

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

ADMINISTRATIVE PROCEEDING
File No. 2025-CFPB-0003

In the Matter of:

CONSENT ORDER

American Honda Finance Corp.

The Consumer Financial Protection Bureau (Bureau) has reviewed the consumer credit furnishing practices of American Honda Finance Corporation (Respondent, as defined below) and has identified the following violations of the Fair Credit Reporting Act (FCRA), 15 U.S.C. §§ 1681 et seq., and its implementing Regulation V, 12 C.F.R. pt. 1022 (known as the Furnisher Rule) and the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531(a), 5536(a).

The FCRA and Regulation V violations include the following:

- (1) During the COVID-19 pandemic, Respondent allowed consumers to defer payments and promised to continue reporting those consumers as current. But instead, Respondent reported those consumers as delinquent

when they did not make payments during the deferral period, in violation of FCRA § 623(a)(1)(F)(ii), 15 U.S.C. § 1681s-2(a)(1)(F)(ii);

- (2) Respondent failed to promptly update and correct information it furnished to Consumer Reporting Agencies (CRAs) that it determined was not complete or accurate, and continued to furnish this inaccurate and incomplete information, in violation of FCRA § 623(a)(2), 15 U.S.C. § 1681s-2(a)(2);
- (3) Respondent failed to complete indirect dispute investigations and report the results of the investigations to CRAs before the expiration of the period under § 611(a)(1)(A), in violation of FCRA § 623(b)(2), 15 U.S.C. § 1681s-2(b)(2);
- (4) Respondent failed to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of the information it furnished to CRAs, or consider and incorporate, as appropriate, the guidelines in Appendix E of the Furnisher Rule, in violation of Regulation V, 12 C.F.R. §§ 1022.42(a)-(b);
- (5) Respondent failed to conduct reasonable investigations of direct disputes in violation of Regulation V, 12 C.F.R. § 1022.43(e)(1); and
- (6) Respondent failed to complete its investigations of direct disputes and report the results to consumers within the period required by Regulation V, 12 C.F.R. § 1022.43(e)(3), and further violated Regulation V by failing to establish and implement appropriate internal controls regarding the accuracy and integrity of information about consumers furnished to CRAs.

The CFPA violations include the following:

- (7) Respondent's violations of FCRA and Regulation V constitute violations of the CFPA, 12 U.S.C. § 5536(a)(1)(A).

Under sections 1053 and 1055 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I.

Jurisdiction

1. The Bureau has jurisdiction over this matter under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, and FCRA section 621, 15 U.S.C. § 1681s(b)(1)(H).

II.

Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated January 16, 2025 (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, without admitting or denying any of the findings of fact or conclusions of law, except that Respondent admits the facts necessary to establish the Bureau’s jurisdiction over Respondent and the subject matter of this action.

III.

Definitions

3. The following definitions apply to this Consent Order:
 - a. “Affected Consumers” includes all consumers about whom Respondent furnished information to the CRAs in violation of FCRA or Regulation V during the Relevant Period as described in Section IV.
 - b. “Board” means Respondent’s duly elected and acting Board of Directors or a committee thereof.
 - c. “Direct Disputes” is synonymous in meaning and equal in scope to the definition of the term in subpart E of Regulation V, 12 C.F.R. § 1022.41(b), and means a dispute submitted directly to a furnisher by a consumer concerning the accuracy of any information contained in a consumer report and pertaining to an account or other relationship that the Furnisher has or had with the consumer.
 - d. “Effective Date” means the date on which the Consent Order is entered on the administrative docket.
 - e. “Enforcement Director” means the Enforcement Director of the Enforcement Division for the Consumer Financial Protection Bureau, or their delegate.

- f. “Indirect Disputes” means a dispute made by a consumer, directly or indirectly through a reseller, to a Consumer Reporting Agency regarding the completeness or accuracy of any item of information provided by Respondent to a Consumer Reporting Agency. 15 U.S.C. § 1681i.
- g. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against Respondent based on substantially the same facts as described in Section IV of this Consent Order.
- h. “Relevant Period” means from January 1, 2019, through December 31, 2024.
- i. “Respondent” means American Honda Finance Corporation, and its successors and assigns.
- j. “Supervision Director” means the Supervision Director of the Supervision Division for the Consumer Financial Protection Bureau, or their delegate.

IV.

Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is an auto finance company headquartered in Torrance, California. Respondent's primary business is the purchase and servicing of retail installment contracts and vehicle leases originated by Honda and Acura dealerships. In connection with that business, Respondent furnishes consumer credit information to CRAs.
5. Respondent is a "covered person" under 12 U.S.C. §§ 5481(5)-(7), 15(A)(i), 15(A)(ix).
6. Respondent, as a furnisher of consumer credit information to CRAs, is subject to FCRA and Regulation V. 15 U.S.C. § 1681 et seq., 12 C.F.R. pt. 1022.
7. From 2019 through 2024, Respondent furnished inaccurate or incomplete information to CRAs on over 300,000 occasions.
8. Respondent failed to promptly correct or update the inaccurate or incomplete information and, despite having determined that the information was inaccurate, failed to cease reporting it to the CRAs in violation of Section 623(a)(2) of FCRA.
9. Respondent failed to furnish dates of first delinquency when required by law, and, having determined that it had failed to furnish dates of first delinquency, failed to cease reporting the information that was inaccurate to the CRAs, in violation of Section 623(a)(2) of FCRA.

10. Respondent failed to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information furnished to the CRAs.
11. Respondent failed to conduct reasonable investigations of Direct Disputes, timely investigate Direct Disputes, or report the results to consumers.
12. Some of these issues were identified in April 2021 but remained unresolved by Respondent for years, resulting in continued violations and consumer harm.

**Findings and Conclusions as to Respondent's violations of
FCRA Section 623(a)(1)(F)(2), The CARES Act**

13. In response to the COVID-19 pandemic, the CARES Act Section 4021 amended FCRA to prohibit reporting non-payment as delinquent, or advancing delinquency for continued non-payment, where an accommodation that did not require any payment had been reached with a consumer and the account had not been charged-off. FCRA § 623(a)(1)(F)(ii), 15 U.S.C. § 1681s-2(a)(1)(F)(ii).
14. Providing a forbearance under the CARES Act or a repayment plan for a forborne amount is an “accommodation” for the consumer.
15. Between February 2020 and May 2021, Respondent agreed to defer payments for nearly 85,000 accounts but reported them as delinquent—rather than current—during the deferral period.

16. This practice resulted in harm to Affected Consumers because they were reported as delinquent when they should not have been so reported, which in some instances would lead to lower credit scores that impacted consumers' ability to obtain credit or housing on favorable terms if at all, require consumers to take out loans with higher interest rates, or result in consumers not receiving the benefit of promotional offers available to consumers with higher credit scores.
17. Thus, for 15 months, Respondent's practices violated FCRA section 623(a)(1)(F)(ii), 15 U.S.C. § 1681s-2(a)(1)(F)(ii).

**Findings and Conclusions as to Respondent's
Violations of Section 623(a)(2) of FCRA**

18. Section 623(a)(2) of FCRA generally requires a furnisher to "promptly" update and correct information that it "determines is not complete or accurate." 15 U.S.C. § 1681s-2(a)(2)(B).
19. Respondent failed to promptly send corrections or updates to the CRAs and continued furnishing incomplete or inaccurate information after determining information it previously furnished was not complete or accurate.
20. Respondent failed to promptly correct the account statuses for nearly 35,000 accounts where it correctly reported paid account status, but later inaccurately reported the accounts were not paid, resulting in harm to consumers.

21. Respondent failed to promptly correct the account status or amount past due for approximately 1,500 accounts after determining either the account's status or amounts past due had been reported inaccurately.
22. Because of a computer coding issue, Respondent reported the tradelines as delinquent with zero-dollar balances, or reported the tradelines in current, transferred, or paid status, but also reported an amount as past-due.
23. Respondent failed to promptly correct the account balances or amounts past due for nearly 4,000 accounts after determining it was reporting the account balances as less than the amount past due (an illogical combination). Respondent identified this issue in July 2021, but did not finish scoping and remediating it until Fall 2023.
24. Respondent failed to promptly correct its reporting on roughly 30,000 accounts after determining that the original charge-off amount had been reported inaccurately. Respondent reported these accounts as charged off but did not report any charge-off amounts. Respondent identified this issue in May 2021, but did not complete scoping the issue or remediating the identified impacted accounts until 2023.
25. Respondent failed to promptly correct the account status for roughly 1,000 accounts after determining the account status had been reported inaccurately.

Respondent reported the accounts as charged off and paid in full and then subsequently reported the accounts as open with a zero balance.

