

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

**ADMINISTRATIVE PROCEEDING  
File No. 2013-CFPB-0007**

**In the Matter of:**

**JPMorgan Chase Bank, N.A.; and  
Chase Bank USA, N.A.**

**CONSENT ORDER**

The Consumer Financial Protection Bureau (“CFPB”), through its staff, examined the affairs of Respondents JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A., (collectively, the “Bank” as defined below) with regard to its billing and administration of Identity Protection Products (as defined below) and identified violations of law. The CFPB hereby issues, pursuant to 12 U.S.C. §§ 5563 and 5565, this Consent Order (“Order”).

**I.**

**Overview**

The CFPB finds that the Bank has engaged in violations of Sections 1031 and 1036 of the CFPA (collectively, “Section 1036”), 12 U.S.C. §§ 5531, 5536, in connection with its billing and administration of Identity Protection Products to Customers (as defined below), which occurred during the period between October 2005 and June 2012.

**II.**

**Jurisdiction**

1. The CFPB has jurisdiction over this matter pursuant to Sections 1053 and 1055 of the Consumer Financial Protection Act (“CFPA”), 12 U.S.C. §§ 5563, 5565.

### III.

#### **Stipulation**

2. The Bank has executed a “Stipulation and Consent to the Issuance of Consent Order,” dated September 18, 2013 (“Stipulation”), which is incorporated by reference and is accepted by the CFPB. By this Stipulation, the Bank has consented, without admitting or denying any findings of fact, any violation of law or any wrongdoing, to the issuance of this Consent Order (“Order”) by the CFPB pursuant to Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, and admits the CFPB’s jurisdiction over the subject matter and the Bank in this action.

### IV.

#### **Definitions**

3. For purposes of this Order, the following definitions shall apply:
  - a. “Add-On Product” or “Product” shall mean any consumer financial product or service, as defined by Section 1002(5) of the CFPA, 12 U.S.C. § 5481(5), which is offered as an optional add-on product to Bank credit cards and/or as an optional add-on product to co-branded consumer products of the Bank.
  - b. “Bank” shall collectively mean JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A., and their successors and assigns.
  - c. “Board” shall mean the Bank’s duly elected and acting Board of Directors.
  - d. “Customer” means any person who enrolled in an Identity Protection Product.
  - e. “Effective Date” shall mean the date on which the Order is issued.
  - f. “Enforcement Director” shall mean the Assistant Director of the Office of Enforcement for the Consumer Financial Protection Bureau.

- g. "Identity Protection Product" shall mean either of the two identity theft protection products, "Chase Identity Protection" and "Chase Fraud Detector," which included credit monitoring and credit report retrieval services and were marketed and sold to Bank customers and other consumers by the Bank or its Vendor. For purposes of this Order, Chase Fraud Detector was an "Identity Protection Product" only to the extent that it included credit monitoring and credit report retrieval services, which were offered to certain customers beginning in 2009.
- h. "Regional Director" shall mean the Regional Director for the Northeast Region for the Office of Supervision for the Consumer Financial Protection Bureau.
- i. "Vendor" shall mean a third party vendor that provided marketing, sales, delivery, servicing, and/or fulfillment of services for Add-On Products offered pursuant to a contractual obligation to the Bank.

#### **CFPB FINDINGS**

#### **V.**

The CFPB finds the following:

- 4. JPMorgan Chase & Co. (JPMC) is a financial holding company incorporated in Delaware, with \$2.4 trillion in total assets as of January 2013. JPMorgan Chase Bank, N.A. and Chase Bank USA, N.A. are national banks and subsidiaries of JPMC.
- 5. From October 2005 to March 2012, the Bank and its Vendors marketed, offered for sale, and sold Identity Protection Products that purported to monitor Customers' credit information to alert Customers to activity that could indicate fraudulent use of their financial information or identities. The Bank, in its offering for sale and sale of Identity Protection Products represented that in exchange for a monthly fee, the Bank, through its Vendors, would provide features that included a service to monitor Customers' credit

information at three credit reporting agencies daily to identify and alert Customers to activity that could suggest fraudulent use of their identities. The Bank called this product feature “3-Bureau Credit Monitoring.”

