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Annual Report on the Truth in Lending Act, the Electronic Fund Transfer Act, and the Credit Card Accountability Responsibility and Disclosure Act



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1. Annual Report on the Truth in Lending Act, the Electronic Fund Transfer Act, and the Credit Card Accountability Responsibility and Disclosure Act

The Truth in Lending Act (TILA)¹ and the Electronic Fund Transfer Act (EFTA)² require the Consumer Financial Protection Bureau (CFPB or Bureau) to make an annual report to Congress that includes a description of the administration of functions under TILA and EFTA, and an assessment of the extent to which compliance with TILA and EFTA has been achieved. In addition, the Credit Card Accountability Responsibility and Disclosure Act (CARD Act)³ requires reporting on supervisory and enforcement activities with respect to compliance by credit card issuers with applicable Federal consumer protection statutes and regulations.⁴

This Report provides the information required by TILA, EFTA, and the CARD Act for the periods January 1, 2016–December 31, 2016, and January 1, 2017–December 31, 2017.⁵ This Report describes the Bureau’s and other agencies’ enforcement efforts and required

¹ 15 U.S.C. § 1613.

² 15 U.S.C. § 1693p.

³ 15 U.S.C. § 1616(e).

⁴ In 2012, the Federal Reserve Board (FRB) and the Bureau agreed that responsibility for the reporting required by the CARD Act passed to the Bureau under the terms of the Consumer Financial Protection Act of 2010.

⁵ In order to facilitate reporting on an interagency basis, this TILA, EFTA, and CARD Act Report is based on the full calendar years of 2016 and 2017. Future reports will be included as an addendum to the Bureau’s Fall Semi-Annual Report (SAR) to Congress. The next report, covering the period January 1, 2018–December 31, 2018, will be included in the Bureau’s upcoming Fall 2019 SAR. Past TILA, EFTA, and CARD Act reports can be found in the Bureau’s Fall SARs from 2013–2016, available at <https://www.consumerfinance.gov>.

reimbursements to consumers by supervised institutions as they relate to TILA, EFTA, the CARD Act, and their respective implementing regulations, Regulation Z (for TILA and the CARD Act),⁶ and Regulation E (for EFTA). It also provides an assessment of the extent of compliance with the provisions of TILA, EFTA, and their implementing regulations.

⁶ The Federal Trade Commission's (FTC) enforcement action summaries in this Report also include references to violations of the Consumer Leasing Act (CLA) and Regulation M. The CLA is an amendment to TILA. See 15 U.S.C. § 1667-1667f.

2. Public enforcement actions and reimbursements – TILA, EFTA, CARD Act

2.1 TILA: Public enforcement actions and reimbursements

The purposes of TILA include: (1) to assure meaningful disclosure of credit terms so that the consumer will be able to compare more readily the various credit terms available and avoid the uninformed use of credit, and (2) to protect the consumer against inaccurate and unfair credit billing and credit card practices. 15 U.S.C. § 1601(a).

The enforcement efforts made, and reimbursements required, by all the agencies assigned enforcement authority under TILA are discussed in this section.

The agencies charged with enforcement of TILA under 15 U.S.C. § 1607 include:

- the Bureau,
- the Federal Deposit Insurance Corporation (FDIC),
- the Federal Reserve Board (FRB),
- the National Credit Union Administration (NCUA),
- the Office of the Comptroller of the Currency (OCC),
- the Federal Trade Commission (FTC),
- the Department of Transportation (DOT),
- the Farm Credit Administration (FCA), and

- the Agricultural Marketing Service (AMS) of the U.S. Department of Agriculture (USDA).⁷

During the reporting period of January 1, 2016, through December 31, 2016, the following agencies reported public enforcement actions under TILA, including:

