

CFO update through the fourth quarter of fiscal year 2024

JULY 1, 2024 – SEPTEMBER 30, 2024

Issued: January 3, 2025

Bureau Fund

As of September 30, 2024, the end of the fourth quarter¹ (Q4) of fiscal year (FY) 2024, the Consumer Financial Protection Bureau (CFPB) had incurred approximately \$755.1 million in FY 2024 obligations² to carry out the authorities of the CFPB under federal financial consumer law. Approximately \$480.2 million was spent on employee compensation and benefits for the 1,755 CFPB employees³ who were on-board at the end of the quarter.

In addition to payroll expenses, the largest obligations made during Q4 were related to contractual services. Some of the CFPB's significant obligations that occurred during the quarter included the following:

- \$23.4 million to the Board of Governors of the Federal Reserve System for services provided by the Inspector General of the Board of Governors of the Federal Reserve System and the Consumer Financial Protection Bureau.
- \$1.9 million for technology data platform development and support.
- \$1.8 million for IT enterprise architecture contractor support.
- \$1.8 million for consumer credit data used to provide statutory reports to Congress and in rulemakings, to support research initiatives, and for market monitoring and consumer education and engagement work.
- \$1.3 million for enforcement contractor support.
- \$1.0 million for CFPB regional office space rental payments to the General Services Administration.

¹ July 1, 2024 – September 30, 2024

² This amount includes new obligations, and upward adjustments to previous year obligations. An obligation is a transaction or agreement that creates a legal liability and obligates the government to pay for goods and services ordered or received.

³ Reflects employees on board during the final complete pay-period of the quarter (PP20, ending October 19, 2024).

The tables below categorize spending⁴ by expense category and division/program area:

Table 1: Year-to-date spending by expense category:

Expense Category	FY 2024
Personnel Compensation	345,777,000
Personnel Benefits	134,395,000
Benefits for Former Personnel	1,000
Travel	8,922,000
Transportation of Things	113,000
Rents, Communications, Utilities & Misc.	11,056,000
Printing and Reproduction	2,116,000
Other Contractual Services	209,481,000
Supplies & Materials	7,243,000
Equipment	34,922,000
Land & Structures	1,118,000
Total (as of September 30, 2024)	\$755,144,000

Table 2: Year-to-date spending by division/program area:

Division/Program Area	FY 2024
Office of the Director	29,905,000
Operations	266,647,000
Consumer Response & Education	63,838,000
Research, Monitoring & Regulations	78,521,000
Supervision, Enforcement, Fair Lending	217,765,000
Legal Division	25,955,000
External Affairs	11,336,000
Other Programs ⁵	4,338,000
Centralized Services ⁶	56,839,000
Total (as of September 30, 2024)	\$755,144,000

⁴ This amount includes new obligations and upward adjustments to previous year obligations.

⁵ Other Programs includes the costs of the Office of Ombudsman, Administrative Law Judges, and other CFPB programs.

⁶ Includes the cost of centralized benefits and certain administrative and operational services provided centrally to other Divisions in support of all strategic goals.

FY 2024 funds transfers received from the Federal Reserve

The CFPB is funded principally by transfers from the Federal Reserve System, up to the limits set forth in the Dodd-Frank Act. Funding from the Federal Reserve System for fiscal year 2024 is capped at \$785.4 million. As of September 30, 2024, the CFPB had received the following transfers for FY 2024. The dates and amounts of the transfers are shown below.

October 25, 2023	\$315.0M
January 3, 2024	\$285.0M
April 2, 2024	\$104.2M
July 1, 2024	\$25.2M
Total	\$729.4M

Civil Penalty Fund

The Dodd-Frank Act authorizes the CFPB to collect for specified purposes civil penalties it obtains in judicial and administrative actions under federal consumer financial laws. The CFPB is authorized to use these funds for payments to victims of activities for which civil penalties have been imposed and may also use the funds for consumer education and financial literacy programs to the extent that such victims cannot be located or payments to them are otherwise not practicable. As directed by the Dodd-Frank Act, the CFPB maintains a separate account for these funds at the Federal Reserve Bank of New York.

Civil Penalties Collected in FY 2024

In the first quarter of FY2024, the CFPB collected civil penalties from 10 defendants totaling \$90.3 million. In the second quarter of FY2024, the CFPB collected \$0 in civil penalties. In the third quarter of FY2024, the CFPB collected \$8.9 million in civil penalties. In the fourth quarter of FY2024, the CFPB collected \$70.8 million, making total collections for FY2024 \$170.0 million.