26. In or around June 2021, Respondent determined that it had failed to report the date of first delinquency (DOFD) as required by statute for around 170,000 accounts after determining the accounts were delinquent. Respondent did not promptly correct the issue—and ultimately determined that it could not correct the missing DOFD—though in nearly all of these cases Respondent did not furnish any other derogatory information on the account.
27. Thus, Respondent violated section 623(a)(2) of FCRA, 15 U.S.C. § 1681s-2(a)(2).

**Findings and Conclusions as to Respondent's
Violation of Section 623(b)(2) of FCRA**

28. Section 623(b)(2) of FCRA requires furnishers to investigate, review, and report the results of Indirect Disputes to CRAs. The furnisher is required to report the results of its indirect-dispute investigation before the expiration of the period under Section 611(a)(1)(A) within which a CRA is required to complete the actions of that section (i.e., 30 days, or 45 days if additional information is received from the consumer while the dispute is pending).

29. Respondent sometimes failed to timely investigate Indirect Disputes and report the results of the investigation to the CRAs before the expiration period under section 611(a)(1)(A).
30. Thus, Respondent violated section 623(b)(2) of FCRA.

Findings and Conclusions as to Respondent's Use of Deficient Policies and Procedures

31. Regulation V's Furnisher Rule requires furnishers to establish and implement written policies and procedures regarding the accuracy and integrity of the information furnished to CRAs; to consider and incorporate, as appropriate, the guidelines in Appendix E of the Rule; and to review and update the policies and procedures to ensure their continued effectiveness.
12 C.F.R. § 1022.42.
32. Respondent failed to establish and implement reasonable written policies and procedures regarding the integrity of the information relating to consumers that it furnishes to CRAs. Respondent also failed to consider and incorporate, as appropriate the guidelines in Appendix E of Regulation V.
33. Respondent required anyone making a Direct Dispute of furnished information to Respondent to verify their identity in two different ways, a more rigorous verification method than legally required.
34. By requiring identity verification that exceeded FCRA requirements, Respondent violated Regulation V by failing to consider the potential impact

of its policies and procedures on consumers, such as the burden and potential deterrent effects resulting from its heightened identity verification requirements.

35. Respondent failed to retain Direct Dispute letters as required by Regulation V for disputes for which Respondent sent a templated response. Instead, Respondent relied on its system notes to document that response letters were sent out on time and with accurate information. Respondent's failure to retain those documents violated Regulation V's guidance to consider and incorporate into its policies, if appropriate, that Respondent maintain records for a reasonable period of time, not less than any applicable recordkeeping requirement, to substantiate the accuracy of any information that Respondent furnishes about consumers that is subject to a Direct Dispute.
36. In addition to prolonged inaccurate furnishing, Respondent failed to prevent furnishing inaccurate information when it inaccurately furnished the date closed field for 15,519 accounts by either inaccurately changing the date-closed field or reporting an inaccurate date closed in the first instance.
37. Respondent therefore violated Regulation V's guideline to consider and incorporate into its policies, if appropriate, whether to delete, update, and correct information in the furnisher's records as appropriate to avoid furnishing inaccurate information.

38. Thus, Respondent violated Regulation V’s Furnisher Rule by failing to establish and implement the required reasonable written policies and procedures, 12 C.F.R. § 1022.42(a)-(b), including considering and incorporating the appropriate guidelines set forth in Appendix E of 12 C.F.R. Part 1022 in developing its policies and procedures.

Findings and Conclusions as to Violation of Regulation V: Respondent Did Not Conduct Reasonable Investigations of Some Direct Disputes

39. Regulation V requires a furnisher, after receiving a dispute notice from a consumer, to conduct a reasonable investigation with respect to the disputed information. 12 C.F.R. § 1022.43(e)(1).
40. Respondent failed to investigate Direct Disputes that did not satisfy Respondent’s identity verification requirements. Respondent required anyone making a Direct Dispute of furnished information to Respondent to verify their identity in two different ways. Regulation V only requires that a consumer provide “[s]ufficient information to identify the account or other relationship that is in dispute.” 12 C.F.R. § 1022.43(d).
41. Therefore, Respondent’s identity verification requirements exceeded the requirements in Regulation V for qualifying as Direct Dispute warranting a reasonable investigation. In addition, Respondent’s stricter identity verification requirement violated 12 C.F.R. § 1022.43(e) in every instance that it responded to a Direct Dispute that met the requirements of 12 C.F.R.