6. The Bank offered for sale and sold Identity Protection Products as “add-on” features to new or existing customer credit card accounts as well as to retail bank customers and non-customers. Once the Customer was enrolled in Identity Protection Products, the Bank delegated the servicing of these Customers to certain third party Vendors: Corelogic, Inc. (formerly known as First Advantage Membership Services, Inc. (FAMS)) for Chase Fraud Detector, True Credit for the Chase Identity Protection (ChIPs), and Intersections, Inc. for Chase Identity Protection (IPS).
7. To activate the “3-Bureau Credit Monitoring” feature of the Identity Protection Products, the Bank, through its Vendors, was required by the Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681b, to have a “permissible purpose” to obtain Customers’ credit information from the credit reporting agencies. A credit reporting agency may release a credit report in accordance with a Customer’s “written instructions” for the credit reporting agency to release a credit report. 15 U.S.C. § 1681b(a)(2). Accordingly, the Vendor provided Customers the materials necessary to grant the Vendor authorization to access their credit information from the credit reporting agencies in order to activate “3-Bureau Credit Monitoring.”
8. In many cases, however, some period of time passed before Customers provided authorization, or the Bank’s Vendors never obtained the Customers’ authorization. Other Customers provided their authorization but one or more credit reporting agencies would not process the authorization if they were unable to match customer identification

information with the agency's own records. In these circumstances, while the Bank and its Vendors were unable to provide part or all of the credit monitoring services, the Bank continued to bill these Customers full monthly fees.

9. The Bank's compliance monitoring, service provider management and quality assurance failed to prevent, identify, or correct the billing for services that were not provided.
10. The Bank has begun corrective action, and is committed to taking all necessary and appropriate steps to remedy the violation of law identified by the CFPB.
11. The Bank is an insured depository institution with assets greater than \$10,000,000,000 within the meaning of 12 U.S.C. § 5515(a).
12. The Bank is a "covered person" as that term is defined by 12 U.S.C. § 5481(6).
13. Section 1036(a)(1)(B) of the CFPA prohibits "unfair, deceptive, or abusive" acts or practices ("UDAAP"). 12 U.S.C. § 5536(a)(1)(B).
14. The Bank's acceptance of monthly payments while failing to provide credit monitoring services has resulted in substantial injury to more than 2.1 million consumers in the amount of at least \$270 million in fees and over-limit charges, as well as more than \$39 million in associated interest fees. This injury was not reasonably avoidable by consumers and is not outweighed by any countervailing benefit to the consumers or to competition.
15. Therefore, by reason of the foregoing billing practices for its Identity Protection Products as described in Paragraphs 5 to 14, the Bank, through its Vendors, engaged in unfair acts and practices in violation of Section 1036(a)(1)(B), 12 U.S.C. § 5536(a)(1)(B).

**CONDUCT PROVISIONS**

**VI.**

**Order to Cease and Desist and to Take Other Affirmative Action**

**IT IS HEREBY ORDERED**, pursuant to Sections 1053 and 1055 of the CFPB, that the Bank and its officers, agents, servants, employees, and attorneys, whether acting directly or indirectly, shall cease and desist and shall take reasonable measures to ensure that its Vendors and other agents cease and desist from engaging in violations of law or regulations in the billing and administration of Identity Protection Products, and that the Bank has taken or will take the following affirmative actions:

16. The Bank represents that it stopped marketing, soliciting, offering for sale, and selling Identity Protection Products on or before March 2012. The Bank shall be prohibited from marketing, soliciting, offering for sale and selling Identity Protection Products, unless it submits to the CFPB a compliance plan (the “Compliance Plan”) specifically designed to prevent all violations of Section 1036 in the administration of Identity Protection Products.
17. Any Compliance Plan concerning Identity Protection Products shall:
  - a. Address the manner in which the Bank informs Customers that any credit monitoring services will not be activated until Customer authorization for the Bank to access their credit information at credit reporting agencies;
  - b. Describe how the Bank will avoid billing Customers during a period before the Bank or Vendor receives authorization to access credit information from each credit reporting agency and during a period when the credit reporting agency has not yet processed authorizations submitted by Customers.

