



Protecting Those Who Serve

How the CFPB Safeguards Military Members and
Veterans from Abuse in the Financial Marketplace

U.S. PIRG
Education Fund

FRONTIER GROUP

Protecting Those Who Serve

How the CFPB Safeguards Military Members and
Veterans from Abuse in the Financial Marketplace

Gideon Weissman, Frontier Group

Ed Mierzwinski, U.S. PIRG Education Fund

June 2017

Acknowledgements

The authors wish to thank Carrie Wofford of Veterans Education Success and Rohit Chopra of the Consumer Federation of America for their review of drafts of this document, as well as their insights and suggestions. Thanks also to Tony Dutzik and Katherine Eshel of Frontier Group for editorial support.

U.S. PIRG Education Fund thanks the Ford Foundation for making this report possible.

The authors bear responsibility for any factual errors. Policy recommendations are those of U.S. PIRG Education Fund. The views expressed in this report are those of the authors and do not necessarily reflect the views of our funders or those who provided review.

©2017 U.S. PIRG Education Fund. Some Rights Reserved. This work is licensed under a Creative Commons Attribution 4.0 International license. To view the terms of this license, visit <http://creativecommons.org/licenses/by/4.0/>.

With public debate around important issues often dominated by special interests pursuing their own narrow agendas, U.S. PIRG Education Fund offers an independent voice that works on behalf of the public interest. U.S. PIRG Education Fund, a 501(c)(3) organization, works to protect consumers and promote good government. We investigate problems, craft solutions, educate the public, and offer meaningful opportunities for civic participation. For more information about U.S. PIRG Education Fund or for additional copies of this report, please visit www.uspirgedfund.org.

Frontier Group provides information and ideas to help citizens build a cleaner, healthier, fairer and more democratic America. We address issues that will define our nation's course in the 21st century – from fracking to solar energy, global warming to transportation, clean water to clean elections. Our experts and writers deliver timely research and analysis that is accessible to the public, applying insights gleaned from a variety of disciplines to arrive at new ideas for solving pressing problems. For more information about Frontier Group, please visit www.frontiergroup.org.

Layout: Alec Meltzer/meltzerdesign.net.

Cover: U.S. Air Force photo by Senior Airman Anthony Nelson Jr.

Table of Contents

Executive Summary	1
Introduction	5
Servicemembers and Veterans Need Strong Protection from Financial Wrongdoing	7
The Demands of Military Service Make Active-Duty Servicemembers Vulnerable to Scams	7
Financial Wrongdoing against Servicemembers Reduces Military Readiness	9
Scammers Target Veterans for Guaranteed Benefits, like the GI Bill, and Take Advantage of Wounded Warriors	9
Special Protections Exist for Military Consumers	11
The CFPB Protects Servicemembers from Unfair Practices in the Financial Marketplace	12
The CFPB's Office of Servicemember Affairs Offers Tools and Resources to Servicemembers and Veterans	14
Servicemember Complaints Spotlight Problems with Lenders, Debt Collectors, and Other Financial Companies	15
Debt Collection Is the Leading Source of Servicemember Complaints	15
Many Servicemember Complaints Are Submitted from Areas Near Major Military Sites	19
Complaint Narratives Detail Experiences with CFPB-Penalized Companies	24
Servicemember Complaints Have Led to Thousands of Cases of Relief	27
Conclusion and Recommendations	29
Notes	31

Executive Summary

The men and women who serve in America's military are also active consumers in America's financial marketplace, where tricks and traps can cause harm to their finances and their lives. An analysis of more than 44,000 complaints submitted by active duty servicemembers and military veterans to the Consumer Financial Protection Bureau (CFPB) and contained in its Consumer Complaint Database finds that mistreatment of servicemembers by financial companies is widespread. The stories told in these complaints reinforce the importance of the CFPB's work to hold financial companies accountable for wrongdoing, to secure restitution for mistreated consumers, and to help servicemembers and veterans avoid mistreatment in the financial marketplace.

The CFPB provides an invaluable service to America's men and women in uniform. Attempts to weaken or eliminate the CFPB could put those who protect our country in harm's way, both while serving abroad and here at home, and even threaten national security. The Pentagon has found that financial abuses and credit reporting mistakes can cause service members to lose security clearances, resulting in lower unit preparedness.¹

Servicemembers and veterans face unique challenges and threats in the financial marketplace.

- Active-duty members of the military are often young, relocate frequently, and are frequently deployed overseas, making them unusually vulnerable to certain types of mistreatment in the financial marketplace. Servicemembers are also concentrated on military bases that can make easy and profitable targets for predatory financial companies.
- Veterans may be targeted by predatory financial actors for their guaranteed income, because of loopholes in federal law, or based on physical or mental disabilities suffered while in service to the nation. Veterans may also be vulnerable to exploitation by companies representing themselves as friends of the military.

The CFPB is a critical ally for servicemembers and veterans.

- The CFPB's establishing legislation required the creation of an Office of Servicemember Affairs to focus on protecting members of the military and their families.

- The CFPB has taken at least a dozen enforcement actions with specific benefits to servicemembers. In 2016, for example, the CFPB found that Navy Federal Credit Union had used illegal debt collection tactics, in some cases threatening to contact servicemembers' commanding officers with information about their debt. As a result, the CFPB ordered Navy FCU to pay \$23 million in redress to customers who had been wronged, along with a \$5.5 million civil penalty. The CFPB has also taken action against for-profit colleges that used predatory tactics to recruit veterans.
- The CFPB has also advocated to strengthen consumer protections for servicemembers, including by successfully advocating to close loopholes in the Military Lending Act, which caps interest rates on loans to servicemembers.
- The CFPB provides valuable resources through its Office of Servicemember

Affairs, including answers to servicemembers' consumer questions.

Debt collection is the leading source of complaints by servicemembers and veterans to the CFPB.

- Through April 2017, 14,123 debt collection complaints accounted for 32 percent of all servicemember complaints, making it the leading category of servicemember and veteran complaints in the Consumer Complaint Database.
- Some complaints document a military-specific problem with debt collection: contact with commanding officers about the debt, which can undermine a servicemember's military career.
- The two companies with the most debt collection complaints by servicemembers and veterans—Encore Capital Group and Portfolio Recovery Associates—

Figure ES1. Top Words and Phrases Appearing in Servicemember Complaint Narratives²



were previously the subject of enforcement actions by the CFPB. The CFPB found that the companies purchased debt that was “potentially inaccurate, lacking documentation, or unenforceable,” and then “collected payments by pressuring consumers with false statements and churning out lawsuits using robo-signed court documents.”

Complaints about mortgages, credit reporting, and bank accounts are the next leading complaint categories.

- Many mortgage complaints concern veterans contacted to refinance their Veterans Affairs (VA) mortgages. A CFPB analysis from November 2016 analyzed complaints related to refinancing VA loans, and found that “[v]eterans report aggressive solicitations, misleading advertisements, and failed promises by lenders,” which can result in veterans refinancing their mortgages when it is not in their financial self-interest.³

- Another leading source of complaint is the category of “consumer loans,” which includes vehicle loans, pawn loans and installment loans. Vehicle-related loans account for a majority of all consumer loan complaints, when including complaints concerning vehicles leases and title loans.
- More than 11,000 servicemember complaints are published with a narrative description – the story behind the complaint, in the consumer’s own words. The phrase “credit report” appears in 27 percent of servicemember complaint narratives.

Many servicemember and veteran complaints are submitted from areas near major military sites.

- An analysis of 3-digit zip code areas finds that the areas with the most complaints tend to be located near major military sites. (The CFPB does not publish full 5-digit zip codes for all complaints.)

Table ES1. Debt Collection Is the Leading Source of Complaints for Servicemembers and Veterans

Product	Complaints	Percent of Total
Debt collection	14,123	31.5%
Mortgage	11,201	25.0%
Credit reporting	6,414	14.3%
Bank account or service	3,853	8.6%
Credit card	3,660	8.2%
Consumer loan	2,758	6.2%
Student loan	1,509	3.4%
Payday loan	583	1.3%
Money transfers	305	0.7%
Prepaid card	278	0.6%
Other financial service	106	0.2%
Total	44,790	

- For example, 3-digit zip code 207, which contains the second-most servicemember complaints, is nearby a large number of military sites, including Fort Meade, Andrews Air Force Base, and the U.S. Naval Academy.
- The states with the most servicemember complaints per capita are Virginia, Maryland, Nevada, Georgia and Delaware.
- The District of Columbia has more servicemember complaints per capita than any state. The area surrounding the District of Columbia, with dozens of military sites and a large military population, is the main source of servicemember complaints for Virginia and Maryland.
- In Nevada, the state with the third-highest rate of servicemember complaints per capita, most of the complaints are from the Las Vegas area, home to Nellis Air Force Base, one of the nation's largest and busiest Air Force sites.

Complaint narratives reveal servicemember stories of mistreatment by CFPB-penalized companies.

- Among companies penalized by the CFPB for servicemember-related wrongdoing, Wells Fargo, JPMorgan Chase, Navient Solutions and Navy Federal Credit Union have received the most servicemember complaints.
- Navy FCU was penalized by the CFPB for making debt collection threats to its members, including active duty servicemembers. One consumer narrative alleges that Navy FCU threatened collection tactics that could damage their military career. "Prior to me closing my

accounts out of pure frustration with them, I received several letters threatening to contact commanding officers. This threat alone would have put me in a situation where I wouldn't have been able to lead the men and women below me and likely end my career."

Servicemember complaints have led to thousands of cases of relief. For most complaints it receives, the CFPB's Consumer Response division sends the complaint to the company in question for review and response.

- Through April 2017, 7,993 servicemembers had received monetary or non-monetary relief through the CFPB's complaint process. (Non-monetary relief can include action like ending debt collection harassment.)
- Of complaints that led to monetary or non-monetary relief, 30 percent were related to debt collection. Of these, 2,277 were closed with non-monetary relief, and 195 were closed with monetary relief.

To protect the men and women of America's armed forces, policymakers must protect the CFPB. In addition to protecting the CFPB, state and federal policymakers should strengthen consumer protections, both specifically for servicemembers and veterans, and for all consumers. Debt collection harassment is of particular concern for servicemembers; policymakers should enact and ensure enforcement of stricter limits on debt collection agency contact with military commanders. Policymakers should also close the "90-10 loophole" that encourages for-profit colleges to recruit servicemembers and veterans using aggressive or deceptive tactics.

Introduction

The men and women who serve in America's armed forces expect to face enormous challenges: the grueling physical tests of training and operations; the pain of time away from loved ones; and the risk of physical danger in deployment overseas.

They may not expect that service in the military would leave them vulnerable to scams in the financial marketplace. Outside major military bases, payday lenders, title loan companies, and pawn shops often line up like "bears on a trout stream" (as described by Christopher Peterson and Steve Graves' study of payday loans in military communities) – seeking to take advantage of servicemembers' youth, inexperience, and often tenuous financial situation.⁴ Servicemembers deployed overseas are particularly vulnerable, as they must manage their financial life back home even as they and their thoughts are thousands of miles away. The challenges do not stop upon leaving the service. Many companies target veterans with aggressive or deceptive advertising to peddle bad deals.

Financial misdeeds can impose real harm. In 2010, a year before the U.S. withdrawal from Iraq, more than 20,000

members of the military lost their homes to foreclosure.⁵

Just as our armed services are devoted to protecting America's interests in the world, so too do servicemembers – and all American consumers – deserve an agency devoted to protecting their interests in the complex and often dangerous financial marketplace.