§ 1022.43(a) by requiring additional information before investigating the dispute.

42. Respondent also failed to investigate Direct Disputes in some instances by incorrectly deeming them frivolous or irrelevant, even though the disputes contained sufficient information to warrant an investigation under 12 C.F.R. § 1022.43(a). Under Regulation V, a furnisher is only permitted to not investigate direct disputes under narrow circumstances if it deems them frivolous and irrelevant. In at least seven instances, Respondent unreasonably determined that disputes were frivolous and irrelevant. Each such incident constitutes a violation of Regulation V. 12 C.F.R. § 1022.43(e).

Findings and Conclusions as to Violation of Regulation V: Respondent Did Not Timely Investigate Direct Disputes and Report Results to Consumers

43. Regulation V states that after receiving a dispute notice from a consumer, the furnisher must complete its investigation of the dispute and report the results of the investigation to the consumer before the expiration of the period under section 611(a)(1) of FCRA (15 U.S.C. 1681i(a)(1)), within which a consumer reporting agency would be required to complete its action if the consumer had elected to dispute the information under that section. 12 C.F.R. § 1022.43(e)(3).

44. Respondent sometimes failed to complete its investigations of Direct Disputes and report the results of the investigations to consumers before the expiration of the period under which a CRA is required to complete its dispute under 611(a)(1)(A) (i.e., 30 days, or 45 days if additional information is received from the consumer while the dispute is pending).
45. For example, Respondent failed to send the results notice for some Direct Disputes until 10 months after the investigation was completed; and in other instances, Respondent inaccurately reported the investigation results for the Direct Disputes by telling the consumers that the disputed information was verified when in fact, Respondent had updated the disputed information in response to the disputes.
46. Thus, Respondent violated Regulation V, 12 C.F.R. § 10.22.43(e)(3).

Findings and Conclusions as to Respondent's Violation of the Consumer Financial Protection Act's Prohibition on Violating Federal Consumer Financial Laws

47. Under the CFPA, a covered person's violation of a Federal consumer financial law, which includes enumerated consumer laws and rules thereunder, violates the CFPA. 12 U.S.C. § 5536(a)(1)(A).
48. FCRA and Regulation V are Federal consumer financial laws. 12 U.S.C. § 5481 (12)(F), (14).

49. Thus, Respondent's violations of FCRA and Regulation V, described above, constitute violations of section 1036(a)(1)(A) of the CFPB. 12 U.S.C. § 5536(a)(1)(A).

V.

Conduct Provisions

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

50. Respondent and its officers, agents, servants, employees, and attorneys, and all other persons in active concert or participation with them who receive actual notice of this Consent Order, whether acting directly or indirectly, may not violate the CFPB, 12 U.S.C. §§ 5531 and 5536; FCRA, 15 U.S.C. § 1681s-2; and Regulation V, 12 C.F.R. §§ 1022.42 and 1022.43, and Appendix E, in connection with the furnishing of information on consumer credit reports, including with respect to the following:

- a. Upon determination that information Respondent furnished to a CRA is not complete or accurate, Respondent must (i) promptly correct that information or otherwise update the account to eliminate any incompleteness or inaccuracy, and (ii) shall not thereafter furnish to a CRA any of the information that remains incomplete or inaccurate; and
- b. Upon receipt of a Direct Dispute or notice of an Indirect Dispute, Respondent must conduct reasonable and timely investigations.

VI.

Affirmative Requirements

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that:

51. In connection with furnishing consumer credit information, Respondent must take the following affirmative actions:
 - a. Establish, implement, and maintain reasonable written policies and procedures regarding the accuracy and integrity of the information relating to consumers that Respondent furnishes to a CRA, which must specifically include processes for identifying and promptly correcting systemic errors in Respondent's credit report furnishing system;
 - b. Establish, implement, and maintain policies and procedures for correcting or updating a tradeline when Respondent determines that it has furnished inaccurate or incomplete information, including documenting Respondent's root cause analysis of the inaccurate or incomplete furnishing and its process for determining the appropriate correction or update;
 - c. Examine, and where necessary, establish and implement changes to, Respondent's policies and procedures and the practices of its employees to ensure that its employees properly route, categorize, investigate, and respond to all direct and indirect credit reporting disputes;