18. The Bank shall submit any Compliance Plan to the Regional Director at least 90 days prior to marketing, soliciting, offering for sale, or selling Identity Protection Products for prior determination of supervisory non-objection.
19. Within 90 days of the Effective Date, the Bank shall submit a plan to address the actions that are necessary and appropriate to achieve compliance with this Order (the “Action Plan”). The Board or a Committee thereof shall ensure the Action Plan is submitted to the Regional Director for prior determination of supervisory non-objection.
20. The Action Plan shall include the development or revision of a written Vendor Management Policy designed to ensure that all Add-On Products which are marketed and sold by the Bank or through Vendors comply with applicable Federal consumer financial law, including but not limited to Section 1036, 12 U.S.C. § 5536. At a minimum, the Vendor Management Policy shall require:
  - a. An analysis to be conducted by the Bank, prior to the Bank entering into a contract with the Vendor, of the ability of the Vendor to perform the marketing, sales, delivery, servicing, and fulfillment of services for the Product(s) in compliance with all applicable Federal consumer financial laws and the Bank’s policies and procedures;
  - b. For new and renewed contracts, a written contract between the Bank and the Vendor, which sets forth the responsibilities of each party, especially:
    - i. the Vendor’s specific performance responsibilities and duty to maintain adequate internal controls over the marketing, sales, delivery, servicing, and fulfillment of services for the Products;

- ii. the Vendor's responsibilities and duty to provide adequate training on applicable Federal consumer financial law and the Bank's policies and procedures to all Vendor employees or agents engaged in the marketing, sales, delivery, servicing, and fulfillment of services for the Product(s);
  - iii. granting the Bank the authority to conduct periodic onsite reviews of the Vendor's controls, performance, and information systems as they relate to the marketing, sales, delivery, servicing, and fulfillment of services for the Product(s); and
  - iv. the Bank's right to terminate the contract if the Vendor materially fails to comply with the terms specified in the contract, including the terms required by this Paragraph.
- c. Periodic onsite review by the Bank of the Vendor's controls, performance, and information systems.
21. In addition, within 90 days of this Order, an appropriate independent qualified group within the Bank shall develop a written Unfair, Deceptive, or Abusive Acts or Practices Policy ("UDAAP Policy") for any Add-On Products that shall require a written analysis, to be conducted on an annual basis, of:
- a. Any changes to the governance, control, marketing, sales, delivery, servicing, and/or fulfillment of Add-On Products that are considered to be at high risk for UDAAP that are marketed and sold by the Bank or through Vendors; and
  - b. Any new Add-On Products considered to be at high risk for UDAAP.

22. The analysis required by the preceding Paragraph shall be conducted prior to implementation of any material changes to existing Add-On Products and at a minimum include the following:
  - a. An assessment of the UDAAP risks of the Add-On Product and of the governance, control, marketing, sales, delivery, servicing, and/or fulfillment of services for the Add-On Product; and
  - b. An evaluation of the adequacy of the Bank's internal controls and written policies and procedures to identify, measure, monitor, and control the UDAAP risks associated with the Add-On Product.
23. The UDAAP Policy shall also require:
  - a. The recording of all telephone calls in which Products are marketed or sold by the Bank or through a Vendor to Bank customers, which recordings shall be retained for a period of at least 25 months from the date of the call;
  - b. The recording of all telephone calls in which a customer enrolled in a Product marketed or sold by the Bank or through a Vendor indicates that he or she did not authorize, does not want, does not need, or wishes to cancel the Product, which recordings shall be retained for a period of at least 25 months from the date of the call;
  - c. Comprehensive written procedures for providing appropriate training on applicable Federal consumer financial laws and the Bank's policies and procedures, including but not limited to unfair, deceptive, and abusive acts and practices, to appropriate Bank employees and Vendor call agents who market or sell Products during in-bound or out-bound telephone calls or who engage in

retention efforts during telephone calls in which a Bank customer indicates that he or she did not authorize, does not want, does not need, or wishes to cancel the Product;