Defendant Name	Civil Penalty Collected	Collection Date
TransUnion; Trans Union LLC; and TransUnion Interactive, Inc.	\$5,000,000	10/19/2023
TransUnion Rental Screening Solutions, Inc., and Trans Union LLC	\$4,000,000	10/19/2023
Chime, Inc. d/b/a Sendwave	\$1,500,000	10/27/2023
Citibank, N.A.	\$24,500,000	11/17/2023
Toyota Motor Credit Corporation d/b/a Toyota Financial Services	\$12,000,000	11/20/2023
Enova International, Inc.	\$15,000,000	11/22/2023
Bank of America, N.A.	\$12,000,000	12/5/2023
Atlantic Union Bank	\$1,200,000	12/8/2023
U.S. Bank National Association	\$15,000,000	12/20/2023
Commonwealth Financial Systems, Inc.	\$95,000	12/21/2023
The Mortgage Law Group, LLP	\$1,145,489	4/26/2024

Defendant Name	Civil Penalty Collected	Collection Date
Bloomtech Inc., et al	\$164,235	4/25/24 & 5/6/24
Western Benefits Group	\$400,000	5/31/2024
Chime Financial, Inc.	\$3,250,000	5/16/2024
Freedom Mortgage Corporation	\$3,950,000	6/26/2024
Sutherland Global Services, Inc., Sutherland Mortgage Services, Inc., and Sutherland Government Solutions, Inc.	\$5,000,000	7/3/2024
NOVAD Management Consulting, LLC	\$1	7/9/2024
Fifth Third Bank, N.A. (Force-placed insurance matter)	\$5,000,000	7/18/2024
Fifth Third Bank, N.A. (Sales Practices matter)	\$15,000,000	7/19/2024
Daniel A. Rosen Inc., d/b/a Credit Repair Cloud, et al. – Defendant Credit Repair Cloud	\$1,000,000	8/21/2024
Daniel A. Rosen Inc., d/b/a Credit Repair Cloud, et al. – Defendant Rosen	\$500,000	8/21/2024
Fay Servicing, LLC	\$2,000,000	8/29/2024
New Day Financial, LLC	\$2,250,000	9/4/2024
TD Bank, N.A.	\$20,000,000	9/18/2024
Navient Corporation, et al.	\$20,000,000	9/19/2024
Total	\$169,954,725	

Civil Penalty Fund Allocations in FY2024

Period 22: April 1, 2023 – September 30, 2023

On November 29, 2023, the CFPB made its twenty-second allocation from the Civil Penalty Fund. As of September 30, 2023, the Civil Penalty Fund contained an available unallocated balance of \$1,980,060,536.⁷ The CFPB has set aside \$40,000,000 to cover administrative expenses associated with distributing funds to harmed consumers, reducing the amount available for allocation to \$1,940,060,536.

A civil penalty was imposed in 11 cases with final orders from Period 22. Of those 11 cases, Tempoe, LLC, and Progrexion Marketing, Inc., et. al (“Lexington Law”) received an allocation this period. Victims in one prior period matter, Driver Loan, LLC, became eligible for compensation in period 22 and received an allocation this period. The eligible harm associated with these three matters totals \$2,856,001,246.

The allocations for each case are as follows:

- The Driver Loan case received an allocation of \$2,863,648 from the Civil Penalty Fund. The class of victims receiving an allocation are consumers who deposited funds with the defendants between June 1, 2020 and June 1, 2021. This allocation covers 100% of eligible consumer harm.
- The Tempoe case received an allocation of \$192,259,616 from the Civil Penalty Fund. The class of victims receiving an allocation are certain consumers who entered into lease agreements with Tempoe from January 1, 2015 to September 11, 2023 where the agreement extended six months after the initial term and disclosures were not provided. This allocation covers 100% of eligible consumer harm.
- The Lexington Law case received a total of \$1,744,937,273 from the Civil Penalty Fund for two classes of consumers.
 - One class of consumers received an allocation of \$1,725,937,273. The class of victims receiving this allocation are certain consumers who purchased the defendants’ credit repair services from March 8, 2016 through August 30, 2023. The eligible harm associated with this class of consumers is \$2,641,877,981. Due to funding limitations, this class was prorated and received 65.3% of their eligible harm. The Bureau believes that this approach provides the maximum benefit to the public at the lowest administrative cost therefore allowing the Bureau to dedicate the maximum amount of recovery to the public that otherwise would have no chance for compensation. If sufficient funds are available in future periods, these victims may receive additional allocations to provide full compensation up to 100% of their harm.
 - One class of consumers received an allocation of \$19,000,000. These are certain consumers who made a payment to Lexington Law or

⁷ The unallocated balance amount does not include \$10,828,201 in funds that were collected pursuant to three orders that are currently pending appeal and are thus not yet “final orders” as defined in 12 C.F.R. § 1075.101. Those funds are therefore not available for allocation under 12 C.F.R. § 1075.105(c). The amount includes \$109,378,447 that was sequestered during 2023 and became available to the CFPB in fiscal year 2024.

CreditRepair.com from July 21, 2011 through March 7, 2016. This allocation covers 100% of eligible consumer harm.

The CFPB exercised discretion and deferred an allocation to a class of consumers in one matter, OneMain Financial Holdings, LLC, et al. In the OneMain case, the victim allocation is deferred while the CFPB pursues additional consumer level data. This case will be reviewed as part of the Period 23 allocation.

Additionally, a review of the Northern Resolution Group case, which had been deferred for allocation in prior periods, has been completed. Consumers in this matter will not receive an allocation from the Civil Penalty Fund.⁸ As of the time of this allocation, there were no prior period victim classes with uncompensated harm that is compensable from the Civil Penalty Fund.