The Consumer Financial Protection Bureau, or CFPB, which began operations in 2011, is the first federal agency devoted to protecting consumers in the financial marketplace. The CFPB is particularly devoted to the protection of members of the armed services – the CFPB's Office of Servicemember Affairs works full time to help members of the military, veterans and their families avoid bad deals, and find restitution when they are wronged.

Yet today, the CFPB's ability to protect America's servicemembers, and all consumers, is at risk. Wall Street firms are working to return to the days of before the 2008 financial crisis, when mistreatment of consumers went largely ignored by federal regulators.

The importance of the CFPB's work can perhaps best be understood through

the stories of those who have been victimized by mistreatment in the financial marketplace. This report analyzes complaints submitted by servicemembers and veterans to the CFPB's Office of Consumer Response, and made available in its Consumer Complaint Database. The words of servicemembers and their families – and the actions taken by the CFPB to protect them – reveal that the CFPB provides an invaluable service to the men and women of the armed services; and that weakening the CFPB would needlessly put those who protect our country in harm's way, both while serving abroad and here at home.

“Payday lenders crowd
around the gates of
military bases like bears
on a trout stream.”

– *Study of payday loans in military communities*
by Christopher Peterson and Steve Graves

Servicemembers and Veterans Need Strong Protection from Financial Wrongdoing

Servicemembers and veterans are active consumers in the financial marketplace. They need the same basic financial services as all Americans: bank accounts, mortgages, car loans and more. Those who serve or have served in the military also make up a sizable share of the population. There are 1.3 million active duty servicemembers in the U.S., 1.1 million members in the reserves, and another 18.8 million veterans.⁶ In total, they make up more than 6 percent of the U.S. population.

Servicemembers and veterans face the same threats of unfair treatment in the financial marketplace as the rest of the general public: deceptive and dishonest practices, like the case in which Wells Fargo signed up millions of customers for costly accounts without their permission; debt collectors who use illegal tactics of harassment or pursue debts that consumers do not actually owe;⁷ mortgage companies that advertise deceptive interest rates; and more.⁸

But servicemembers and veterans also face special challenges that necessitate additional protection, provided by an agency specially charged to look out for their interests.

The Demands of Military Service Make Active-Duty Servicemembers Vulnerable to Scams

For active-duty servicemembers, their relative youth and the conditions of their service can increase their exposure to risky financial situations, and can make them tempting targets for predatory businesses.

The typical active-duty servicemember at the enlisted (non-officer) level is young, with a young family, making frequent moves (both for deployment and for “permanent change of station”). In addition, active-duty service-

members must deal with the stress of military service, sometimes including combat. The majority of active-duty servicemembers are younger than 30, and 40 percent are younger than 25.⁹ They are three times as likely to have children under the age of six as the general public.¹⁰ The base salary for some junior ranked enlisted privates is less than \$20,000 a year, below the federal poverty level for supporting a family of three.¹¹ In one sign of limited resources for members of the military, one government study found that servicemembers “spent over \$21 million in SNAP [Supplemental Nutrition Assistance Program, formerly known as Food Stamps] benefits at commissaries from September 2014 through August 2015.”¹² The median Army-enlisted member relocates to a new base every 38 months.¹³

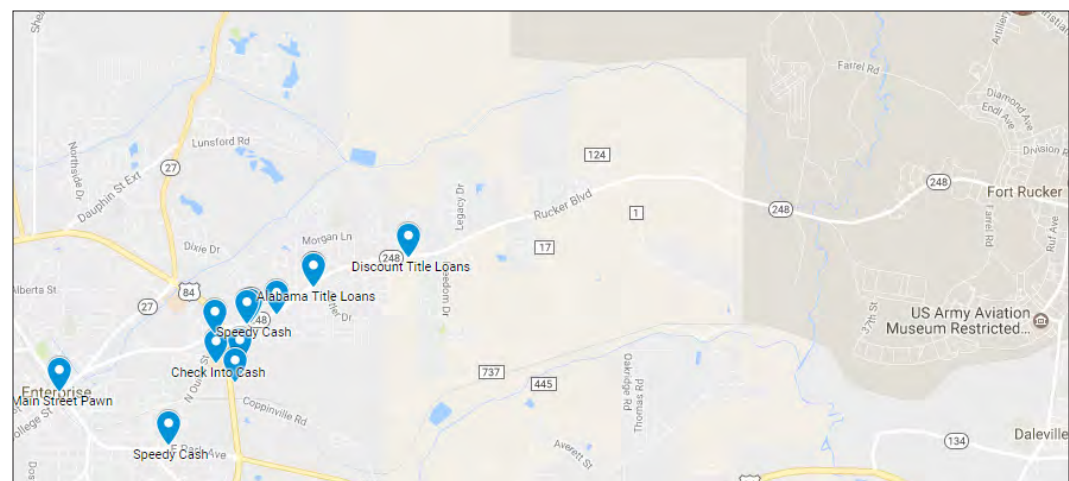
Frequent moves are perhaps one reason why active-duty servicemembers make up just 0.7 percent of the U.S. population between 18 and 65, but make up 2 percent of home buyers.¹⁴ Frequent moves, and the need to support and house families on a limited income, may also be one reason why servicemembers borrow and have debt at somewhat higher rates than the general public. Specifically, members of the military often use sometimes-risky “non-bank

borrowing,” like taking out payday loans and auto-title loans, or borrowing at pawn shops. In a 2012 survey, 35 percent of military servicemembers had used non-bank borrowing in the last five years, compared to 30 percent of the general public.¹⁵ Military members are also more likely to have all kinds of debt than the general public, including credit card debt, mortgage debt and unpaid medical bills.¹⁶

For these reasons, military bases can make tempting targets for predatory financial firms.¹⁷ One study of payday loan stores in military communities “consistently found high concentrations of payday lending businesses in counties, zip codes, and neighborhoods in close proximity to military bases.”¹⁸ For example, in the four miles between Fort Rucker and downtown Enterprise, Alabama, there are more than a dozen such shops with names like “Easy Money,” “Speedy Cash,” and “Discount Title Loans.”¹⁹

The stress and limited availability of communications while deployed can exacerbate the risk of financial mistreatment when servicemembers are deployed overseas. With limited ability to communicate with companies or check online statements, unfair fees can accumulate unknowingly, and warnings about missed payments can go unnoticed.

Figure 1. Payday Lenders, Title Loans, and Pawn Shops Near Fort Rucker, Alabama²⁰



Map data: ©2017 Google

Servicemembers can also be vulnerable to aggressive debt collection tactics. Negative information on credit reports can result in reduced military clearance levels, important for a military career.²¹ Just as debt collectors sometimes threaten civilians to call up their employer, the CFPB has documented cases of collectors threatening to “report the unpaid debt to their commanding officer, have the servicemember busted in rank or even have their security clearance revoked if they don’t pay up.”²² Because of the potential consequences, contact or the threat of contact with commanding officers places an immense amount of pressure on servicemembers to make the payment demanded of them, even if the debt is invalid.

Financial Wrongdoing against Servicemembers Reduces Military Readiness

Servicemembers who incur debt from shady financial products can have their security clearance revoked as a result, limiting their mission availability. Therefore, defending servicemembers from financial wrongdoing is important for reasons beyond protecting the personal welfare of those in uniform – it also has important implications for the military’s ability to effectively defend the nation.

Federal guidelines for security clearance

state that “[a]n individual who is financially overextended is at risk of having to engage in illegal acts to generate funds.”²³ Failing to pay debts is also considered an offense under the Uniform Code of Military Justice.²⁴ The number of servicemembers whose security clearance was revoked as a result of financial considerations rose dramatically in the early 2000s.²⁵ Today, financial considerations, including delinquent debt, are the most common reason for the revocation of security clearance by the Department of Defense.²⁶

For many servicemembers, holding a security clearance is necessary for doing their job, and approximately half of active duty servicemembers hold at least some level of security clearance.²⁷ When financial tricks and traps lead to revoked classified status, that reduces the availability of servicemembers for overseas deployment, combat and other types of service.²⁸

The Pentagon has repeatedly stressed the importance of servicemember financial health for military readiness.²⁹ As quoted in a 2006 article of *Sea Power*, former Admiral Mike Mullen stated that a “sailor’s financial readiness directly impacts unit readiness and the navy’s ability to accomplish its mission.”³⁰ And Former Navy Master Chief Petty Officer Terry Scott has said “the number one reason our sailors are forced from one job to another is because they lose their security clearance . . . and the number one reason they lose their security clearance is because of financial difficulties.”³¹

“The number one reason our sailors are forced from one job to another is because they lose their security clearance . . . and the number one reason they lose their security clearance is because of financial difficulties.”

– Former Navy Master Chief Petty Officer Terry Scott

Scammers Target Veterans for Guaranteed Benefits, like the GI Bill, and Take Advantage of Wounded Warriors

Once servicemembers finish their active duty role, they may continue to be targeted as veterans.

According to the Wounded Warrior Project, scammers target veterans for a few reasons: guaranteed government income, veterans' willingness to trust companies representing themselves as friends of the military, and, in some cases, physical and mental problems that veterans may have developed during their service.³²

Scammers know that veterans may receive a government pension, or be eligible for G.I. Bill money for education. For example, for-profit colleges have been known to target veterans for the financial benefits that the schools can reap from students paying with G.I. Bill funds or military tuition assistance. Veterans are targeted in part because of an inadvertent loophole in the federal requirement that for-profit colleges must obtain at least 10 percent of their revenue from sources other than the Department of Education (Title IV sources), the main source of federal student aid. Known as the "90-10 loophole," the revenue requirement does not classify military tuition assistance or G.I. Bill funds as federal funds on the 90 percent side, creating an incentive for for-profit schools to enroll veterans. As a result, as 22 state Attorneys General wrote to Congress, "for-profit schools are targeting military men and women and their families with high-pressure recruiting tactics to meet the 90/10 requirement."³³ As federal and state law enforcement investigations and lawsuits have documented, tactics have included faking Pentagon affiliation, falsehoods about academic ac-

"Wounded veterans may be at an increased risk for becoming victims to scammers, who may use their combat-related injuries, including post-traumatic stress, to manipulate them into disclosing sensitive or personal information."

– *The Wounded Warrior Project*

creditation (including graduates' eligibility to work in licensed occupations),³⁴ misleading servicemembers about whether their tuition would be fully covered by military benefits, and recruiting from vulnerable populations, including wounded warrior centers and veterans hospitals.³⁵ As Holly Petraeus, former director of the CFPB's Office of Servicemember Affairs, wrote in a *New York Times* opinion piece, for-profit programs may "hinder, rather than help, the careers and financial prospects of their graduates."³⁶

Companies looking to scam a veteran may use the veteran's military background against them, preying on their "goodwill and patriotism... to lure the victim into a fraudulent arrangement," according to the Wounded Warrior Project.³⁷ Many companies have been caught falsely implying military affiliation, using

Special Protections Exist for Military Consumers

U.S. consumers are protected from harm in the financial marketplace by a wide variety of laws, both state and federal, including the Fair Debt Collection Practices Act of 1978, and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, which established the Consumer Financial Protection Bureau.