- d. Comprehensive written procedures for providing appropriate training on applicable Federal consumer financial laws and the Bank's policies and procedures, including, but not limited to, Section 1036, to appropriate Bank employees and Vendor employees or agents monitoring telephone calls;
- e. Comprehensive written policies and procedures for identifying and reporting any violation of applicable Federal consumer financial laws and the Bank's policies and procedures by the Bank's employees and Vendor's employees or agents, in a timely manner, to a specified executive risk manager at the Bank. The manager to whom such reports are made shall be independent of the unit overseeing the sale and marketing of the Products;
- f. Development of training materials relating to identifying and responding to violations of applicable Federal consumer financial laws that will be incorporated into the existing annual compliance training for appropriate employees;
- g. Independent telephone call monitoring by qualified personnel who have training in identifying and reporting violations of applicable Federal consumer financial laws and the Bank's policies and procedures, including, but not limited to, Section 1036;
- h. Reporting, on at least a monthly basis by the independent unit responsible for conducting the monitoring required by Paragraph 23g, of its findings from the

- telephone call monitoring to a specified executive risk manager who is independent of the unit overseeing the sales and marketing of these Products; and
- i. Written policies and procedures to ensure the risk management, internal audit, and corporate compliance programs have the requisite authority and status within the Bank so that appropriate reviews of Products marketed or sold by the Bank or through Vendors may occur and deficiencies are identified and properly remedied.
24. Within 90 days of the Effective Date, the Bank shall submit its Action Plan, the Vendor Management Policy and the UDAAP Policy to the Regional Director for prior determination of supervisory non-objection.
25. Upon receipt of a determination of supervisory non-objection from the CFPB to the Action Plan, the Vendor Management Policy and the UDAAP Policy, the Board or a Committee thereof shall ensure the Bank's adoption, implementation and adherence to the Action Plan, the Vendor Management Policy and the UDAAP Policy.
26. Any material proposed changes or deviations from the approved Vendor Management Policy and its UDAAP Policy shall be submitted in writing to the CFPB for determination of supervisory non-objection.
27. The Bank's Internal Audit department shall periodically conduct an assessment of the Bank's compliance with the Vendor Management Policy and its UDAAP Policy. Such assessments shall occur within 120 days after the Bank's receipt of a determination of supervisory non-objection to the Vendor Management Policy and the UDAAP Policy, and periodically but at least annually thereafter, and the findings shall be memorialized in

writing. Within 10 days of completing each assessment, Internal Audit shall provide its written findings to the Audit Committee and the Regional Director.

## VII.

### **Consumer Compliance Internal Audit Program**

28. Within 90 days from the Effective Date, the Bank shall develop a written Consumer Compliance Internal Audit Program for all Add-On Products (the “Internal Audit Program”). The Audit Committee shall ensure that the Bank submits this Internal Audit Program to the Regional Director for determination of supervisory non-objection. At minimum, the Internal Audit Program shall include:
  - a. Written policies and procedures for conducting audits of the Bank’s compliance with applicable Federal consumer financial laws, including but not limited to Section 1036. These policies and procedures shall specify the frequency, scope, and depth of these audits;
  - b. Written policies and procedures for expanding its sampling when exceptions based on potential violations of applicable Federal consumer financial laws are detected.
29. Upon receipt of a determination of supervisory non-objection to the Internal Audit Program, the Audit committee shall ensure that the Bank implements and adheres to the Internal Audit Program. Any proposed changes to or deviations from the Internal Audit Program shall be submitted in writing to the Regional Director for determination of supervisory non-objection.