TABLE 1: 2016 PUBLIC ENFORCEMENT ACTIONS RELATED TO TILA

Agency	Summary
Bureau	Filed complaints against four pawnbrokers for, among other violations, allegedly using credit agreements that inaccurately disclosed the annual percentage rate (APR) in the course of extending closed-end credit in violation of TILA and Regulation Z.
	Filed a complaint against a pawnbroker for, among other violations, allegedly using credit agreements that did not include brief descriptions of the finance charge and APR and inaccurately disclosed the APR in the course of extending closed-end credit in violation of TILA and Regulation Z.
	Entered into a consent order with an online lender for, among other violations, understating the finance charge and APR in credit agreements and failing to disclose the APR and other required information in advertisements with triggering terms in violation of TILA and Regulation Z.
	Filed five administrative proceedings against five title lenders and entered into consent orders with three of them in 2016 for, among other violations, failing to disclose the APR in online advertisements about title loans in violation of TILA and Regulation Z.
	Entered into a consent order with an auto sales company for, among other violations, using credit agreements that failed to disclose certain charges as finance charges, thereby understating the finance charge and APR in violation of TILA and Regulation Z.
	Entered into a consent order with a retail credit financing company for, among other violations, failing to provide adequate account-opening disclosures in

⁷ The Grain Inspection, Packers, and Stockyards Administration (GIPSA) was eliminated as a standalone agency within the U.S. Department of Agriculture (USDA) in 2017. The functions previously performed by GIPSA have been incorporated into the Agricultural Marketing Service (AMS), and TILA and EFTA reporting now comes from the Packers and Stockyards Division, Fair Trade Practices Program, AMS.

Agency	Summary
	connection with extending open-end credit in violation of TILA and Regulation Z.
FDIC	Entered into two consent orders for violations of Regulation Z.
OCC	Issued a consent order against a bank for, among other things, violations of TILA and Regulation Z in connection with the bank's mortgage department.
	Obtained a stipulated final order with civil penalties against an automotive group for allegedly violating a prior consent order with the FTC by concealing sale and lease terms that added significant costs or limited who could qualify for vehicles at advertised prices and amounts, and for advertising credit or lease terms without disclosing, or without disclosing clearly and conspicuously, required credit or lease information in violation of TILA or CLA and Regulation Z or Regulation M.
FTC	Entered into a stipulated preliminary injunction with an automotive group for allegedly failing to disclose, or disclose clearly and conspicuously, required credit information in their advertising in violation of TILA or CLA and Regulation Z or Regulation M.
	Entered into a consent order with an automotive group for allegedly failing to disclose, or disclose clearly and conspicuously, required lease information in their advertising in violation of CLA.
	Obtained a judgment against a group of payday lenders for charging undisclosed and inflated fees in violation of TILA.
	Obtained a judgment against a consumer electronics retailer for violating a prior FTC consent order for, among other things, allegedly failing to provide required written disclosures and account statements to consumers in violation of TILA and Regulation Z.
DOT	Issued a consent order against an airline company for failing to issue refunds to certain customers within the time limits set forth in Regulation Z.

No other agencies with TILA enforcement authority reported taking any public enforcement actions related to TILA during the January 1, 2016, through December 31, 2016, time period.

For TILA and Regulation Z violations found during the same time period, the Bureau, FDIC, and FRB required 34 institutions to reimburse an estimated 57,889 consumers approximately \$5.2 million. This amount includes reimbursements required by the enforcement actions noted in Table 1, as well as non-public supervisory or enforcement actions, and includes violations for other Federal consumer financial laws.

During the reporting period of January 1, 2017, through December 31, 2017, the following agencies reported public enforcement actions under TILA, including:

TABLE 2: 2017 PUBLIC ENFORCEMENT ACTIONS RELATED TO TILA

Agency	Summary
Bureau	Entered into consent orders with four pawnbrokers for, among other violations, using credit agreements that inaccurately disclosed the APR in the course of extending closed-end credit in violation of TILA and Regulation Z.
	Entered into a consent order with a pawnbroker for, among other violations, using credit agreements that did not include brief descriptions of the finance charge and APR and inaccurately disclosed the APR in the course of extending closed-end credit in violation of TILA and Regulation Z.
	Entered into two consent orders with two title lenders for, among other violations, failing to disclose the APR in online advertisements about title loans in violation of TILA and Regulation Z.
	Entered into a consent order with a pawnbroker for, among other violations, using credit agreements that inaccurately disclosed the finance charge and APR in the course of extending closed-end credit in violation of TILA and Regulation Z.
	Entered into a consent order with a pawnbroker for, among other violations, using credit agreements that misstated the APR in the course of extending closed-end credit in violation of TILA and Regulation Z.
	Filed a complaint against a mortgage loan servicer and its subsidiaries for, among other violations, allegedly failing to timely and appropriately credit payments and failing to send borrowers periodic statements accurately