U.S. policymakers have also long recognized the need to provide additional protection for members of the military, both to protect them as consumers and because financial mistreatment of servicemembers can be detrimental to the function of the military. As a result, a number of protections exist explicitly for military servicemembers and veterans – today, these are primarily contained in the Military Lending Act and the Servicemembers Civil Relief Act. These laws as they apply to consumer financial protection are enforced by the CFPB.

The Military Lending Act (MLA). The MLA was enacted in 2006, and extended by regulation to cover additional loan products in 2015. Active-duty servicemembers and their dependents receive a number of protections under the MLA, including:

- A 36 percent interest rate cap on most consumer loans, including payday loans, most installment loans and overdraft lines of credit.⁴⁰ This interest rate calculation also includes fees like credit insurance premiums and finance charges.⁴¹ The types of loans covered by the MLA were broadened in part as a result of CFPB advocacy.⁴²
- Protection from contracts that waive rights under consumer protection laws, including contracts with mandatory arbitration clauses. Mandatory arbitration clauses prevent conflicts from going to court, forcing consumers into an arbitration hearing where the odds can be stacked against them. Such clauses also often prevent the consumer from bringing a class action lawsuit.
- No mandatory allotments. The MLA prohibits creditors from requiring an allotment (money automatically deducted from a paycheck to pay back a loan) as a condition of getting a loan.

Servicemembers Civil Relief Act (SCRA). The SCRA was enacted in 2003, replacing the Soldiers' and Sailors' Civil Relief Act of 1940.⁴³ The SCRA provides a number of protections for servicemembers, including:

- A 6 percent interest rate cap on debt incurred before the servicemember entered active duty, under circumstances in which his or her ability to pay has been affected by military service. After receiving a

properly made request for a 6 percent cap, creditors must forgive any interest owed above that amount, including retroactively through the beginning of service.⁴⁴ Servicemembers who have had a credit report adversely impacted by an interest rate over 6 percent after invoking the SCRA can seek relief under a separate law, the Fair Credit Reporting Act.⁴⁵

- Certain protections against foreclosure and eviction while serving. Without a court order, a landlord cannot evict an active-duty servicemember (or his or her dependents) as long as the rent falls below an inflation adjusted rent ceiling. In 2017 the amount is \$3,585.⁴⁶
- Protection from default judgements in civil court when a servicemember is unable to appear in court as a result of military service.⁴⁷ Courts also must stay proceedings in civil cases when the servicemember cannot participate due to military service.
- The ability to terminate some types of lease agreements, including automotive and residential, without penalty under certain conditions.⁴⁸ This protects servicemembers from, for example, entering into an automobile lease and then being called for duty outside of the country.

Other military financial protections:

- **Protection from identity theft under the Fair Credit Reporting Act (FCRA).** Under FCRA, if an active-duty servicemember notifies one of the three major credit reporting companies (Equifax, Experian or TransUnion) that he or she is going on active duty, the company must place an "Active Duty Alert" on the servicemembers' credit report, and notify the other two companies to do the same.⁴⁹ This alert creates additional protections against identity theft, and requires providing notice to the servicemember if a new line of credit is opened in his or her name.
- **Protection from contact of commanding officers under the Fair Debt Collection Practices Act (FDCPA).** Although the FDCPA does not explicitly mention servicemembers, its basic protections limiting contact with employers during debt collection apply to members of the military. Under the FDCPA, debt collectors may not tell a servicemember's supervisor or commander (or any other third party) that he or she owes a debt, and may only ask for their home address, phone number and place of employment.⁵⁰

the name and logo of government entities like the Pentagon, as well as specific branches of the Armed Forces, and the Department of Veterans Affairs. These false affiliations may accompany other deceptive information about the company's products. In one example documented by the CFPB, a company "sent out mailings to over 100,000 consumers across the country. These ads used the name, seal, and logos of the VA, giving the impression that the VA had sent the ad or endorsed the product. Also, the ads misrepresented the price of the advertised mortgages, including whether the interest rate was fixed or variable. Sometimes, important disclosures about loan

rates were hidden on the back of the ads or buried in fine print."³⁸

Scammers will also take advantage of physical and mental disabilities that veterans may have suffered while in the armed services. According to the Wounded Warriors Project, "[w]ounded veterans may be at an increased risk for becoming victims to scammers, who may use their combat-related injuries, including post-traumatic stress, to manipulate them into disclosing sensitive or personal information."³⁹ The same conditions that leave some veterans vulnerable to crimes like identity theft may also make them vulnerable to aggressive or deceptive sales tactics for legitimate financial products.

The CFPB Protects Servicemembers from Unfair Practices in the Financial Marketplace

Since its creation in the wake of the 2008 financial crisis, the CFPB has delivered on its stated mission to “protect consumers from unfair, deceptive, or abusive practices and take action against companies that break the law.”⁵¹ Since it began operations in 2011, the CFPB has:

- Secured nearly \$12 billion in relief for more than 29 million consumers.⁵² The CFPB’s successes include securing \$480 million for students wronged by a for-profit chain of colleges.⁵³
- Provided financial education materials and other resources to help consumers avoid tricks and traps in the financial marketplace, with a focus on servicemembers, older Americans and students.
- Taken enforcement actions against companies that mistreat their customers. In September 2016, the CFPB fined Wells

Fargo \$100 million for secretly setting up more than 2 million fake consumer accounts.⁵⁴

- Created new rules to protect consumers, including a rule to simplify mortgage disclosures, replacing four complicated disclosure forms with two easy-to-read ones.⁵⁵ A rule from October 2016 covered the previously largely unregulated prepaid card space.⁵⁶

The CFPB, with the help of its Office of Servicemember Affairs, has also taken specific actions to protect servicemembers and veterans. The CFPB has taken at least a dozen enforcement actions with specific benefits to servicemembers. These actions include:

- In July 2014, the CFPB and 13 state attorneys general secured \$92 million in debt relief from Colfax Capital Corporation and Culver Capital, LLC., for

17,000 servicemembers and other consumers after the companies used deceptive advertising to lure customers into taking out loans for household goods.

- In July 2015, the CFPB took an action against Security National Automotive Acceptance Company (SNAAC), an Ohio auto lender specializing in loans to servicemembers, for “threatening to contact servicemembers’ commanding officers regarding unpaid debt; disclosing servicemembers’ debts to commanding officers; and characterizing delinquencies as military violations that would subject the servicemembers to discipline.”⁵⁷ The lender was forced “to refund or credit \$2.28 million to servicemembers and other consumers who were allegedly harmed and to pay a penalty of \$1 million.”⁵⁸ In April 2017, the CFPB forced the company to pay an additional \$1.25 million for its failure to comply with the original consent order; specifically, SNAAC had attempted to provide redress to its wronged customers by issuing worthless credits instead of making actual payments.⁵⁹
- In October 2016, the CFPB took action against Navy Federal Credit Union (Navy FCU), a federal credit union based in Virginia. The CFPB found that NFCU had deceived its customers, in some cases by threatening to illegally contact servicemembers’ commanding officers with information about their debt. As a result, the CFPB ordered to

Navy FCU to pay \$23 million in redress to customers that had been wronged, along with a \$5.5 million civil penalty.⁶⁰

- The CFPB has taken action against two for-profit colleges – ITT Technical Institute and Corinthian Colleges – both of which had been linked to predatory treatment of servicemembers and veterans.⁶¹ The CFPB filed a lawsuit against ITT alleging that the school “exploited its students and pushed them into high-cost private student loans that were very likely to end in default.”⁶² After a similar action against Corinthian Colleges, the CFPB worked with the U.S. Department of Education to provide more than \$480 million in debt relief for harmed students.⁶³ Corinthian Colleges had previously been found to have illegally used the official seals of the United States Navy, Army, Air Force and Coast Guard in its advertising to recently discharged military servicemembers.⁶³

The CFPB has also advocated to strengthen consumer protections for servicemembers. In 2015, the CFPB successfully advocated to close loopholes in the Military Lending Act, which caps interest rates on loans to servicemembers.⁶⁴ And in 2012, the CFPB published research on the difficulty servicemembers face accessing military student loan benefits, and launched a partnership with the Pentagon to create more awareness of the options available to servicemember student loan borrowers.⁶⁵

The CFPB's Office of Servicemember Affairs Offers Tools and Resources to Servicemembers and Veterans

The CFPB's establishing legislation required the creation of an Office of Servicemember Affairs (OSA) to focus on protecting members of the military.⁶⁶ OSA works with servicemembers, veterans and their families in a variety of ways: by monitoring consumer complaints and offering military expertise in finding resolutions to those complaints; by working with partners at the federal, state and local levels to address the financial concerns of military families; and by providing a variety of tools and resources for servicemembers through the website www.consumerfinance.gov/servicemembers/.

Tools available through OSA's website include:

- Consumer complaint submission. The CFPB forwards submitted complaints to the company in question, and helps consumers get a response and relief where appropriate.
- A list of commonly asked servicemember questions like, "What are my rights under the Military Lending Act?" and, "Can a debt collector garnish my federal benefits?"
- Research on financial topics affecting servicemembers, including student loan servicing and VA loans.
- Advice for safeguarding veterans' benefits, along with access to the CFPB's financial coaching initiative, which provides financial guidance to recently-transitioned veterans.
- Virtual trainings for servicemembers and financial educators, which cover topics like dealing with debt collection, using military student loan tools, and building good credit.

Servicemember Complaints Spotlight Problems with Lenders, Debt Collectors, and Other Financial Companies

As of April 5, 2017, there were 44,790 complaints flagged as related to servicemembers in the CFPB's downloadable public Consumer Complaint Database.⁶⁷ These complaints account for about 6 percent of all complaints in the database. An analysis of these complaints finds that mistreatment of servicemembers by financial companies is widespread – and that servicemembers repeatedly turn to the CFPB for assistance when they feel unfairly treated by financial companies.

Complaints filed under servicemember tag include complaints from active-duty, Reserve and National Guard military members, veterans, and their dependents.⁶⁸ Throughout this section, the term “servicemember” will refer to this broader group, unless otherwise noted.

More than 11,000 servicemember complaints are published with a narrative de-

scription – the story behind the complaint, in the consumer's own words. These account for nearly half of all servicemember complaints that have been submitted since the CFPB began accepting narratives for publication in March 2015. Key words or phrases that appear frequently in narratives include “credit report” (27 percent of narratives) and “mortgage” (16 percent).

Debt Collection Is the Leading Source of Servicemember Complaints

Complaints submitted to the CFPB are categorized into 11 product categories: bank account or service, consumer loan,

Figure 2. Top Words and Phrases Appearing in Servicemember Complaint Narratives⁶⁹



credit card, credit reporting, money transfers, mortgage, other financial service, payday loan, prepaid card, and student loan.

Through April 2017, debt collection was the leading product category of servicemember complaints in the CFPB’s Consumer Complaint Database. The 14,123 debt collection complaints ac-

count for 32 percent of all servicemember complaints. Complaints about mortgages, credit reporting and bank accounts were the next leading complaint categories. The CFPB did not begin accepting complaints in each category at the same time, so some categories reflect a longer period of complaint collection than others.

