debt Sales entered into after the Effective Date;
 - b. The obligations of Respondents under Subsection VI, Paragraph 74 (a)-(c), (i), (l), (m), and (n) shall have no termination date; and
 - c. The obligations of Respondents under all other paragraphs shall terminate on January 1, 2020.
103. Termination of such obligations as provided in this Section shall not relieve Respondents from the obligation to complete the consumer redress specified above.
104. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
105. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of the Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under section 1055(c) of the CFPB, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondents wherever Respondents may be found and Respondents may not contest that court's personal jurisdiction over Respondents.
106. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent

Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.

IT IS SO ORDERED, this 8th day of July, 2015.



Richard Cordray

Director

Consumer Financial Protection Bureau

Exhibit A

In accordance with Section VI, Paragraph 76 (c), the language found below, or substantially similar language that is not materially different, will be included as part of communications to Consumers whom Respondents sued for a credit card Debt if Respondents obtained a judgment in that lawsuit between January 1, 2009 and June 30, 2014. The communication will include the following:

- Chase entered into an agreement with the U.S. Consumer Financial Protection Bureau [and your State Attorney General] on June 26, 2015; and with the Office of the Comptroller of the Currency on September 18, 2013.
- Chase will request that the three major credit card reporting agencies (Equifax, Experian, and Trans Union) not report the Chase judgment against you. Once Chase submits this request, it is up to each credit reporting agency to decide whether to report the judgment.
- This notice is for your information only and you do not have to take any action regarding this letter.
- If you have any questions or concerns you may contact Chase toll free at _____.

If the judgment is currently owned by Respondents, the notice will also include the following:

- Chase will no longer try to collect money from you based on its judgment against you.
- Chase has stopped and has agreed to stop any effort to enforce the judgment, including active wage garnishments, bank levies and similar collection efforts. If you are aware of any enforcement efforts in connection with your judgment, please contact us toll free at _____.
- Chase will not sell your judgment to a debt buyer or any other company.