Agency	Summary
	<p>detailing information in violation of TILA and Regulation Z.</p> <p>Filed a complaint against four online lenders for, among other things, allegedly disclosing a rate of finance charge but not the APR in advertisements and orally providing cost information other than the APR (or the APR for a sample transaction) in response to inquiries in connection with extending closed-end credit in violation of TILA and Regulation Z.</p>
FTC	<p>Obtained a stipulated final order with civil penalties against a group of auto dealerships for allegedly violating a prior consent order with the FTC by misrepresenting the total cost of vehicle financing or leases or the offer's availability to all consumers, and for advertising credit or lease terms without disclosing, or disclosing clearly and conspicuously, required credit or lease information in violation of TILA or CLA and Regulation Z or Regulation M.</p> <p>Obtained a stipulated order against a group of auto dealerships and owners for allegedly failing to disclose, or to clearly and conspicuously disclose, required credit or lease information in ads in violation of TILA or CLA and Regulation Z or Regulation M.</p> <p>Entered into a consent order with an auto dealer for allegedly failing to disclose, or to clearly and conspicuously disclose, required credit or lease information in violation of TILA or CLA and Regulation Z or Regulation M when the ads promoted certain terms, such as the monthly payment.</p>
DOT	<p>Issued a consent order against an airline company for failing to timely process refunds for air transportation purchased with credit cards in violation of TILA and Regulation Z.</p>

No other agencies with TILA enforcement authority reported taking any public enforcement actions related to TILA during the January 1, 2017, through December 31, 2017, time period.

For TILA and Regulation Z violations found during the same time period, the Bureau, FDIC, FRB, and NCUA required 41 institutions to reimburse an estimated 9,334 consumers approximately \$1.5 million. This amount includes reimbursements required by the enforcement actions noted in Table 2, as well as non-public supervisory or enforcement actions, and includes

violations for other Federal consumer financial laws.

2.2 EFTA: Public enforcement actions and reimbursements

The purpose of EFTA is to provide a basic framework establishing the rights, liabilities, and responsibilities of participants in electronic fund and remittance transfer systems. The primary objective of EFTA is the provision of individual consumer rights. 15 U.S.C. § 1693(b).

The enforcement efforts made, and reimbursements required, by all the agencies assigned enforcement authority under EFTA are discussed in this section.

As required by EFTA, the Bureau monitors what effects the act has on compliance costs for financial institutions, as well as the benefits of the act to consumers.

Consumers use electronic payments more than any other type, and consumer reliance upon electronic payments relative to that of non-electronic payments is increasing. According to the 2016 and 2017 Survey of Consumer Payment Choice, the average consumer makes 70 payments a month. For the average consumer, 57 percent of payments use a debit, credit, or prepaid card; 33.6 percent use cash, paper checks, or some other paper payment instrument; and 8.3 percent use some other form.⁸ Consumer use of cash has been steady since 2010; however, check use has declined steadily and now makes up only about five percent of all payments.⁹ Check use is diminishing even among consumers that use checking accounts: while 90 percent of consumers had a checking account, only 80 percent had paper checks, down from 90 percent in 2008.¹⁰ Debit (and credit) card payments have generally increased to replace the declining check share.¹¹ In addition, one third of all consumers had made a mobile payment, regardless of the underlying electronic method.¹²

⁸ Claire Green and Joanna Stavins, “The 2016 and 2017 Surveys of Consumer Payment Choice: Summary Results.” Available at: <https://www.bostonfed.org/-/media/Documents/Workingpapers/PDF/2018/rdr18q3.pdf>, pp. 12-13.

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² *Id.*

Within the universe of electronic payments, consumers conduct an array of electronic fund transfers (EFTs), including debit card, electronic benefit transfer (EBT) card, prepaid card (including gift card), automated clearinghouse (ACH), and mobile phone-enabled person-to-person (P2P) payments. In addition, EFTs include consumer automated teller machine (ATM) transactions and certain remittance transfers.