Table 1. Debt Collection Is the Leading Category of Complaints for Servicemembers and Veterans

Product	Complaints	Percent of Total
Debt collection	14,123	31.5%
Mortgage	11,201	25.0%
Credit reporting	6,414	14.3%
Bank account or service	3,853	8.6%
Credit card	3,660	8.2%
Consumer loan	2,758	6.2%
Student loan	1,509	3.4%
Payday loan	583	1.3%
Money transfers	305	0.7%
Prepaid card	278	0.6%
Other financial service	106	0.2%
Total	44,790	

Debt Collection

Among debt collection complaints, the largest sources of complaints concern collection of credit card and medical debt, which account for 20 percent and 14 percent of such complaints, respectively.⁷⁰ Nearly half of servicemember debt collection complaints, 46 percent, are for attempts to collect debt the consumers do not believe they owe.⁷¹

Some servicemember complaints relate to attempts to contact commanding officers about the servicemember's debt, a practice illegal under the Fair Debt Collection Practices Act (FDCPA). (Under the FDCPA, debt collectors may only call commanding officers to find their home address, place of work, and phone number; the FDCPA places additional limits on the amount and type of contact between debt collectors and consumers.) More than 600 servicemember complaints related to debt collectors' attempts to contact an employer after having been asked not to or attempts to talk to third parties about their debt – categories that might include attempts to contact commanding officers.

Many complaints in the Consumer Complaint Database are accompanied by narrative descriptions of the specific issues experienced by consumers in his or her own words. One such complaint asserted that after making a truck purchase, the auto loan company Coastal Credit, LLC., “sent a complete copy of my contract to my command master chief before I was ever even late on a payment.”⁷² Then, when the servicemember became late on a payment, the company “decided to send letters to my commanding officer informing him that my account was past due and giving him all the account details.”

Many of the complaints for debt collection related to medical bills concern veterans whose health care is covered by the U.S. Department of Veterans Affairs (VA). In one such complaint from January 2016, submitted from an area near

Mobile, Alabama, a veteran asserted that they were contacted by the collection agency Debt Recovery Solutions about a five year-old bill that had been paid by the VA.⁷³ After calling both the VA and the hospital to confirm that the bill was in fact paid, the veteran called the collection company, and asserted that “the agent was extremely rude and in fact hung up on me twice.” Later, according to the complaint, “I pulled up my credit report I get once a month from my bank ... and was shocked there were outstanding amounts in collections, all from previously paid medical expenses paid in full.” The veteran asserted that as a result, his or her credit score was lowered.

The debt collection companies that have received the most servicemember complaints are Encore Capital Group, Portfolio Recovery Associates and ERC. The two companies with the most servicemember debt collection complaints, Encore Capital Group and Portfolio Recovery Associates, were both penalized by the CFPB for using deceptive tactics to collect bad debt. The CFPB found that the companies purchased debt that was “potentially inaccurate, lacking documentation, or unenforceable,” and then “collected payments by pressuring consumers with false statements and churning out lawsuits using robo-signed court documents.”⁷⁴ The CFPB ordered the companies to pay a combined \$61 million in consumer refunds.⁷⁵

Citibank, which ranks fourth in servicemember debt collection complaints, was also the subject of a CFPB action related to debt collection practices.⁷⁶ The CFPB found that Citibank sold credit card debt with inflated APR interest rates; debt buyers then attempted to collect the resulting inflated debt. Citibank also failed to promptly forward information on consumer payments to debt buyers. Citibank and two debt collection agencies it used were also found to have falsified court

documents in New Jersey court cases. As a result, the CFPB ordered Citibank to pay approximately \$16 million in consumer relief, to pay a \$3 million penalty, and to forgo collecting an additional \$34 million from nearly 7,000 consumers.

Table 2. Most Complained-About Debt Collection Companies among Servicemembers

Company	Complaints
Encore Capital Group	727
Portfolio Recovery Associates, Inc.	498
ERC	380
Citibank	253
Transworld Systems Inc.	241

Mortgages

Servicemembers deployed overseas can face difficult mortgage challenges, even in the absence of exploitative behavior by lenders. One servicemember told the CFPB that six months after purchasing their first home, “everything was going fine and I had no issues with monthly mortgages until I was notified I will be re-assigned to overseas military base.”⁷⁷ After six months of trying to sell the house, the servicemember still couldn’t find a buyer. Once in their new deployment, the servicemember was assigned to on-base housing, resulting in the loss of their monthly housing allowance. The buyer asked their mortgage company, Bank of America, to refinance their home with a lower monthly payment, but their offer was rejected. Within 20 months, their home had been lost in foreclosure.

The challenges of military service can amplify the effect of mistreatment when it comes to mortgages, which are the sec-

ond-leading source of servicemember and veteran complaints. Among mortgages, the most complained-about subproducts are conventional fixed mortgages and Veterans Affairs mortgages (VA loans), which account for 29 percent and 22 percent of mortgage-related complaints, respectively.⁷⁸ Among mortgage complaints, nearly half, 46 percent, are for issues involving “loan modification, collection, [and] foreclosure.”

A CFPB analysis from November 2016 analyzed complaints related to refinancing of VA loans. VA loans are mortgages that are guaranteed by the U.S. Department of Veterans Affairs, and come with some advantages over conventional mortgages, including no requirement of mortgage insurance. Nevertheless, refinancing a VA loan can pose risks, particularly for consumers who do not fully understand their options. The CFPB’s report found that “[v]eterans report aggressive solicitations, misleading advertisements, and failed promises by lenders.”⁷⁹ In one account obtained by the CFPB, a veteran stated: “I have been contacted multiple times by my mortgage company ... in reference to refinancing. I have advised them multiple times that I have recently refinanced but the calls continue. I have also advised them that I no longer wish to be contacted about the issue but the calls still are occurring on a daily basis.”⁸⁰

Payday and Consumer Loans

Payday loans and consumer loans (which include vehicle loans, pawn loans and installment loans under the CFPB’s categorization) are often risky, high-interest financial products, and shops that offer them are frequently found close to military bases and communities.⁸¹ Combined, these categories account for 7.5 percent of servicemember complaints. (Consumer loans account for 6.2 percent of complaints, payday loans account for 1.3 percent of complaints.)

Among consumer loans, vehicle loans are the leading subproduct complaint category, accounting for 48 percent of consumer loan complaints. Vehicle-related loans account for a majority of all consumer loan complaints, when including complaints concerning vehicles leases and title loans.

One vehicle loan complaint, submitted from the Washington, D.C., area in 2015, details how mistreatment by auto loan companies can be amplified by the challenges of overseas deployment. The consumer writes that while “living near a local village [without] regular access to mail, internet or phone, I received a letter from my auto loan holder Navy Federal Credit Union that I missed a payment.” This was despite the servicemember having set the account up for automatic payments, likely to avoid such a situation. After calling and speaking to a manager, the servicemember was told the missed payment was due to a processing error. Yet then, “a month later I checked my credit report and it was reported to the credit agencies.” The servicemember wrote that when he or she called NFCU to remove the incorrect credit item, their request was denied. To avoid further issues, the servicemember

wrote that they paid off their loan in full to avoid future payment issues. “I paid off my loan in full that day because they couldn’t process my payments correctly.”⁸²

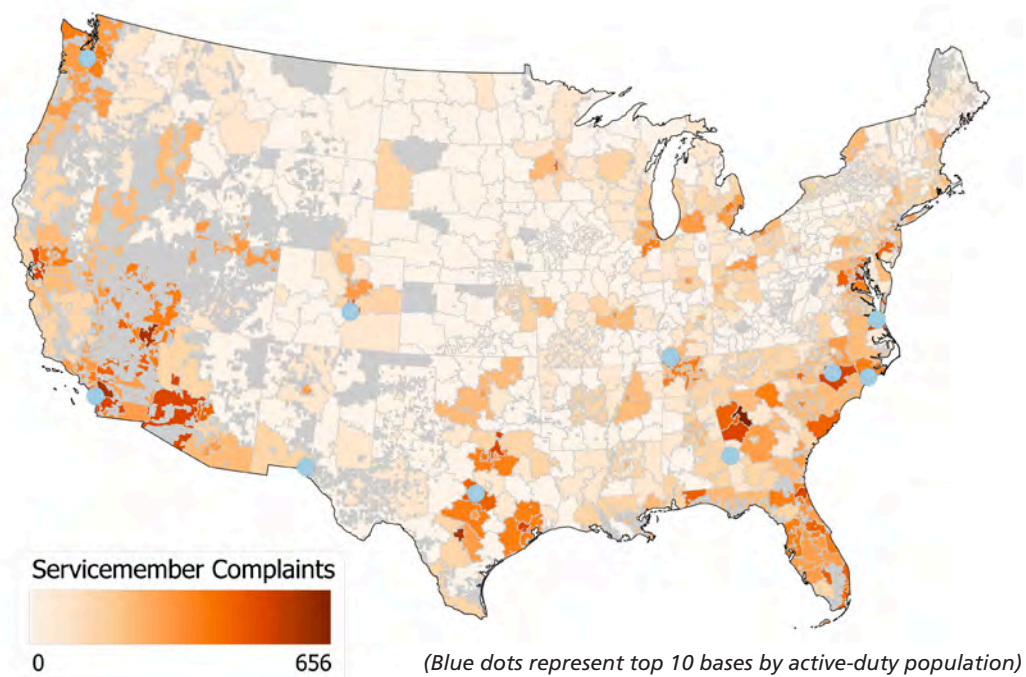
Many Servicemember Complaints Are Submitted from Areas Near Major Military Sites

Most complaints in the Consumer Complaint Database contain zip codes or partial zip codes consisting of just the first three digits, which corresponds to a larger region. An analysis of 3-digit zip code areas with the most complaints finds that the areas with the most complaints tend to be located near major military sites. This fact is unsurprising, yet helps provide added context to some of the complaints that have been submitted. For example, 3-digit zip code 207, which contains the second most servicemember complaints, is nearby a large number of military sites, including Fort Meade, Andrews Air Force Base and the U.S. Naval Academy.

Table 3. Top Five 3-Digit Zip Code Areas for Servicemember Complaints

3-Digit Zip Code Area	State	Complaints	General Area	Nearby Military Sites
300	Georgia	656	North metro Atlanta.	Dobbins Air Force Base, Atlanta Naval Air Station.
207	Maryland	544	Area between Washington, D.C., and Annapolis, Maryland.	Fort Meade, Andrews Air Force Base, U.S. Naval Academy.
782	Texas	508	San Antonio, Texas.	Fort Sam Houston, Camp Bullis, Lackland Air Force Base.
891	Nevada	447	Las Vegas, Nevada.	Nellis Air Force Base.
925	California	413	Area 50 miles east of Los Angeles, including Riverside, California.	Camp Pendleton, March Air Force Base.