- d. Retain all Direct Disputes, supporting documentation, and response letters for at least five years; and
 - e. On a monthly basis, take reasonable steps to identify and resolve any errors after furnishing Metro 2 files to CRAs, and resolve identified errors in Respondent's Metro 2 files promptly after discovering the error or suppress any affected fields until such time as they are corrected.
52. Within 60 days of the Effective Date, Respondent will create a quarterly credit furnishing report which:
- a. Documents and compiles all credit reporting issues identified by Respondent's audit, compliance, legal, information technology, systems engineering, and business units;
 - b. Documents the point of contact responsible for resolving each issue;
 - c. Tracks correction and remediation of the issues identified;
 - d. Documents the length of time each issue has been outstanding;
 - e. Includes all audits, analyses, and other evaluations undertaken to ensure that Respondent's order compliance, and compliant credit report furnishing and handling of credit reporting disputes;
 - f. Includes an explanation of any root cause(s) identified related to order compliance, credit report furnishing, or dispute-handling issues;

- g. Recommends any actions or investments, including systems and technology investments, that should be taken to address issues identified;
- h. Specifies timeframes and deadlines for implementation of the steps described above; and
- i. Provides and implements a procedure to share the Credit Furnishing Report to the Board on a quarterly basis, and to the Bureau upon request.

VII.

Compliance Plan

IT IS FURTHER ORDERED that:

53. Within 60 days of the Effective Date, Respondent must create and begin implementing a comprehensive compliance plan designed to ensure that Respondent's furnishing of consumer credit information complies with all applicable laws that the Bureau enforces, including Federal consumer financial laws, and the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum:

- a. Detailed steps for addressing each action required by this Consent Order;
- b. A mechanism to ensure that the Board is kept apprised of the status of compliance actions; and

- c. Specific timeframes and deadlines for implementation of the steps described above.

Respondent must implement and adhere to the steps, recommendations, deadlines and timeframes outlined in the Compliance Plan. Respondent will provide the Compliance Plan to the Bureau upon request.

VIII.

Role of the Board and Executives

IT IS FURTHER ORDERED that:

- 54. Respondent's Board has the ultimate responsibility for ensuring that Respondent complies with this Consent Order.
- 55. Respondent's Chief Executive Officer and Respondent's Board must review all plans and reports required by this Consent Order, and any submissions to the Bureau prior to such submission.
- 56. One year after the Effective Date, Respondent must submit to the Supervision Director an accurate written compliance progress report (Compliance Report) that has been approved by the Board, and which, at a minimum:
 - a. Describes the steps that Respondent's Board and Chief Executive Officer have taken to reasonably assess whether Respondent is

- complying with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order;
- b. Describes in detail whether and how Respondent has complied with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order, including the manner of verification of such compliance and any corrective actions taken to remedy potential non-compliance with the applicable requirement, paragraph, or subparagraph; and
 - c. attaches a copy of each Order Acknowledgment obtained under Section XIII, unless previously submitted to the Bureau.
57. Respondent's Board and Chief Executive Officer must:
- a. Authorize whatever actions are necessary for Respondent to assess whether Respondent is complying with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order;
 - b. Authorize whatever actions, including corrective actions, are necessary for Respondent to fully comply with the Redress Plan, Compliance Plan, and each applicable paragraph and subparagraph of the Order; and
 - c. Require timely reporting by management to Respondent's Board and Chief Executive Officer on the status of compliance obligations.

MONETARY PROVISIONS

IX.

Order to Pay Redress

IT IS FURTHER ORDERED that:

58. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account \$10,300,000, for the purpose of providing redress to Affected Consumers as required by this Section.
59. Within 60 days of the Effective Date, Respondent must submit to the Enforcement Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Enforcement Director will have the discretion provide non-objection to the Redress Plan or direct Respondent to revise it. If the Enforcement Director directs Respondent to revise the Redress Plan, Respondent must revise and resubmit the Redress Plan to the Enforcement Director within 15 days of receiving such direction. After receiving notification that the Enforcement Director has provided non-objection to the Redress Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.
60. The Redress Plan must:

- a. Describe Respondent's methodology used to identify Affected Consumers who will receive redress under this Consent Order (Redress Consumers) to comply with Paragraph 58.
- b. Require Respondent to compensate each Redress Consumer identified based on its account-data review;
- c. Include a final list of all Redress Consumers who will receive redress and the amount of redress that Respondent will provide to each Redress Consumer to comply with Paragraph 58.
- d. Provide that redress payments will be made as follows: For each Redress Consumer, Respondent will make the redress payment via check drawn on good and sufficient funds, sent by regular U.S. mail, accompanied by a Redress Notification Letter.
- e. Include the form of the letter (Redress Notice) and envelope to be sent with the redress payment notifying Redress Consumers who are entitled to redress of their right to redress; the Redress Notice must include a statement that the payment is made in accordance with the terms of this Consent Order; Respondent must not include in any envelope containing a Redress Notice any materials other than the approved Redress Notice and redress checks, unless Respondent has

written confirmation from the Enforcement Director that the Bureau does not object to the inclusion of such additional materials;

- f. Describe the process for providing redress to the Redress Consumers and must include the following requirements:
 - i. Respondent must send each Redress Consumer, or their authorized representative, a redress check (Redress Check) in the amount specified in the Redress Plan. Respondent must send such checks by United States Postal Service first-class mail, address correction service requested, to the most recent address for the consumer.
 - ii. Prior to sending Redress Notices and Redress Checks, Respondent must make reasonable attempts to obtain a current address for each Redress Consumer by using, at a minimum, the National Change of Address System (NCAS), any databases maintained by Respondent's clients that are reasonably accessible by Respondent, and skip-tracing. If no updated address is obtained through such methods, Respondent may mail the Redress Notice and the Redress Check to the consumer's last known mailing address;

- iii. If a Redress Check or Redress Notice is returned to Respondent as undeliverable, Respondent must make additional reasonable attempts to contact the Redress Consumer and obtain a current address using a commercially available database other than the NCAS or by attempting to contact the Redress Consumer using their last known email address and last known phone number. Respondent must promptly remail all returned Redress Checks and the Redress Notice to each Redress Consumer's current addresses, if any, obtained through such reasonable attempts.
- iv. If a Redress Check that Respondent has attempted to send to an Redress Consumer is returned to Respondent and Respondent is unable to identify an updated mailing address for that Redress Consumer, Respondent must retain the redress amount of such Redress Consumer for a period of one hundred and eighty (180) days from the date the check was mailed or re-mailed, whichever is later, during which period such amount may be claimed by such Redress Consumer upon appropriate proof of identity; and

- g. Set forth all procedures, deadlines, and timeframes for completing each step of the Redress Plan, consistent with the terms of this Consent Order.
61. Respondent must mail all Redress Checks and Redress Notices within 30 days after the Enforcement Director has provided non-objection to the Redress Plan.
62. Within 30 days of completing all actions required by the Redress Plan, Respondent must submit to the Bureau a Redress Report detailing the number of consumers and consumer accounts who received redress, the total amount of redress paid to those consumers, such consumers' states of residence, and any remainder of funds to be wired to the Bureau pursuant to Paragraph 63.
63. If the amount of redress provided to Redress Consumers is less than \$10,300,000, within 90 days after submitting the Redress Report to the Bureau, Respondent must pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Redress Consumers and \$10,300,000.
64. The Bureau may use these remaining funds to pay additional redress to Affected Consumers. If the Bureau determines, in its sole discretion, that

additional redress is wholly or partially impracticable or otherwise inappropriate, or if funds remain after the additional redress is completed, the Bureau will deposit any remaining funds in the U.S. Treasury. Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this Section.

65. Respondent may not condition the payment of any redress to any Affected Consumer under this Consent Order on that Affected Consumer waiving any right.

X.

Order to Pay Civil Money Penalty

IT IS FURTHER ORDERED that:

66. Under § 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law described in Section IV of this Consent Order, Respondent must pay a civil money penalty of \$2,500,000 to the Bureau.
67. Within 10 days of the Effective Date, Respondent must pay the civil money penalty by wire transfer to the Bureau or to the Bureau's agent in compliance with the Bureau's wiring instructions.
68. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by § 1017(d) of the CFPA, 12 U.S.C. § 5497(d).