**VIII.**

**Audit Committee**

30. The Bank's existing Audit Committee, which is composed of independent directors, shall be responsible for monitoring and coordinating the Bank's compliance with the provisions of this Order.
31. Within 90 days of the Effective Date, and thereafter within 30 days after the end of each quarter, the Audit Committee shall submit a written progress report to the Board setting forth in detail the actions taken to comply with this Order, and the results and status of those actions.
32. Upon receiving the Audit Committee's report, the Board shall forward a copy of the Audit Committee's report, with any additional comments by the Board, to the Regional Director within 10 days of the first Board meeting following receipt of such report, unless additional time is granted by the Regional Director through a written determination of supervisory non-objection.

**IX.**

**Role of the Board**

**IT IS FURTHER ORDERED** that:

33. The Board shall ensure that all submissions (including plans, reports, programs, policies, and procedures) required by this Order are submitted to the Regional Director.
34. Although this Order requires the Bank to submit certain documents for the determination of non-objection by the Regional Director, the Board shall have the ultimate responsibility for proper and sound management of the Bank and for ensuring that the Bank complies with Federal consumer financial laws and this Order. With the prior non-

objection of the Regional Director, the Board may delegate certain of the approval or reporting obligations included herein to the Audit Committee.

35. In each instance in this Order in which the Board is required to ensure adherence to, or undertake to perform certain obligations of the Bank, the Board shall directly, or through the Audit Committee:
  - a. Authorize and adopt such actions on behalf of the Bank as may be necessary for the Bank to perform its obligations and undertakings under the terms of this Order;
  - b. Require the timely reporting by the Bank's management of such actions directed by the Bank to be taken under the terms of this Order; and
  - c. Require corrective action be taken in a timely and appropriate manner of any material non-compliance with such actions.

### **MONETARY PROVISIONS**

#### **X.**

##### **Order to Pay Redress**

##### **IT IS FURTHER ORDERED that:**

36. The Bank shall make full redress as defined in this Order, in accordance with the Redress Plan required in Paragraph 37, to all Eligible Customers as defined in Paragraph 39.
37. Within 60 days of the Effective Date, the Bank shall develop a redress plan ("Redress Plan") and submit it to the Regional Director for review and non-objection. The Regional Director shall have the discretion to make a determination of non-objection to the Redress Plan or direct the Bank to revise it. In the event the Regional Director directs the Bank to revise the Redress plan, the Bank shall make the revisions and resubmit the Redress Plan to the Regional Director within 15 days.

38. The Redress Plan shall describe the redress paid to each Eligible Customer and shall include, as applicable to each Eligible Customer:
  - a. The sum of:
    - i. all fees paid by an Eligible Customer under the Identity Protection Product's terms since the Eligible Customer's Redress Start Date through his or her Redress End Date;
    - ii. all over-limit fees paid by an Eligible Customer since the Customer's Redress Start Date through his or her Redress End Date because the charging of the Identity Protection Product's fees resulted in the Customer exceeding his or her credit limit;
    - iii. all finance charges assessed by the Bank that accrued to the Eligible Customer's account as a result of the billing of the fees described in Sub-Paragraph (a)(i); and
  - b. Less any amount of redress provided to an Eligible Customer prior to the Effective Date.
39. The Redress Plan shall:
  - a. Apply to all "Eligible Customers" defined as Customers who, with respect to each Identity Protection Product, paid for and, separately, either:
    - i. never received credit monitoring services because the Bank did not obtain written authorization required to access credit information from the credit reporting agencies pursuant to the FCRA;
    - ii. received partial credit monitoring services for one or more of the following reasons:

1. the Bank did not obtain written authorization for some period of time following the Customer's enrollment in the Identity Protection Product;
  2. the Vendor did not have sufficient information to process such an authorization; and/or
  3. one or more credit reporting agency did not match an authorization and required additional information to verify the Customer's identity.
- iii. failed to receive credit monitoring services for any other reason.
- b. Determine the Eligible Customer's appropriate "Redress Start Date" and "Redress End Date" for each Identity Protection Product. The "Redress Start Date" shall be the date, after October 2005, that charges for the Identity Protection Product were assessed for those eligible under Sub-Paragraph (a) above. The "Redress End Date" shall be the date that Customers were no longer eligible under Sub-Paragraph (a) above;
  - c. Provide for processes covering all Eligible Customers regardless of their current account status with the Bank, including open accounts, closed accounts with and without a balance, and charged-off accounts. The process shall include the following requirements:
    - i. for any open credit card account, the Bank shall deliver a statement credit to the account or otherwise send a refund check;
    - ii. for any closed or inactive (\$0 balance) credit card account, the Bank shall mail a check to any Eligible Customer;

- iii. for any charged-off account, the Bank shall issue a credit decreasing the charged-off balance by the amount of redress. Where the refund is greater than the existing charged-off balance, the Bank shall mail to the Customer a check in the amount of the excess;
  - iv. if the account holder is deceased, and the balance is greater than the refund, the Bank will provide a statement credit to the account; otherwise, a refund check will be sent to the Customer's estate; for accounts with an estate, the refund disposition will be determined based on the status of the estate; and
  - v. with respect to any bankruptcy, estate, accounts in litigation and sold charged-off accounts, the Bank shall make the refund in accordance with applicable law.
- d. Include a description of the following:
- i. methods used and the time necessary to compile a list of potential Eligible Customers;
  - ii. methods used to calculate the amount of redress to be paid to each Eligible Customer as required herein;
  - iii. procedures for issuance and tracking of redress to Eligible Customers;
  - iv. procedures for monitoring compliance with the Redress Plan; and
- e. Notwithstanding Sub-Paragraph (a), no Customer shall be precluded from receiving redress with respect to more than one Identity Protection Product. For any Eligible Customer who is eligible with respect to more than one Identity Protection Product, the Eligible Customer's redress will be determined for each

Identity Protection Product separately pursuant to Sub-Paragraphs (a), (b), and (c) above.

40. The Bank represents that it has completed a plan to provide redress to Eligible Customers in accordance with the harm described in this Order. This plan shall be documented as part of the Redress Plan required by this Order and be subject to the requirements of this Order, and shall include an accounting of amounts that Eligible Customers have already received in redress from the Bank.
41. The Bank represents that it made reasonable attempts to locate Eligible Customers, including a standard address search using the National Change of Address System.
42. Redress provided by the Bank shall not limit Customers' rights in any way.
43. With respect to any Eligible Customer's account that receives redress under the Redress Plan as a credit that decreases the existing balance or charged-off balance, the Bank shall as permitted by law and in accordance with existing procedures:
  - a. Report the updated balance to each credit reporting agency to which the Bank had previously furnished balance information for the account;
  - b. Delete the account tradeline at each credit reporting agency to which the Bank had previously furnished balance information for the account; or
  - c. In the case of an account sold to an unaffiliated third party, request that such third party owner of the debt report the updated balance to, or delete the account tradeline at, each credit reporting agency to which the Bank or the third party owner of the debt had previously furnished balance information for the account.

44. Within 60 days from completion of the Redress Plan, the Bank's Internal Audit department shall review and assess compliance with the terms of the Redress Plan (the "Redress Review").
45. The Redress Review shall include an assessment of the Redress Plan and the methodology used to determine the population of Eligible Customers, the amount of redress for each Eligible Customer, the procedures used to issue and track redress payments, the procedures used for reporting and requesting the reporting of updated balances to the credit reporting agencies, and the work of independent consultants that the Bank has used to assist and review its execution of the Redress Plan.
46. The Redress Review shall be summarized in a written report (the "Redress Review Report"), which shall be completed within 30 days of completion of the Redress Review. Within 10 days of its completion, the Redress Review Report shall be submitted to the Regional Director and the Board.