Figure 3. Many Servicemember Complaints Are from Near Major Military Sites⁸³



Spotlight: Fort Bragg

The 3-digit zip code area surrounding Fort Bragg (283), America’s largest military base by active- and reserve-duty population, had 299 servicemember complaints as of April 2017.⁸⁴

Mortgages are the leading source of complaints in the Fort Bragg area. In one Fort Bragg-area mortgage complaint from August 2015, an active duty military member wrote about a string of issues involving a VA loan, while the servicemember was stationed away from his wife and child.⁸⁵ First, his previous mortgage company “sold our mortgage to Carrington Mortgage Services... without any prior notification that this was even being considered.” Then, according to the complaint, the mortgage company refused to provide information on how to continue mortgage payments. After that, the com-

Table 4. Servicemember Complaints in Fort Bragg Area (Zip Code 283)

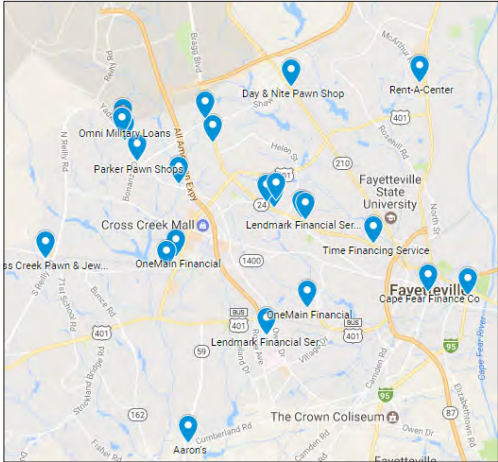
Product	Complaints
Mortgage	74
Debt collection	66
Credit reporting	60
Consumer loan	34
Credit card	30
Bank account or service	22
Student loan	8
Prepaid card	3
Payday loan	2

pany threatened the servicemember with foreclosure, forcing the customer “to request a mortgage modification loan to get our mortgage back on track and end the foreclosure action.” Once the modifica-

tion process was started, the complaint asserts that the company repeatedly lost or misplaced important documents, creating additional hassle for the servicemember.

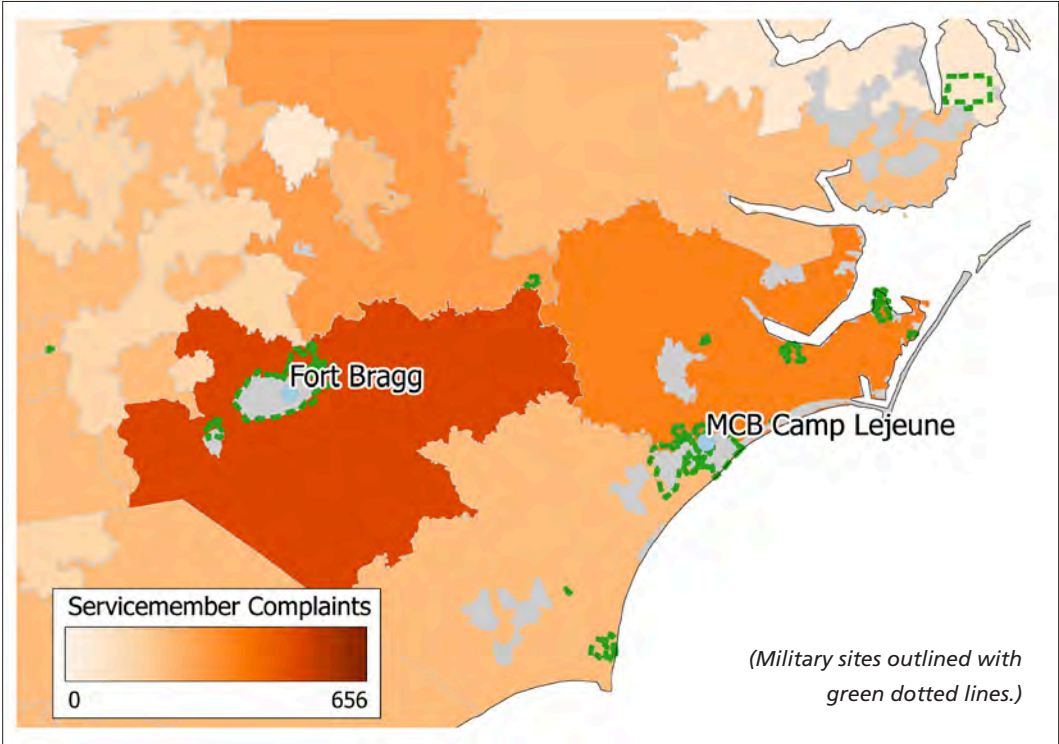
A 2005 study of predatory lending and the military found that “payday lenders crowd around the gates of military bases like bears on a trout stream.”⁸⁶ The Fort Bragg area appears to be no exception: In Fayetteville, North Carolina, within about six miles of Fort Bragg, are at least 26 payday loan, consumer loan, rent-to-own and pawn shops.

Figure 4. Consumer Loan, Rent-To-Own and Pawn Shops Near Fort Bragg in Fayetteville, North Carolina⁸⁷



Map data: ©2017 Google

Figure 5. Servicemember Complaints Near Fort Bragg and Camp Lejeune



Virginia and Maryland Lead the Nation in Servicemember Complaints per Capita

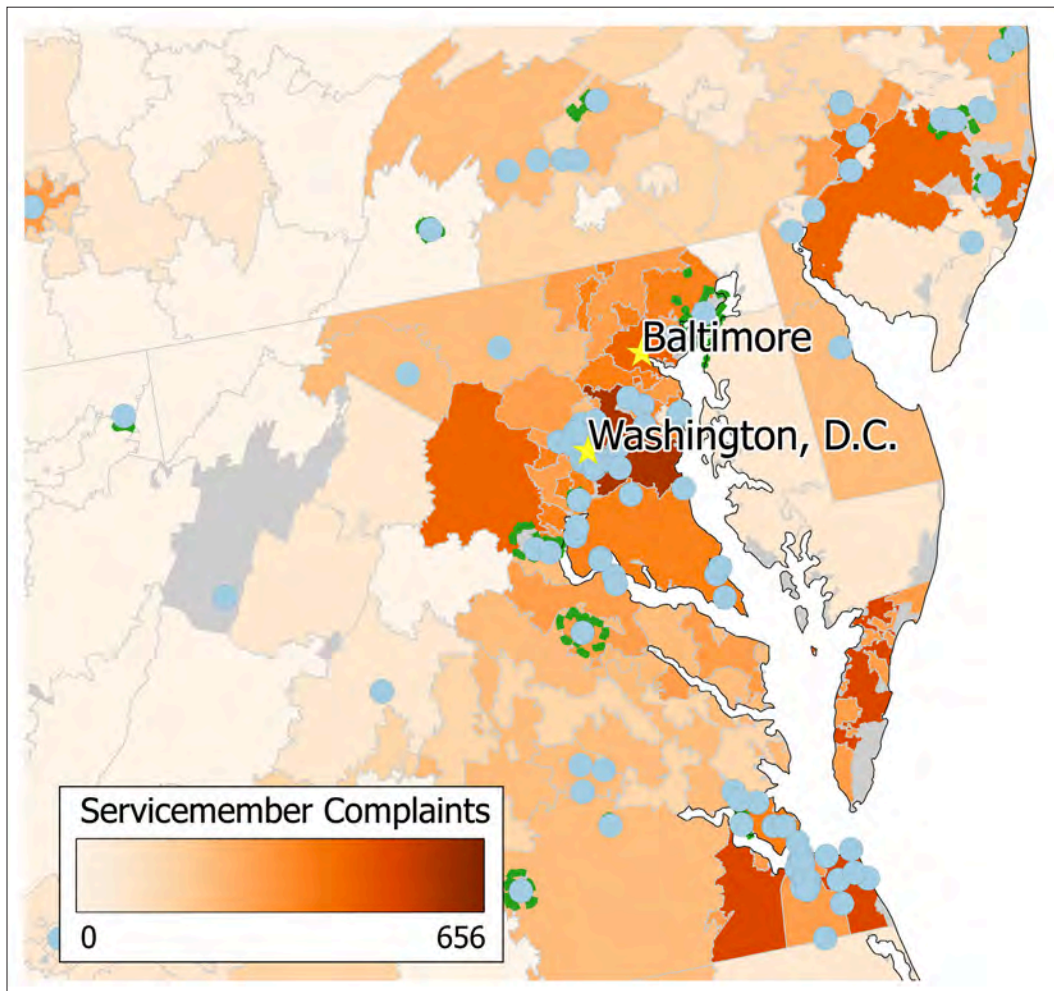
The five states with the most servicemember complaints per capita are Virginia, Maryland, Nevada, Georgia and Delaware.

The District of Columbia has more complaints per capita than any state. The area surrounding the District of Columbia, with dozens of military sites and a

large active-duty and veteran population, is the main source of servicemember complaints for Virginia and Maryland.

Most states that lead the nation in servicemember complaints per capita also contain large military sites. In Nevada, the state with the third-highest rate of servicemember complaints per capita, most of the complaints are from the Las Vegas area, home to Nellis Air Force Base, one of the nation's largest and busiest Air Force sites.⁸⁸

Figure 6. The D.C. Area Leads the Nation in Servicemember Complaints per Capita



(Military sites represented by blue dots and green dotted lines.)

Table 5. Servicemember Complaints per Capita

State	Service-member Complaints	Complaints per 100,000 Residents	Complaints per Capita Rank
Alabama	665	13.7	19
Alaska	130	17.5	10
Arizona	1,204	17.4	11
Arkansas	261	8.7	43
California	4,965	12.6	22
Colorado	875	15.8	13
Connecticut	319	8.9	41
Delaware	191	20.1	6
District of Columbia	203	29.8	1
Florida	4,101	19.9	8
Georgia	2,445	23.7	5
Hawaii	280	19.6	9
Idaho	191	11.3	29
Illinois	1,085	8.5	44
Indiana	480	7.2	50
Iowa	201	6.4	51
Kansas	286	9.8	39
Kentucky	454	10.2	37
Louisiana	548	11.7	28
Maine	189	14.2	17
Maryland	1,581	26.3	3
Massachusetts	569	8.4	45
Michigan	1,053	10.6	35
Minnesota	566	10.3	36
Mississippi	364	12.2	25
Missouri	689	11.3	31
Montana	118	11.3	30
Nebraska	145	7.6	49
Nevada	749	25.5	4

State	Service-member Complaints	Complaints per 100,000 Residents	Complaints per Capita Rank
New Hampshire	180	13.5	20
New Jersey	1,081	12.1	26
New Mexico	303	14.6	15
New York	1,534	7.8	47
North Carolina	1,633	16.1	12
North Dakota	62	8.2	46
Northern Marianas	4	0.0	53
Ohio	1,374	11.8	27
Oklahoma	490	12.5	24
Oregon	566	13.8	18
Pennsylvania	1,410	11.0	33
Puerto Rico	86	2.5	52
Rhode Island	105	9.9	38
South Carolina	988	19.9	7
South Dakota	78	9.0	40
Tennessee	835	12.6	23
Texas	3,958	14.2	16
Utah	272	8.9	42
Vermont	68	10.9	34
Virginia	2,356	28.0	2
Washington	1,098	15.1	14
West Virginia	203	11.1	32
Wisconsin	444	7.7	48
Wyoming	77	13.2	21

Complaint Narratives Detail Experiences with CFPB-Penalized Companies

When financial companies are found mistreating consumers in violation of the law, the CFPB has the power to impose penalties, require redress for wronged consumers, and put a stop to illegal practices.

On the Enforcement Actions page of its website, the CFPB lists multiple actions it has taken that specifically benefited servicemembers, or penalized companies that were harming servicemembers. The CFPB's descriptions of wrongdoing, briefly excerpted below, provide some insight into the types of unfair servicemember treatment financial companies can inflict.