No funds were available for allocation for Consumer Education and Financial Literacy purposes.

The total allocation for Period 22 was \$1,940,060,536.

Period 22 Allocation Summary:

Case Name	Allocation Amount
Driver Loan	\$2,863,648
Tempoe LLC	\$192,259,616
Lexington Law – Class A	\$1,725,937,273
Lexington Law – Class B	\$19,000,000
Total	\$1,940,060,536

Period 23: October 1, 2023 – March 31, 2024

On May 30, 2024, the CFPB made its 23 allocation from the Civil Penalty Fund. As of March 31, 2024, the Civil Penalty Fund contained an available unallocated balance of \$112,741,191.⁹ The Fund Administrator has set aside \$4,000,000 to cover administrative expenses associated with distributing funds to harmed consumers, reducing the amount available for allocation to \$108,741,191.

A civil penalty was imposed in 12 cases with final orders from Period 23. Of those 12 cases, Prehired, LLC, et al. will receive an allocation this period. Victims in one prior period matter, Lexington Law (class A), will receive an allocation this period.

⁸ Due to data limitations, it is not practicable to compensate consumers in this matter.

⁹ The unallocated balance amount does not include \$10,828,202 in funds that were collected pursuant to three orders that are currently pending appeal and are thus not yet “final orders” as defined in 12 C.F.R. § 1075.101. Those funds are therefore not available for allocation under 12 C.F.R. § 1075.105(c). The amount includes \$109,378,447 that was sequestered during fiscal year 2023 and became available to the CFPB in fiscal year 2024. It also includes \$8.78 in funds available due to rounding and other adjustments tied to prior-period cases.

The allocations for each case are as follows:

- The Prehired, LLC, et al. case is receiving an allocation of \$4,248,249 from the Civil Penalty Fund. The class of victims receiving an allocation are consumers who made certain payments in connection with vocational education services offered by Prehired, LLC, from May 1, 2019, to March 31, 2023.
- The Lexington Law case (class A) is receiving an allocation of \$104,492,941. The class of victims receiving this allocation are certain consumers who purchased the defendants' credit repair services from March 8, 2016 through August 30, 2023.

The Fund Administrator is exercising discretion and deferring an allocation to a class of consumers in one prior-period matter, OneMain Financial Holdings, LLC, et al. In the OneMain case, the victim allocation is deferred while the CFPB pursues additional consumer level data. This case will be reviewed as part of the Period 24 allocation.

As of the time of this allocation, Lexington Law (class A) is the only prior-period victim class with uncompensated harm that is compensable from the Civil Penalty Fund. This class received an allocation of \$1,725,937,273 in Period 22 and after this allocation, the remaining uncompensated harm associated with this victim class is \$811,447,767. If sufficient funds are available in future periods, these victims may receive additional allocations to provide full compensation up to 100% of their harm.

No funds are available for allocation for Consumer Education and Financial Literacy purposes.

The total allocation for Period 23 is \$108,741,191.

Period 23 Allocation Summary:

Case Name	Allocation Amount
Prehired, LLC, et al.	\$4,248,249
Lexington Law – Class A	\$104,492,941
Total	\$108,741,191

Bureau-Administered Redress

Dodd-Frank Act section 1055 authorizes a court in a judicial action, or the CFPB in an administrative proceeding, to grant any appropriate legal or equitable relief for a violation of Federal consumer financial law. Such relief may include redress for victims of the violations, including refunds, restitution, and damages. Relief that is intended to compensate victims is treated as fiduciary funds and deposited into the “Legal or Equitable Relief Fund” established at the Department of the Treasury.

Bureau-Administered Redress Collected in FY2024:

In the first quarter of FY2024, the CFPB collected \$124,873 in Bureau-Administered Redress from one defendant. In the second quarter of FY2024, the CFPB collected \$3.2 million in Bureau-Administered Redress. In the third quarter of FY2024, the CFPB collected \$13.4 million in Bureau-Administered Redress. In the fourth quarter of FY2024, the CFPB collected \$113.7 million, bringing total collections for FY2024 to \$130.6 million. Funds are distributed in accordance with the terms of the final order for the case.

FY2024 Bureau-Administered Redress Collections:

Defendant Name	Amount Collected	Collection Date
Consumer Advocacy Center Inc., d/b/a Premier Student Loan Center, et al. – Defendant Consumer Advocacy Center, Inc.	\$124,873	10/18/2023
RAM Payment, LLC	\$3,176,373	2/29/2024
The Mortgage Law Group, LLP	\$10,854,511	4/26/2024
Sutherland Global Services, Inc., Sutherland Mortgage Services, Inc., and Sutherland Government Solutions, Inc.	\$11,500,000	6/27/2024 7/1/2024
James R. Carnes, et al.	\$1,987,417	6/28/2024 7/5/2024 7/11/2024 7/31/2024
Fay Servicing, LLC	\$3,000,000	8/28/2024
Navient Corporation, et al.	\$100,000,000	9/19/2024
Total	\$130,643,174	

See additional information on CFPB's Civil Penalty Fund and Bureau-Administered Redress programs at <https://www.consumerfinance.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/>.