Consumers conduct over 80 billion debit, EBT, and prepaid card payments and transact nearly \$3 trillion across transaction (non-credit) card accounts annually. According to the most recent Federal Reserve Payments Study, debit card volume totaled \$2.6 trillion and 69.6 billion transactions in 2017.¹³ That same year, EBT payments totaled approximately \$60 billion and 2.4 billion transactions.¹⁴ Further, prepaid card payments totaled \$240 billion and 10.7 billion transactions in 2017.¹⁵ According to the 2016 and 2017 Survey of Consumer Payment Choice, slightly over 80 percent of consumers owned a debit card and approximately half of consumers owned a prepaid card.¹⁶

Although consumers tend to conduct fewer ACH transactions relative to card transactions, the consumer dollar volume over ACH is higher. ACH volume totaled approximately 21.5 billion transactions and \$46.8 trillion in 2017.¹⁷ Per the Federal Reserve, these totals increased approximately 5.7 percent and 6.9 percent, respectively, from 2016.¹⁸ The Bureau estimates consumer account debits represent slightly more than half of all ACH transaction volume and over 40 percent of ACH dollar volume.¹⁹

P2P represents an emerging and fast-growing category of EFTs. The P2P EFT marketplace is challenging to size for a number of reasons. First, a number of firms facilitate P2P EFTs over a variety of proprietary platforms. In addition, many P2P services utilize legacy EFT platforms to

¹³ Available at: <https://www.federalreserve.gov/newsevents/pressreleases/files/2018-payment-systems-study-annual-supplement-20181220.pdf>.

¹⁴ *Id.* Note, however, that many of the requirements of EFTA and Regulation E do not apply to EBT systems that are established under State or local law or administered by a State or local government.

¹⁵ *Id.*

¹⁶ *Supra* note 8 at T-5.

¹⁷ NACHA press release. Available at <https://www.nacha.org/news/ach-network-volume-and-value-hit-new-highs-2017>.

¹⁸ *Supra* note 13.

¹⁹ For reference, in 2015, consumer ACH debit volume totaled approximately 12.5 billion transactions and \$18.3 trillion, while the ACH Network processed a total of 24B transactions totaling \$41.6T volume. See NACHA press release. Available at <https://www.nacha.org/news/ach-volume-grows-56-percent-adding-13-billion-payments-2015-q>.

transmit payment messages and settle transactions. As a result, P2P transaction volume is often conflated with that of the legacy payment systems upon which the P2P services rely. Further, the Bureau’s Prepaid Account Rule, which is effective April 1, 2019, establishes a definition for prepaid accounts (which includes certain mobile wallets) and explicitly brings prepaid accounts within the scope of Regulation E, and as a result, could expand the universe of P2P payments that are subject to Regulation E.²⁰ An industry analyst reports, based on survey results and estimates, that 144 million, or 57 percent of U.S. consumers made a P2P payment in 2017.²¹

ATM transaction volume appears to have diminished in recent years; however, the total value of ATM withdrawals appears to have remained relatively constant over the same span. Specifically, the Federal Reserve, citing a survey of large institutions, reported a 2.8 percent decline in the number of ATM withdrawals from 2016 to 2017.²² During this period, the Federal Reserve states that the aggregate value of ATM withdrawals increased by 0.5 percent.²³

The Bureau issued the Prepaid Accounts Rule on October 5, 2016, to create comprehensive protections for prepaid accounts. The rule provides an overview of prepaid financial products, including general purpose reloadable cards, as well as an analysis of the potential benefits and costs related to disclosures, limited liability and error resolution, access to prepaid account information, and the posting of prepaid account agreements.²⁴

The incremental costs associated with the EFTA are difficult to quantify because it is difficult to determine how industry practices would have evolved in the absence of statutory requirements. The benefits of the EFTA are also difficult to measure, as they cannot be isolated from consumer protections that would have been provided in the absence of regulation. The Bureau will continue to consider the potential benefits and costs to consumers and financial institutions in evaluating new rules under EFTA. The Bureau will also continue to monitor the market and evaluate the adequacy of consumer protection under EFTA.

²⁰ See 12 CFR 1005.3(b)(1) for the general definition of an EFT within Regulation E. The Prepaid Rule expands the definition of an account within Regulation E at 12 CFR 1005.2(b)(3)(i). Comment 12 CFR 1005.2(b)(3)(i)-10 addresses accounts with a primary function of conducting P2P transfers.