69. Respondent, for all purposes, must treat the civil money penalty paid under this Consent Order as a penalty paid to the government. Regardless of how the Bureau ultimately uses those funds, Respondent may not:
- a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty paid under this Consent Order; or
 - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made under any insurance policy, with regard to any civil money penalty paid under this Consent Order.
70. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Respondent may not argue that Respondent is entitled to, nor may Respondent benefit by, any offset or reduction of any compensatory monetary remedies imposed in the Related Consumer Action because of the civil money penalty paid in this action or because of any payment that the Bureau makes from the Civil Penalty Fund. If the court in any Related Consumer Action offsets or otherwise reduces the amount of compensatory monetary remedies imposed against Respondent based on the civil money penalty paid in this action or based on any payment that the Bureau makes from the Civil Penalty Fund, Respondent must, within 30 days after entry of a final order granting such offset or reduction, notify the Bureau, and pay the

amount of the offset or reduction to the U.S. Treasury. Such a payment will not be considered an additional civil money penalty and will not change the amount of the civil money penalty imposed in this action.

XI.

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

71. In the event of any default on Respondent's obligations to make payment under this Consent Order, interest, computed under 28 U.S.C. § 1961, as amended, will accrue on any outstanding amounts not paid from the date of default to the date of payment, and will immediately become due and payable.
72. Respondent must relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds may be returned to Respondent.
73. Respondent acknowledges that its Taxpayer Identification Number (Employer Identification Number), which Respondent previously submitted to the Bureau, may be used for collecting and reporting on any delinquent amount arising out of this Order, in accordance with 31 U.S.C. § 7701.
74. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Supervision

Director of the final judgment, consent order, or settlement in writing. That notification must indicate the amount of redress, if any, that Respondent paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid.

COMPLIANCE PROVISIONS

XII.

Reporting Requirements

IT IS FURTHER ORDERED that:

75. Respondent must notify the Bureau of any development that may affect compliance obligations arising under this Consent Order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor company; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this Consent Order; the filing of any bankruptcy or insolvency proceeding by or against Respondent; or a change in Respondent's name or address. Respondent must provide this notice, if practicable, at least 30 days before the development, but in any case no later than 14 days after the development.
76. Within 7 days of the Effective Date, Respondent must:

- a. designate at least one telephone number and email, physical, and postal addresses as points of contact that the Bureau may use to communicate with Respondent; and
 - b. designate at least one telephone number, email, and postal address as points of contact for consumers with inquiries related to consumer relief under the Consent Order.
77. Respondent must report any change in the information required to be submitted under Paragraph 76 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.

XIII.

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

78. Within 7 days of the Effective Date, Respondent must submit to the Supervision Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.
79. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who have managerial or supervisory responsibilities related to the subject matter of the Consent Order.

80. For 5 years from the Effective Date, Respondent must deliver a copy of this Consent Order to any business entity resulting from any change in structure referred to in Section XII, any future Board members and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have managerial or supervisory responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
81. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, within 30 days of delivery, from all persons receiving a copy of this Consent Order under this Section.
82. Ninety days from the Effective Date, Respondent must submit to the Bureau a list of all persons and their titles to whom this Consent Order has been delivered under the Section of this Order titled “Order Distribution and Acknowledgment” and a copy of all signed and dated statements acknowledging receipt of this Consent Order under Paragraph 81.

XIV.

Recordkeeping

IT IS FURTHER ORDERED that:

83. Respondent must create and retain the following business records:
 - a. all documents and records necessary to demonstrate full compliance

- with the Compliance Plan, Redress Plan, and each provision of this Consent Order, and FCRA and Regulation V, including all submissions to the Bureau;
- b. all consumer complaints and all credit-reporting disputes relating to furnishing consumer credit information (whether received directly or indirectly, such as through a third party) and any responses to those complaints or requests;
 - c. copies of all policies and procedures related to the Respondent's credit-reporting furnishing or any provision of this Order; and
 - d. all documents and records pertaining to the Redress Plan, described in Section IX above.
84. All documents and records must be maintained in their original electronic format. Data must be maintained in such a way that access, retrieval, auditing and production are not hindered.
85. Respondent must make the documents identified in Paragraph 83 available to the Bureau upon the Bureau's request.

XV.

Notices

IT IS FURTHER ORDERED that:

86. Unless otherwise directed in writing by the Bureau, Respondent must provide all submissions, requests, communications, or other documents relating to this Consent Order in writing, with the subject line, “*In re American Honda Finance Corp.*, File No. 2025-CFPB-0003,” and send them to the following email: Enforcement_Compliance@cfpb.gov, addressed as follows:

ATTN: Supervision Director
Consumer Financial Protection Bureau
Supervision Division

ATTN: Enforcement Director
Consumer Financial Protection Bureau
Enforcement Division

XVI.