Table 6. CFPB Enforcement Actions Involving Mistreatment of Servicemembers and Veterans⁸⁹

Company	Violation	Date Filed	Penalty
Cash America International, Inc.	"[Cash America robo-signed] court documents in debt collection lawsuits... [and] violated the Military Lending Act by illegally overcharging servicemembers and their families."	11/20/2013	Up to \$14 million in customer redress, \$5 million penalty.
Colfax Capital Corporation, Culver Capital, LLC. (collectively known as Rome Capital)	"Rome Finance lured consumers with the promise of no money down and instant financing. Rome Finance then masked expensive finance charges by artificially inflating the disclosed price of the consumer goods being sold."	7/29/2014	\$92 million in customer redress, \$1 million penalty.
U.S. Bank and its partner company Dealers' Financial Services, LLC.	"The two companies... [failed] to properly disclose all the fees charged to participants in the companies' Military Installment Loans and Educational Services (MILES) auto loans program, and [misrepresented] the true cost and coverage of add-on products financed along with the auto loans."	6/26/2013	\$6.5 million in customer redress.
Fort Knox National Company and Military Assistance Company, LLC.	"Fort Knox National Company and its subsidiary, Military Assistance Company, [charged] servicemembers millions of dollars in hidden fees. The military allotment processor did not clearly disclose various recurring fees, which could total \$100 or more."	4/20/2015	\$3.1 million in customer redress.
Freedom Stores, Inc., Freedom Acceptance Corporation, and Military Credit Services LLC.	"The CFPB alleges that Freedom Stores, Inc., Freedom Acceptance Corporation, and Military Credit Services LLC. used illegal tactics to collect debts, including filing illegal lawsuits, debiting consumers' accounts without authorization, and contacting servicemembers' commanding officers."	12/18/2014	\$2.5 million in customer redress, \$100,000 penalty.

Table 6 (cont'd). CFPB Enforcement Actions Involving Mistreatment of Servicemembers and Veterans⁸⁹

Company	Violation	Date Filed	Penalty
Navient Corporation, Navient Solutions, Inc. and Pioneer Credit Recovery, Inc.	"For years, Navient, formerly part of Sallie Mae, [allegedly] created obstacles to repayment by providing [incorrect] information, processing payments incorrectly, and failing to act when borrowers complained. Through shortcuts and deception, the company also illegally cheated many struggling borrowers out of their rights to lower repayments, which caused them to pay much more than they had to for their loans."	1/18/2017	Lawsuit outcome pending.
Navy Federal Credit Union	"[Navy FCU made illegal] threats about debt collection to its members, which include active-duty military, retired servicemembers, and their families. The credit union also unfairly restricted customers' account access when the consumers had a delinquent loan."	10/11/2016	\$23 million in customer redress, \$5.5 million penalty.
NewDay Financial, LLC.	"NewDay deceived consumers about a veterans' organization's endorsement of NewDay products and participated in a scheme to pay kickbacks for customer referrals."	2/10/2015	\$2 million penalty.
Security National Automotive Acceptance Company, LLC.	The CFPB alleged that "[SNAAC] used a combination of illegal threats and deceptive claims in order to collect debts."	6/17/2015	\$2.3 million in customer redress, \$1 million penalty.
Wells Fargo Bank, N.A. and JPMorgan Chase Bank, N.A.	Wells Fargo and JPMorgan Chase participated in "an illegal marketing-services-kickback scheme" with the title company Genuine Title, in which "Genuine Title gave the banks' loan officers cash, marketing materials, and consumer information in exchange for business referrals."	1/22/2015	\$11.1 million in customer redress, \$24.6 million penalty.
USA Discounters, Ltd.	"USA Discounters tricked thousands of servicemembers into paying fees for legal protections servicemembers already had and for certain services that the company failed to provide."	8/14/2014	\$350,000 in customer redress, \$50,000 penalty.

Some complaints against these companies are accompanied by consumer complaint narratives – the story behind the complaint as told in the consumer’s own words. Some of these narratives reveal stories behind the CFPB’s enforcement actions.

Allegation that Navy Federal Credit Union threatened to contact commanding officer: Navy FCU was penalized by the CFPB for “making false threats about debt collection to its members,” including active duty servicemembers. One consumer, who filed their complaint from the Boston area, complained that Navy FCU threatened collection tactics that could damage their military career. “Prior to me closing my accounts out of pure frustration with them, I received several letters threatening to contact commanding officers. This threat alone would have put [me] in a situation where I wouldn’t have been able to lead the men and women below me and likely end my career. I also was locked out of an auto loan, causing it to go over the 30-day late mark, even though I had called and paid it.”⁹⁰ This complaint was filed in December 2016, after the CFPB had taken action against Navy FCU.

Allegation that NewDay Financial deceptively marketed home refinancing to veteran: NewDay Financial was penalized by the CFPB for deceiving “consumers about a veterans’ organization’s endorsement of NewDay products.”⁹¹ In one narrative submitted in July 2016, a California Bay Area consumer writes that a NewDay representative played up the company’s commitment to helping veterans in order to convince the consumer to refinance.⁹² The complaint asserts the consumer was called by a representative from NewDay, who “didn’t tell me anything about refinancing my loan, he just told me my interest rate would lower. I wouldn’t have wanted to refinance because I didn’t want to have to pay for an-

other 30 years since I thought I was almost done paying my mortgage... I trusted him because he told me that he stands for veterans and is there to help veterans.”

Allegation that Security National Automotive Acceptance Company (SNAAC) repeatedly harassed servicemember, and threatened to contact commanding officer: The CFPB sued SNAAC for “a combination of illegal threats and deceptive claims to collect debts.” In a complaint submitted in November 2015, from an area next to the Norfolk Naval Station in Virginia (the world’s largest naval station), a consumer wrote that they were “behind on a car payment due to a divorce.”⁹³ After attempting to contact SNAAC to resolve their issue, the company “began to call and threaten me over the phone to include contacting my commanding officers. I let them take back the car because I no longer wanted to deal with them.” After an extended process, the consumer finally settled the debt, and had the debt removed from his or her credit report. Then, “years later,” SNAAC once again “started calling and harassing me again” and placed the debt back on his or her credit report.

Allegation that USA Discounters charged questionable fees and used aggressive debt collection tactics: USA Discounters was, until it went bankrupt in 2015, a retail furniture business that frequently located its stores near military bases. In 2014, the CFPB shut down a scam in which “USA Discounters tricked thousands of servicemembers into paying fees for legal protections servicemembers already had and for certain services that the company failed to provide.”⁹⁴ One consumer complaint, submitted from the area of Akron, Ohio, in August 2015, stated that USA Discounters “added on a warranty and something called debt cancellation program totaling over \$1,500. No one explained what the warranty was for or what the debt cancellation was or

Table 7. Companies Penalized by CFPB for Servicemember-Related Wrongdoing, and Number of Servicemember Complaints

Company	Servicemember Complaints
Cash America International, Inc.	5
JPMorgan Chase & Co.	1763
Navient Solutions, LLC.	953
Navy FCU	692
New Day Financial, LLC.	27
Security National Automotive Acceptance Company, LLC.	30
U.S. Bancorp	596
USA Discounters, Ltd.	32
Wells Fargo & Company	2755

why I needed it.”⁹⁵ Later, when the active duty servicemember struggled to make their payments, the consumer wrote “they have been calling me 2 to 3 times a day hounding me and harassing me for my late payments.” In addition, “they threatened to contact my chain of command.”

Nine of the companies that the CFPB has taken enforcement action against have been the subject of complaints by servicemembers and veterans recorded in the Consumer Complaint Database. Among companies penalized by the CFPB for servicemember-related wrongdoing, Wells Fargo, JPMorgan Chase, Navient Solutions and Navy Federal Credit Union have received the most servicemember complaints.

Servicemember Complaints Have Led to Thousands of Cases of Relief

For most complaints it receives, the CFPB’s Consumer Response division sends the complaint to the company in question for review and response. For servicemembers struggling to get a direct response from their financial company about a problem, the CFPB’s complaint system can be a valuable tool for solving their problem.

Through April 2017, 7,993 servicemembers have received relief through this process: either direct monetary relief, or non-monetary relief. Non-monetary relief can include measures like ending debt collection harassment, or providing mortgage options to let a servicemember avoid foreclosure.

Of complaints that led to monetary or non-monetary relief, 30 percent were related to debt collection. Of these, 2,277 were closed with non-monetary relief, and 195 were closed with monetary relief.

Figure 7. Nearly 8,000 Servicemember Complaints Have Led to Monetary or Non-Monetary Relief

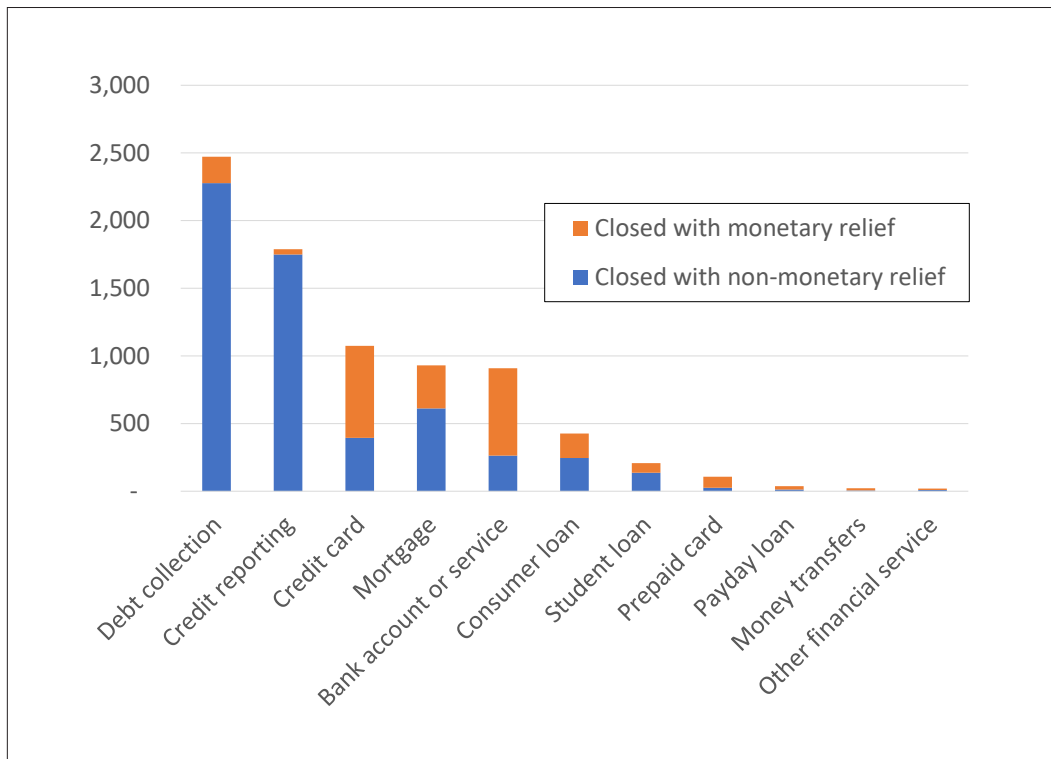


Table 8. Monetary and Non-Monetary Relief for Servicemember Complaints, by Product

Product	Closed with Non-Monetary Relief	Closed with Monetary Relief	Percentage of Complaints Closed with Relief
Debt collection	2,277	195	18%
Credit reporting	1,749	39	28%
Credit card	394	680	29%
Mortgage	612	318	8%
Bank account or service	263	646	24%
Consumer loan	245	181	15%
Student loan	137	71	14%
Prepaid card	25	82	38%
Payday loan	12	25	6%
Money transfers	5	17	7%
Other financial service	9	11	19%

Conclusion and Recommendations

Volunteering to serve with America's military means risking life and limb in service of the country. Those who serve often face danger, stress and frequent relocation, among other challenges. They should not have to face unfair treatment from financial companies either during their time in service, or as veterans.