²¹ Talie Baker and Judy Fishman, *Person-to-person Payments in the U.S.: The Case for Real Time*, Ait  Group (Feb. 2019), available at <https://aitegroup.com/report/person-person-payments-us-case-real-time>.

²² *Supra* note 13. Note: financial institutions operate just over 40 percent of all U.S. ATMs per the National ATM Council, available at: <https://natmc.org/new-study-shows-independent-operators-provide-majority-of-u.s.-atms-serve-under-banked.html>.

²³ *Supra* note 13.

²⁴ Available at <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/prepaid-accounts-under-electronic-fund-transfer-act-regulation-e-and-truth-lending-act-regulation-z/>. The Prepaid Accounts Rule also regulates overdraft credit features that may be offered in conjunction with prepaid accounts (covered under Regulation Z).

The agencies charged with enforcement of EFTA under 15 U.S.C. § 1693 include:

- the Bureau,
- the FDIC,
- the FRB,
- the NCUA,
- the OCC,
- the FTC,
- the DOT, and
- the Securities and Exchange Commission.

During the reporting period of January 1, 2016, through December 31, 2016, the following agencies reported public enforcement actions under EFTA, including:

TABLE 3: 2016 PUBLIC ENFORCEMENT ACTIONS RELATED TO EFTA

Agency	Summary
Bureau	Entered into a consent order with a financial services company offering payday loans and check-cashing services for, among other violations, failing to obtain written authorization for preauthorized electronic fund transfers from consumers' bank accounts in violation of EFTA and Regulation E.
	Entered into a consent order with a bank for, among other violations, violating the overdraft opt-in requirements of EFTA and Regulation E.
	Entered into a consent order with a retail credit financing company for, among other violations, entering into revolving credit agreements with ACH pre-authorization provisions that failed to disclose requisite information in violation of EFTA and Regulation E.
FDIC	Entered into one consent order for violations of Regulation E.

Agency	Summary
FTC	<p>Obtained a judgment against a group of payday lenders for making preauthorized debits from consumers' bank accounts as a condition of obtaining payday loans in violation of EFTA and Regulation E.</p> <p>Obtained court orders against skincare marketers for violating EFTA and Regulation E by allegedly failing to obtain from consumers a signed or similarly authenticated written authorization for preauthorized electronic fund transfers from their accounts, and for failing to provide them a copy of the authorization.</p> <p>Obtained stipulated orders against defendants involved in an Internet enterprise for violating EFTA and Regulation E by allegedly charging recurring monthly fees never agreed to.</p> <p>Obtained a stipulated final order against a marketer of dietary supplements for allegedly debiting consumers' bank accounts on a recurring basis without obtaining written authorization from them or providing a copy of the authorization in violation of EFTA.</p> <p>Obtained a stipulated final order against two individuals and their companies that marketed weight loss supplements for allegedly debiting consumers' bank accounts on a recurring basis for preauthorized electronic fund transfers without obtaining the consumers' signed or similarly authenticated written authorization, and for failing to provide them a copy of the authorization, in violation of EFTA.</p> <p>Obtained a judgment against a consumer electronics retailer for violating a prior FTC consent order for, among other things, violating EFTA by allegedly conditioning the extension of credit on mandatory preauthorized transfers.</p>

No other agencies with EFTA enforcement authority reported taking any public enforcement actions related to EFTA during the January 1, 2016, through December 31, 2016, time period.

For EFTA and Regulation E violations found during this time period, the Bureau and the NCUA required 10 institutions to reimburse 164,677 consumers a total of \$3.1 million. This amount includes reimbursements required by the enforcement actions noted in Table 3, as well as non-

public supervisory or enforcement actions, and includes reimbursements associated with violations of other Federal consumer financial laws.