## XI.

### **Order To Pay Civil Money Penalties**

**IT IS FURTHER ORDERED** that:

47. Pursuant to Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law set forth in Section V of this Order, and taking into account the factors set forth in 12 U.S.C. § 5565(c)(3), the Bank shall pay a civil money penalty of \$20 million to the CFPB, as directed by the CFPB and as set forth herein.
48. Within 10 days of the Effective Date, the Bank shall pay the civil money penalty in the form of a wire transfer to the CFPB or to such agent as the CFPB may direct, and in accordance with wiring instructions to be provided by counsel for the CFPB.

49. The civil money penalty paid pursuant to this Order shall be deposited in the Civil Penalty Fund of the CFPB in accordance with Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
50. In the event of any default on the Bank's obligation to make payment under this Section, interest, computed pursuant to 28 U.S.C. § 1961, as amended, shall accrue on any outstanding amounts not paid from the date of default to the date of payment, and shall immediately become due and payable.
51. The Bank shall relinquish all dominion, control, and title to the funds paid to the fullest extent permitted by law and no part of the funds shall be returned to the Bank.
52. The Bank shall treat the civil money penalty as a penalty paid to the government for all purposes. Regardless of how the CFPB ultimately uses those funds, the Bank shall not:
  - a. Claim, assert, or apply for a tax deduction or tax credit with regard to any federal, state, or local tax for any civil money penalty that the Bank pays pursuant to this Order; or
  - b. Seek or accept, directly or indirectly, reimbursement or indemnification from any source, including but not limited to payment made pursuant to any insurance policy, with regard to any civil money penalty that the Bank pays pursuant to this Order.
53. To preserve the deterrent effect of the civil money penalty, in any Related Consumer Action, the Bank shall not argue that the Bank is entitled to, nor shall the Bank benefit by, any offset or reduction of any monetary remedies imposed in the Related Consumer Action, by any amount of the civil money penalty paid in this action ("Penalty Offset"). If the court in any Related Consumer Action grants such a Penalty Offset, the Bank shall,

within 30 days after entry of a final order granting the Penalty Offset, notify the Regional Director, and pay the amount of the Penalty Offset to the U.S. Treasury. Such a payment shall not be deemed an additional civil money penalty and shall not be deemed to change the amount of the civil money penalty imposed in this action.

### **COMPLIANCE PROVISIONS**

#### **XII.**

##### **Order Distribution and Acknowledgment**

**IT IS FURTHER ORDERED** that,

54. Within 30 days of the Effective Date, the Bank shall deliver a copy of this Order to each of its board members and executive officers, as well as to any Vendors who have responsibilities related to the subject matter of the Order.
55. For a period of three years from the Effective Date, the Bank shall deliver a copy of this Order to any future board members and executive officers, as well as to any Vendors who will have responsibilities related to the subject matter of the Order before they assume their responsibilities.
56. The Bank shall secure a signed and dated statement acknowledging receipt of a copy of this Order, with any electronic signatures complying with the requirements of the E-Sign Act, 15 U.S.C. § 7001 et seq., within 30 days of delivery, from all persons receiving a copy of this Order pursuant to this Section.

#### **XIII.**

##### **Recordkeeping**

**IT IS FURTHER ORDERED** that:

57. For a period of at least two years from the date a Customer is no longer enrolled in an Identity Protection Product, the Bank shall retain the following records, to the extent they

exist. For each individual Customer and his or her enrollment in the Identity Protection Product:

- a. Records containing, with respect to each Customer, his or her name, addresses, phone numbers, dollar amounts paid, quantity of Identity Protection Products purchased, description of the Identity Protection Products purchased, the date on which the Identity Protection Products were purchased, a copy of the welcome kit mailed to Customers (if a Customer cancelled an Identity Protection Product, include the date the Customer cancelled the Identity Protection Product and the reason the Customer cancelled the Identity Protection Product);
- b. For Identity Protection Products, a copy of the Customer's authorization to access his or her credit information from the credit reporting agencies in order to activate "3-Bureau Credit Monitoring," and the date on which the Customer was first charged for Identity Protection Products;
- c. Records reflecting the expenses and revenues related to the Identity Protection Products;
- d. Records reflecting, on an annual basis, the number of Customers who canceled Identity Protection Products;
- e. All written Customer complaints and refund requests of the fees assessed by the Bank or its Vendors (whether received directly or indirectly, such as through a third party), and any written responses to those complaints or requests; and
- f. Copies of all sales scripts; training materials; advertisements; or other marketing materials, including terms and conditions, fulfillment packages, and welcome kits; and including any such materials used by a third party on the Bank's behalf.