Cooperation with the Bureau

IT IS FURTHER ORDERED that:

87. Respondent must cooperate fully to help the Bureau determine the identity and location of each Affected Consumer. Respondent must provide such information in its or its agents’ possession or control within 14 days of receiving a written request from the Bureau.
88. Respondent must remain registered for the Bureau’s Company Portal and in connection with responding to consumer complaints and inquiries on the

Company Portal, must comply with the timely response requirements set forth in §§1034(b)(1)-(3) of the CFPA, 12 U.S.C. § 5534(b).

89. Unless otherwise prohibited by law or regulation, Respondent must identify in its Redress Notice to consumers and on its website that they can file a complaint with the Bureau and provide the applicable telephone, website, and mailing information to do so.

XVII.

Compliance Monitoring

IT IS FURTHER ORDERED that:

90. Within 14 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, provide sworn testimony; or produce documents.
91. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview regarding: (a) this matter; (b) anything related to or associated with the conduct described in Section IV; or (c) compliance with the Consent Order. The person interviewed may have counsel present.
92. Nothing in this Consent Order will limit the Bureau's lawful use of civil investigative demands under 12 C.F.R. § 1080.6 or other compulsory process.

XVIII.

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

93. Respondent may seek a modification to non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) by submitting a written request to the Supervision Director.
94. The Supervision Director may, in their discretion, modify any non-material requirements of this Consent Order (*e.g.*, reasonable extensions of time and changes to reporting requirements) if they determine good cause justifies the modification. Any such modification by the Supervision Director must be in writing.

XIX.

ADMINISTRATIVE PROVISIONS

IT IS FURTHER ORDERED that:

95. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau from taking any other action against Respondent, except as described in Paragraph 96. Further, for the avoidance of doubt, the provisions of this Consent Order do not bar, estop, or otherwise prevent any other person or governmental agency from taking any action against Respondent.

96. The Bureau releases and discharges Respondent from all potential liability for law violations that the Bureau has or might have asserted based on the practices described in Section IV of this Consent Order, to the extent such practices occurred before the Effective Date and the Bureau knows about them as of the Effective Date. The Bureau may use the practices described in this Consent Order in future enforcement actions against Respondent and its affiliates, including, without limitation, to establish a pattern or practice of violations or the continuation of a pattern or practice of violations or to calculate the amount of any penalty. This release does not preclude or affect any right of the Bureau to determine and ensure compliance with the Consent Order, or to seek penalties for any violations of the Consent Order.
97. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under § 1053 of the CFPA, 12 U.S.C. § 5563, and expressly does not form, and may not be construed to form, a contract binding the Bureau or the United States.
98. This Consent Order will terminate on the later of 5 years from the Effective Date or 5 years from the most recent date that the Bureau initiates an action alleging any violation of the Consent Order by Respondent if such action is initiated within 5 years of the Effective Date. If such action is dismissed or the relevant adjudicative body rules that Respondent did not violate any

provision of the Consent Order, and the dismissal or ruling is either not appealed or upheld on appeal, then the Consent Order will terminate as though the action had never been filed. The Consent Order will remain effective and enforceable until such time, except to the extent that any provisions of this Consent Order have been amended, suspended, waived, or terminated in writing by the Bureau or its designated agent.

99. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
100. Should Respondent seek to transfer or assign any part of its operations that are subject to this Consent Order, Respondent must, as a condition of sale, obtain the written agreement of the transferee or assignee to comply with all applicable provisions of this Consent Order.
101. The provisions of this Consent Order will be enforceable by the Bureau. For any violation of this Consent Order, the Bureau may impose the maximum amount of civil money penalties allowed under §1055(c) of the CFPA, 12 U.S.C. § 5565(c). In connection with any attempt by the Bureau to enforce this Consent Order in federal district court, the Bureau may serve Respondent wherever Respondent may be found and Respondent may not contest that court's personal jurisdiction over Respondent.

102. This Consent Order and the accompanying Stipulation contain the complete agreement between the parties. The parties have made no promises, representations, or warranties other than what is contained in this Consent Order and the accompanying Stipulation. This Consent Order and the accompanying Stipulation supersede any prior oral or written communications, discussions, or understandings.
103. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its Board, its Executives, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 17th day of January, 2025.

Rohit Chopra

Rohit Chopra
Director
Consumer Financial Protection Bureau