During the reporting period of January 1, 2017, through December 31, 2017, the following agencies reported public enforcement actions under EFTA, including:

TABLE 4: 2017 PUBLIC ENFORCEMENT ACTIONS RELATED TO EFTA

Agency	Summary
Bureau	Filed a complaint against a bank for, among other violations, allegedly violating the overdraft opt-in requirements of EFTA and Regulation E.
FTC	<p>Obtained stipulated final orders against three dietary supplement marketers for allegedly debiting consumers' bank accounts on a recurring basis without obtaining a written authorization signed or similarly authenticated from consumers for preauthorized electronic fund transfers from their account, and for failing to provide consumers with a copy of the authorization, in violation of EFTA and Regulation E.</p> <p>Obtained a stipulated order with a network of online marketers for violating EFTA by allegedly debiting consumers' bank accounts on a recurring basis without obtaining a written authorization signed or similarly authenticated from consumers for preauthorized electronic fund transfers from their accounts, and for failing to provide consumers with a copy of the authorization.</p> <p>Entered into stipulated final orders against a company and its owners that marketed dietary supplements for allegedly debiting consumers' bank accounts on a recurring basis without obtaining a written authorization form, or providing a copy of the authorization to consumers, in violation of EFTA.</p> <p>Obtained a final order with a company and its owner for charging consumers for monthly fees they never agreed to pay, in violation of EFTA.</p> <p>Obtained a default judgment against the owner of a media group for violating EFTA and Regulation E by debiting consumers' bank accounts on a recurring basis without obtaining a written authorization signed or similarly authenticated</p>

Agency	Summary
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from consumers for preauthorized electronic fund transfers from their accounts, and for failing to provide consumers with a copy of the authorization.

No other agencies with EFTA enforcement authority reported taking any public enforcement actions related to EFTA during the January 1, 2017, through December 31, 2017, time period. For EFTA and Regulation E violations found during this time period as a result of non-public supervisory or enforcement actions, the Bureau and the NCUA required 17 institutions to reimburse 1,156 consumers a total of \$140,157.

2.3 CARD Act: Public enforcement actions and reimbursements

The CARD Act amended TILA to establish fair and transparent practices for the extension of credit under an open-end consumer credit plan. Section 502(e) of the CARD Act requires reporting on supervision and enforcement activities undertaken by the Federal banking agencies (the FRB, FDIC, and OCC) and the FTC with respect to compliance by credit card issuers with applicable Federal consumer protection statutes and regulations, including the CARD Act and Section 5 of the FTC Act.

During the reporting period of January 1, 2016, through December 31, 2016, the following agencies reported public enforcement actions under the applicable Federal consumer financial protection laws:

TABLE 5: 2016 PUBLIC ENFORCEMENT ACTIONS RELATED TO SECTION 5 OF THE FTC ACT

Agency	Summary
OCC	Issued two consent orders against a bank for violating the FTC Act for unfair practice of billing customers for two identity protection products that they did not receive. These enforcement actions were taken in coordination with the CFPB.

Agency	Summary
	Issued two consent orders against a bank for violating Section 5 of the FTC Act for the unfair practice of charging customers for credit protection monitoring products who, but for at least some amount of time, did not receive the products' credit monitoring benefits.

No other agencies reported taking public enforcement actions related to the CARD Act or other applicable Federal consumer financial laws during the January 1, 2016, through December 31, 2016, time period.

As a result of enforcement actions taken during this time period, the banks regulated by the OCC made, or will make, approximately \$47.9 million in reimbursements to approximately 400,000 affected consumers. This amount includes reimbursements required by the enforcement actions noted in Table 5. In the enforcement actions coordinated with the OCC, the Bureau required the institution to reimburse an estimated 257,000 consumers a total of approximately \$27.75 million.

During the reporting period of January 1, 2017, through December 31, 2017, the following agencies reported public enforcement actions under the applicable Federal consumer financial protection laws:

TABLE 6: 2017 ENFORCEMENT ACTIONS RELATED TO THE CARD ACT AND OTHER APPLICABLE LAWS

Agency	Summary
FDIC	Issued six public enforcement actions against one bank and two institution-affiliated parties related to the violations in Section 5 of the FTC Act for unfair and deceptive practices.
FRB	Issued a consent order against a state member bank for deceptive practices in violation of Section 5 of the FTC Act related to balance transfer credit cards issued to consumers by the bank through third parties.
OCC	Issued four consent orders against two banks for unfair billing practices for an identity protection product offered by the bank in violation of the FTC Act.

No other agencies reported taking public enforcement actions related to the CARD Act or other applicable Federal consumer financial laws during the January 1, 2017, through December 31, 2017, time period.