58. For a period of six years from the Effective Date or one year from that date this Order is suspended, waived, or terminated, whichever is shorter, the Bank must retain the following records, to the extent they exist on the Effective Date:
  - a. All documents and records necessary to demonstrate full compliance with each provision of this Order; and
  - b. All records pertaining to the redress, described above in Section X, including, but not limited to, documentation of the processes and procedures used to determine the Eligible Customers, as that term is defined in Paragraph 39 above, the names, contact and account information of the Eligible Customers, any mailing records, and documentation that the appropriate redress was made.

#### XIV.

##### Notices

59. IT IS FURTHER ORDERED that, unless otherwise directed in writing by the Regional Director, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and shall be sent by overnight courier (not the U.S. Postal Service), as follows:

To the CFPB:

Regional Director, CFPB Northeast Region

Consumer Financial Protection Bureau

140 East 45th Street

New York, NY 10017

60. The subject line shall begin: In re *JPMorgan Chase Bank, N. A. et al*, File No. 2013-CFPB-0007.

61. *Provided however* that the Bank may send such reports or notifications by first-class mail, but only if the Bank contemporaneously sends an electronic version of such report or notification to: [Enforcement\\_Compliance@cfpb.gov](mailto:Enforcement_Compliance@cfpb.gov).

**XV.**

**Compliance and Extensions of Time**

**IT IS FURTHER ORDERED** that:

62. Upon a written showing of good cause, the Regional Director may, in his/her discretion, modify any non-material provisions of this Order (e.g., reasonable extensions of time). Any such modification by the Regional Director shall be in writing.

**ADMINISTRATIVE PROVISIONS**

**XVI.**

**Administrative Provisions**

63. The provisions of this Order shall not bar, estop or otherwise prevent the CFPB, or any other federal or state agency or department from taking any other action against the Bank.
64. This Order is intended to be, and shall be construed to be, a final order issued pursuant Section 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 CFPB or the United States.
65. This Order shall be effective on the date of issuance, and shall remain effective and enforceable, except to the extent that, and until such time as, any provisions of this Order shall have been amended, suspended, waived, or terminated in writing by the CFPB or its designated agent.
66. Calculation of time limitations shall run from the Effective Date and shall be based on calendar days, unless otherwise noted.

67. This Order constitutes a settlement of the administrative proceeding against the Bank contemplated by the CFPB, based on the conduct described in the CFPB Findings set forth in this Order. The CFPB releases and discharges the Bank from all potential liability (other than as set forth in this Order) for a cease and desist or other order or civil money penalty that has been or might have been asserted by the CFPB based on the Bank's conduct, as described in CFPB Findings of this Order, to the extent such practices occurred prior to the Effective Date and are known to the CFPB as of the Effective Date of the Order. Notwithstanding the foregoing, the practices alleged in this Order may be utilized by the CFPB in future enforcement actions against the Bank 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 shall not preclude or affect any right of the CFPB to determine and ensure compliance with the terms and provisions of the Order, or to seek penalties for any violations thereof.
68. The provisions of this Order shall be enforceable by the CFPB. Any violation of this Order may result in the imposition by the CFPB of the maximum amount of civil money penalties allowed under Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c).
69. No promises, representations or warranties other than those set forth in this Order and the accompanying Stipulation have been made by any of the parties. This Order and the accompanying Stipulation supersede all prior communications, discussions, or understandings, if any, of the parties, whether oral or in writing.
70. Nothing in this Order or the accompanying Stipulation shall be construed as allowing the Bank, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 18<sup>th</sup> day of Sept., 2013.

  
Richard Cordray  
Director  
Consumer Financial Protection Bureau