The Consumer Financial Protection Bureau (CFPB) has proven itself to be an able protector of America's servicemembers and veterans in the financial marketplace. The CFPB has secured millions of dollars of restitution, and penalized companies that did harm or broke the law. The CFPB has provided educational tools to help servicemembers better protect themselves. And the CFPB has collected and made available thousands of servicemember complaints that shine a light on their experiences, enabling the public and policymakers to understand the challenges faced by men and women in uniform.

To continue to protect America's servicemembers and veterans from unfair treatment in the financial marketplace, state and federal policymakers should:

- Protect the CFPB from being weakened or eliminated, and ensure the CFPB has the resources, independence and tools it needs to effectively protect servicemembers and consumers from all kinds of predatory financial behavior.
- Strengthen consumer protections for active-duty servicemembers, veterans and their families. Important actions include:
 - Strictly limiting debt collection agency contact with military commanders to verifications of address.
 - Closing the “90-10 loophole” that allows for-profit colleges to count tuition assistance and G.I. Bill funds toward their 10 percent requirement for non-Title IV revenue, which can encourage for-profit colleges to recruit servicemembers and veterans using aggressive or deceptive tactics.⁹⁶
 - Expanding financial literacy training for servicemembers and veterans.

- Strengthen consumer protections for all consumers in the financial marketplace. Important actions include:

- Protecting consumers from unfair treatment by debt collectors, including attempts to collect debts without proper information and documentation about the debt, bringing robo-signed cases in court, and the use of threats, harassment and embarrassment.
- Protecting consumers from inaccurate or unfair credit reporting.
- Protecting consumers from exploitative loans, including by requiring

that payday and auto title lenders determine whether customers can afford to repay loans with enough money left over to cover normal expenses.

- Cracking down on unfair bank fees, including by ending the practice of “reordering” transactions to maximize overdraft fees.
- Completing the CFPB’s rule regulating arbitration in consumer financial contracts; a similar rule already applies to servicemembers under the Military Lending Act.

Notes

1 Department of Defense, *Report On Predatory Lending Practices Directed at Members of the Armed Forces and Their Dependents*, 9 August 2006, available at archive.defense.gov/pubs/pdfs/Report_to_Congress_final.pdf.

2 Word cloud generated using tool available at www.jasondavies.com/wordcloud. Word cloud contains the most frequently occurring words and phrases in servicemember narratives related to consumer finance. Frequency of words and phrases ranked using tool available at www.data-basics.io/en/wordcounter.

3 Consumer Financial Protection Bureau, *A Snapshot Of Servicemember Complaints*, November 2016, available at files.consumerfinance.gov/f/documents/112016_cfpb_OSA_VA_refinance_snapshot.pdf.

4 Christopher Peterson and Steve Graves, “Predatory Lending and the Military: The Law and Geography of ‘Payday’ Loans in Military Towns,” *Ohio State Law Journal*, Volume 66, 2005 (revised February 2013), DOI: 10.2139/ssrn.694141.

5 Gregg Zoroya, “20,000 military members, vets faced foreclosure in 2010,” *USA Today*, 4 February 2011, available at https://usatoday30.usatoday.com/news/military/2011-02-04-1Avetforeclosures04-ST_N.htm.

6 Active duty population: Department of Defense, *2015 Demographics Profile of the Military Community*, available at download.militaryonesource.mil/12038/MOS/Reports/2015-Demographics-Report.pdf; Veteran population: U.S. Census, *Facts for Features: Veterans Day 2016: Nov. 11*, available at <https://www.census.gov/newsroom/facts-for-features/2016/cb16-ff21.html>.

7 Consumer Financial Protection Bureau, *Enforcement Action: Golden Valley Lending, Inc., Silver Cloud Financial, Inc., Mountain Summit Financial, Inc., and Majestic Lake Financial, Inc.*, 27 April 2017, available at <https://www.consumerfinance.gov/policy-compliance/enforcement/actions/golden-valley-lending-inc-silver-cloud-financial-inc-mountain-summit-financial-inc-and-majestic-lake-financial-inc/>.

8 Consumer Financial Protection Bureau, *Enforcement Action: Ocwen Financial Corporation, Ocwen Mortgage Servicing, Inc., and Ocwen Loan Servicing, LLC*, 20 April 2017, available at www.consumerfinance.gov/policy-compliance/enforcement/actions/ocwen-financial-corporation-ocwen-mortgage-servicing-inc-and-ocwen-loan-servicing-llc/.

9 Department of Defense, *2015 Demographics Profile of the Military Community*, available at <http://download.militaryonesource.mil/12038/MOS/Reports/2015-Demographics-Report.pdf>.

10 Nielsen, *Serving Today's Military Customers*, 4 November 2014, available at <http://www.nielsen.com/us/en/insights/news/2014/serving-todays-military-consumers.html>.

11 Pay rates: GoArmy.com, *Benefits*, accessed at <http://www.goarmy.com/benefits/money/basic-pay-active-duty-soldiers.html> on 10 May 2017; poverty level: Healthcare.gov, *Federal Poverty Level*, accessed at www.healthcare.gov/glossary/federal-poverty-level-FPL/ on 10 May 2017.

12 U.S. Government Accountability Office, *DOD Needs More Complete Data on Active-Duty Servicemembers' Use of Food Assistance Programs*, July 2016, available at www.gao.gov/assets/680/678474.pdf.

13 Ibid.

14 National Association of Realtors, *2016 Profile Of Home Buyers And Sellers*, available at www.nar.realtor/sites/default/files/reports/2016/2016-profile-of-home-buyers-and-sellers-10-31-2016.pdf.

15 Military findings: FINRA Investor Education Foundation, *Financial Capability in the United States 2012 Report of Military Findings*, December 2013, available at http://www.usfinancialcapability.org/downloads/NFCS_2012_Report_Military_Findings.pdf; public findings: FINRA Investor Education Foundation, *Financial Capability in the United States Report of Findings from the 2012 National Financial Capability Study*, May 2013, available at www.usfinancialcapability.org/downloads/NFCS_2012_Report_Natl_Findings.pdf.

16 Ibid.

17 Federal Trade Commission, *Prepared Statement Of The Federal Trade Commission On "Soldiers As Consumers: Predatory And Unfair Business Practices Harming The Military Community"*, 20 November 2013, available at <https://www.gpo.gov/fdsys/pkg/CHRG-113shrg89464/pdf/CHRG-113shrg89464.pdf>.

18 Christopher Peterson and Steve Graves, "Predatory Lending and the Military: The Law and Geography of 'Payday' Loans in Military Towns," *Ohio State Law Journal*, Volume 66, 2005 (revised February 2013), DOI: 10.2139/ssrn.694141.

19 From Google Maps search performed on 4 May 2017.

20 Ibid.

21 Holly Petraeus, Consumer Financial Protection Bureau, *Are Unpaid Debts A Military Career-Killer?*, 9 January 2015, available at <https://www.consumerfinance.gov/about-us/blog/are-unpaid-debts-a-military-career-killer/>.

22 Ibid.

23 Government Publishing Office, *Code of Federal Regulations*, July 2012, accessed at <https://www.gpo.gov/fdsys/pkg/CFR-2012-title32-vol1/xml/CFR-2012-title32-vol1-part147.xml#seqnum147.8> on 16 May 2017.

24 Government Publishing Office, *Hearing Before The Committee On Commerce, Science, And Transportation United States Senate One Hundred Thirteenth Congress First Session*, 20 November 2013, available at <https://www.gpo.gov/fdsys/pkg/CHRG-113shrg89464/pdf/CHRG-113shrg89464.pdf>.

25 Congress.gov, G.V. “Sonny” Montgomery National Defense Authorization Act For Fiscal Year 2007, 22 June 2016, available at www.congress.gov/congressional-record/2006/6/22/senate-section/article/s6405-1.

26 John Berry, Berry and Berry PLLC (Security Clearance Blog), *Updated: Top Reasons Why Security Clearances Get Denied 2016*, 13 June 2016, available at <http://www.securityclearanceblog.com/2016/06/updated-top-reasons-why-security-clearances-get-denied-2016.html>.

27 Denis Poroy, “How Big Debt Is Threatening Security Clearances for Thousands Of Troops,” *NBC News*, 13 August 2012, available at usnews.newsvine.com/_news/2012/08/13/13221657-how-big-debt-is-threatening-security-clearances-for-thousands-of-troops.

28 Federal Trade Commission, *Prepared Statement Of The Federal Trade Commission On “Soldiers As Consumers: Predatory And Unfair Business Practices Harming The Military Community,”* 20 November 2013, available at <https://www.gpo.gov/fdsys/pkg/CHRG-113shrg89464/pdf/CHRG-113shrg89464.pdf>.

29 Department of Defense, *Report On Predatory Lending Practices Directed at Members of the Armed Forces and Their Dependents*, 9 August 2006, available at archive.defense.gov/pubs/pdfs/Report_to_Congress_final.pdf.

30 See note 28.

31 Congress.gov, G.V. “Sonny” Montgomery National Defense Authorization Act For Fiscal Year 2007, 22 June 2016, available at www.congress.gov/congressional-record/2006/6/22/senate-section/article/s6405-1.

32 Wounded Warriors Project, *Scams That Target Veterans*, available at www.woundedwarriorproject.org/media/2603/scams-that-target-veterans.pdf.

33 Kentucky Attorney General Jack Conway, untitled letter to Congress, 29 May 2012, available at https://www.iowaattorneygeneral.gov/media/cms/Schools_4_profit_924BF51B5599F.pdf.

34 Veterans Education Success, “The GI Bill Pays for Degrees That Do Not Lead to a Job,” (Sept. 2015) available at: <http://veteranseducationsuccess.org/reports>

35 United States Senate Health, Education, Labor and Pensions Committee, *For Profit Higher Education: The Failure to Safeguard the Federal Investment and Ensure Student Success*, 30 July 2012, available at www.help.senate.gov/imo/media/for_profit_report/Contents.pdf.

36 Holly Petraeus, “For-Profit Colleges, Vulnerable G.I.’s,” *New York Times*, 21 September 2011, available at www.nytimes.com/2011/09/22/opinion/for-profit-colleges-vulnerable-gis.html.

37 See note 32.

38 Holly Petraeus, Consumer Financial Protection Bureau, *The VA doesn't send you mortgage ads*, 9 April 2015, available at www.consumerfinance.gov/about-us/blog/the-va-doesnt-send-you-mortgage-ads/.

39 See note 32.

40 Consumer Financial Protection Bureau, *What Types of Loans Are Covered Under the Military Lending Act?*, 7 October 2016, available at www.consumerfinance.gov/askcfpb/1785/what-types-loans-are-covered-under-military-lending-act.html.

41 Consumer Financial Protection Bureau, *What Are My Rights Under the Military Lending Act?*, 7 October 2016, www.consumerfinance.gov/askcfpb/1783/what-are-my-rights-under-military-lending-act.html.

42 Consumer Financial Protection Bureau, *CFPB Statement On Department Of Defense Military Lending Act Final Rule*, 21 July 2015, www.consumerfinance.gov/about-us/newsroom/cfpb-statement-on-department-of-defense-military-lending-act-final-rule/.