As a result of enforcement actions taken during this same time period, the OCC, FDIC, and FRB required six institutions and affiliates to reimburse an estimated 54,940 consumers approximately \$12.7 million. This amount includes reimbursements required by the enforcement actions noted in Table 6, and includes reimbursements associated with violations of other Federal consumer financial laws.

3. Assessment of compliance and common violations – TILA and EFTA

The agencies that are members of the Federal Financial Institutions Examination Council (FFIEC) reported overall compliance by supervised entities with TILA, EFTA, and their respective implementing regulations.²⁵ The agencies did report, however, that more institutions were cited for violations of Regulation Z than Regulation E over both the 2016 and 2017 reporting periods. Based on the information reported by the FFIEC agencies, this section outlines the most frequently cited violations of Regulation Z and Regulation E across the FFIEC agencies for each reporting period.²⁶

For the reporting period of January 1, 2016, through December 31, 2016, the most frequently cited violation of Regulation Z across the FFIEC agencies was:

- 12 C.F.R. § 1026.18(d) – On closed-end credit, failure to disclose, or accurately disclose, the finance charge, using that term, and a brief description such as “the dollar amount the credit will cost you.”

For the reporting period of January 1, 2016, through December 31, 2016, the most frequently cited violations of Regulation E across the FFIEC agencies were:

- 12 C.F.R. § 1005.11(c) – Failure to comply with the investigation and timeframe requirements for resolving errors in electronic fund transfers.
- 12 C.F.R. § 1005.11(d) – Failure to follow the required procedures when an investigation determines no error or a different error occurred.

For the reporting period of January 1, 2017, through December 31, 2017, the most frequently

²⁵ Other agencies either do not conduct compliance examinations or reported general compliance for the laws under their jurisdiction.

²⁶ Because the FFIEC agencies use different methods to compile data, the information presented here supports only general conclusions.

cited violations of Regulation Z across the FFIEC agencies were:

- 12 C.F.R. § 1026.18(d) – On closed-end credit, failure to disclose, or accurately disclose, the finance charge, using that term, and a brief description such as “the dollar amount the credit will cost you.”
- 12 C.F.R. § 1026.19(e) – On closed-end credit, failure to disclose good faith estimates of the disclosures.
- 12 C.F.R. § 1026.38(a) – Failure to disclose the title of the form, “Closing Disclosure,” using that term for certain mortgage transactions.
- 12 C.F.R. § 1026.38(f) – Failure to provide consumers with specific information under the heading “Loan Costs” on the Closing Disclosure.

For the reporting period of January 1, 2017, through December 31, 2017, the most frequently cited violations of Regulation E across the FFIEC agencies were:

- 12 C.F.R. § 1005.11(b) –Failure to comply with the requirements of this section with respect to any oral or written notice of error from the consumer.
- 12 C.F.R. § 1005.11(c) – Failure to comply with the investigation and timeframe requirements for resolving errors in electronic fund transfers.
- 12 C.F.R. § 1005.31(b) –Failure to comply with providing disclosures, as applicable, and using the terms, or substantially similar terms, set forth in this section.

4. Outreach related to TILA and EFTA

The FFIEC agencies conducted training and issued guidance and examination procedures to assist supervised institutions in complying with the requirements of TILA, EFTA, and their respective implementing regulations. The agencies also provided guidance to consumers on these topics through various means, such as Federal Register Notices, workshops, blogs, and other outreach events.

In 2016, the FTC hosted workshops on such topics as payday and car title loans, testing and evaluation of disclosures that companies make to consumers about advertising claims, and other information. The FTC also released videos to assist consumers with buying and financing vehicles and issued blog posts on various topics such as auto purchasing and financing, deceptive payday lending practices, marketplace lending, and metrics and thresholds for determining effective disclosures and improving disclosure design.

In 2017, the FTC hosted workshops and issued blog posts on topics such as auto sales, finance issues, financial issues specific to servicemembers, deceptive and unfair payday lending, deceptive advertising in car sales, and negative option plans. The FTC also released a blog post discussing its second FinTech Forum—held in 2016—that brought together government and industry participants, consumer advocates, and other stakeholders, to discuss two evolving types of financial technology, including peer-to-peer payment systems and crowdfunding.