43 Dixon, Hughes, Goodman, *Untangling SCRA & MLA*, available at www.dhglp.com/Portals/4/ResourceMedia/publications/Untangling-SCRA-MLA-DHG-Views.pdf.

44 U.S. Department of Justice, *The Servicemembers Civil Relief Act (SCRA)*, accessed at www.justice.gov/servicemembers/servicemembers-civil-relief-act-scra on 23 May 2017.

45 R. Chuck Mason, *Congressional Research Service, The Servicemembers Civil Relief Act (SCRA): An Explanation*, 27 August 2014, available at www.justice.gov/crt-military/file/797396/download.

46 Military.com, *SCRA Rental and Eviction Protection*, accessed at www.military.com/benefits/military-legal-matters/scra/scra-rental-and-eviction-protection.html on 23 May 2017.

47 See note 45.

48 Ibid.

49 The Consumer Law Group, *What Extra Protections Does The Fair Credit Reporting Act Provide For Active Duty Military Personnel?*, accessed at www.theconsumerlawgroup.com/faqs/special-credit-protection-for-active-duty-military-personnel.cfm on 17 May 2017.

50 Consumer Financial Protection Bureau, *Can A Debt Collector Call My Military Supervisor Or Commander If I Am Delinquent In Paying My Credit Card Or Other Debt?*, 16 March 2016, available at www.consumerfinance.gov/askcfpb/1489/can-debt-collector-call-my-military-supervisor-or-commander-if-i-am-delinquent-paying-my-credit-card-or-other-debt.html.

51 Consumer Financial Protection Bureau, *The Bureau*, archived at web.archive.org/web/20160614152707/http://www.consumerfinance.gov/about-us/the-bureau/.

52 Consumer Financial Protection Bureau, *By the Numbers*, December 2016, archived at web.archive.org/web/20170308171006/http://files.consumerfinance.gov/f/documents/201701_cfpb_CFPB-By-the-Numbers-Factsheet.pdf.

53 Consumer Financial Protection Bureau, *Financial report of the Consumer Financial Protection Bureau Fiscal year 2015*, 16 November 2015.

54 Consumer Financial Protection Bureau, *Consumer Financial Protection Bureau Fines Wells Fargo \$100 Million for Widespread Illegal Practice of Secretly Opening Unauthorized Accounts*, 8 September 2016, archived at web.archive.org/web/20170308171408/https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-fines-wells-fargo-100-million-widespread-illegal-practice-secretly-opening-unauthorized-accounts/.

55 Consumer Financial Protection Bureau, *Know Before You Owe*, archived at web.archive.org/web/20160614183541/http://www.consumerfinance.gov/know-before-you-owe/.

56 Consumer Financial Protection Bureau, *CFPB Finalizes Strong Federal Protections for Prepaid Account Consumers (Press Release)*, 5 October 2016.

57 Consumer Financial Protection Bureau, *Servicemembers 2015: A Year in Review*, Spring 2016, available at http://files.consumerfinance.gov/f/201603_cfpb_snapshot-of-complaints-received-from-servicemembers-veterans-and-their-families.pdf.

58 Ibid.

59 Ibid.

60 Consumer Financial Protection Bureau, *CFPB Orders Navy Federal Credit Union to Pay \$28.5 Million for Improper Debt Collection Actions*, 11 October 2016, available at www.consumerfinance.gov/about-us/newsroom/cfpb-orders-navy-federal-credit-union-pay-285-million-improper-debt-collection-actions/.

61 Chris Kirkham and Alan Zarembo, “For-Profit Colleges Are Using The GI Bill To Make Money Off Veterans,” *Los Angeles Times*, 18 August 2015, available at www.latimes.com/business/la-fi-for-profit-colleges-gi-bill-20150809-story.html.

62 Consumer Financial Protection Bureau, *CFPB Sues For-Profit College Chain ITT For Predatory Lending*, 26 February 2014, available at www.consumerfinance.gov/about-us/newsroom/cfpb-sues-for-profit-college-chain-itt-for-predatory-lending/.

63 Jacob Davidson, “How For-Profit Colleges Target Military Veterans (and Your Tax Dollars),” *Time: Money*, available at time.com/money/collection-post/3573216/veterans-college-for-profit/.

64 Consumer Financial Protection Bureau, *CFPB Releases Statement on Department of Defense Proposal to Amend Military Lending Act Rule*, 26 September 2014, available at www.consumerfinance.gov/about-us/newsroom/cfpb-releases-statement-on-department-of-defense-proposal-to-amend-military-lending-act-rule/.

65 Consumer Financial Protection Bureau, *CFPB Report Finds Servicemembers Face Hurdles in Accessing Student Loan Benefits*, 18 October 2012, available at www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-report-finds-servicemembers-face-hurdles-in-accessing-student-loan-benefits/.

66 Consumer Financial Protection Bureau, *Treasury Department Announces Holly Petraeus to Establish Office of Servicemember Affairs for Consumer Financial Protection Bureau*, 6 January 2011, available at www.consumerfinance.gov/about-us/newsroom/treasury-department-announces-holly-petraeus-to-establish-office-of-servicemember-affairs-for-consumer-financial-protection-bureau/.

67 Complaints downloaded from www.consumerfinance.gov/data-research/consumer-complaints/ on 5 April 2017.

68 Consumer Financial Protection Bureau, *Complaints Received from Servicemembers, Veterans, And Their Families*, March 2014, available at files.consumerfinance.gov/f/201403_cfpb_snapshot-report_complaints-received-servicemembers.pdf.

69 See note 2.

70 Not counting general categories “I don’t know” and “Other.”

71 Labeled in the Consumer Complaint Database as “Continued attempts to collect debt not owed.”

72 CFPB Consumer Complaint Database, Complaint ID 1743763.

73 CFPB Consumer Complaint Database, Complaint ID 1732760.

74 Consumer Financial Protection Bureau, *CFPB Takes Action Against the Two Largest Debt Buyers for Using Deceptive Tactics to Collect Bad Debts*, 9 September 2015, www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-the-two-largest-debt-buyers-for-using-deceptive-tactics-to-collect-bad-debts/.

75 Ibid.

76 Consumer Financial Protection Bureau, *CFPB Orders Citibank to Provide Relief to Consumers for Illegal Debt Sales and Collection Practices*, 23 February 2016, available at www.consumerfinance.gov/about-us/newsroom/cfpb-orders-citibank-to-provide-relief-to-consumers-for-illegal-debt-sales-and-collection-practices/.

77 CFPB Consumer Complaint Database, Complaint ID 1717112.

78 Not counting “other.”

79 Consumer Financial Protection Bureau, *A Snapshot Of Servicemember Complaints*, November 2016, available at files.consumerfinance.gov/f/documents/112016_cfpb_OSA_VA_refinance_snapshot.pdf.

80 Ibid.

81 See note 4.

82 CFPB Consumer Complaint Database, Complaint ID 1424189.

83 Active-Duty Populations: Department of Defense, *Base Structure Report 2015*, available at www.acq.osd.mil/eie/Downloads/BSI/Base%20Structure%20Report%20FY15.pdf; complaint heatmaps created using QGIS.

84 Fort Bragg population: Department of Defense, *Base Structure Report 2015*, available at www.acq.osd.mil/eie/Downloads/BSI/Base%20Structure%20Report%20FY15.pdf.

85 Consumer Complaint Database Complaint ID 1525593.

86 Christopher Peterson and Steve Graves, “Predatory Lending and the Military: The Law and Geography of ‘Payday’ Loans in Military Towns,” *Ohio State Law Journal*, Volume 66, 2005 (revised February 2013), DOI: 10.2139/ssrn.694141.

87 From Google Maps search performed on 4 May 2017.

88 Ian Whitaker, “Nellis AFB: Inside the Military Marvel Mere Miles from Las Vegas Strip,” *Military.com via Las Vegas Sun*, 6 September 2016, available at www.military.com/daily-news/2016/09/06/nellis-afb-military-marvel-mere-miles-las-vegas-strip.html.

89 CFPB violation descriptions contained on following websites:

Cash America International, Inc.: www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-takes-action-against-payday-lender-for-robo-signing/

Colfax Capital Corporation, Culver Capital, LLC (collectively known as Rome Capital): www.consumerfinance.gov/about-us/newsroom/cfpb-and-13-state-attorneys-general-obtain-about-92-million-in-debt-relief-for-servicemembers-harmed-by-predatory-lending-scheme/

U.S. Bank and its partner company Dealers’ Financial Services, LLC: www.consumerfinance.gov/about-us/newsroom/cfpb-orders-auto-lenders-to-refund-approximately-6-5-million-to-servicemembers/

Fort Knox National Company and Military Assistance Company, LLC.: www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-military-allotment-processor-for-charging-servicemembers-hidden-fees/

Freedom Stores, Inc., Freedom Acceptance Corporation, and Military Credit Services LLC: www.consumerfinance.gov/about-us/newsroom/cfpb-and-states-take-action-against-freedom-stores-for-illegal-debt-collection-practices-against-servicemembers/

Navient Corporation, Navient Solutions, Inc. and Pioneer Credit Recovery, Inc.: www.consumerfinance.gov/policy-compliance/enforcement/actions/navient-corporation-navient-solutions-inc-and-pioneer-credit-recovery-inc/

Navy Federal Credit Union: www.consumerfinance.gov/policy-compliance/enforcement/actions/navy-federal-credit-union/

NewDay Financial, LLC: www.consumerfinance.gov/policy-compliance/enforcement/actions/newday-financial/

Security National Automotive Acceptance Company, LLC.: www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-servicemember-auto-lender-for-aggressive-debt-collection-tactics/

Wells Fargo Bank, N.A. and JPMorgan Chase Bank, N.A.: www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-wells-fargo-and-jpmorgan-chase-for-illegal-mortgage-kickbacks/

USA Discounters, Ltd.: www.consumerfinance.gov/policy-compliance/enforcement/actions/usa-discounters-ltd/

90 CFPB Consumer Complaint Database, Complaint ID 2242150.

91 Consumer Financial Protection Bureau, *CFPB Takes Action Against NewDay Financial for Deceptive Mortgage Advertising and Kickbacks*, 10 February 2015, available at www.consumerfinance.gov/about-us/newsroom/cfpb-takes-action-against-newday-financial-for-deceptive-mortgage-advertising-and-kickbacks/.

92 CFPB Consumer Complaint Database, Complaint ID 2008455.

93 CFPB Consumer Complaint Database, Complaint ID 1435403.

94 Consumer Financial Protection Bureau, *CFPB Shuts Down USA Discounters' Servicemember Fee Scam*, 14 August 2014, available at www.consumerfinance.gov/about-us/newsroom/cfpb-shuts-down-usa-discounters-servicemember-fee-scam/.

95 CFPB Consumer Complaint Database, Complaint ID 1512640.

96 Abby Jackson, *A Federal 'Loophole' Is Keeping For-Profit Colleges Alive — And Hurting Veterans in The Process*, 28 September 2016, available at www.businessinsider.com/90-10-loophole-is-keeping-the-for-profit-sector-alive-2016-9.

97 Consumer Financial Protection Bureau, *CFPB Secures \$480 Million in Debt Relief for Current and Former Corinthian Students*, 3 February 2015, available at www.consumerfinance.gov/about-us/newsroom/cfpb-secures-480-million-in-debt-relief-for-current-and-former-corinthian-students/.