

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

ADMINISTRATIVE PROCEEDING
File No. 2022-CFPB-0010

In the Matter of:

CONSENT ORDER

Carrington Mortgage Services, LLC

The Consumer Financial Protection Bureau (Bureau) has reviewed the mortgage servicing activities of Carrington Mortgage Services, LLC (Respondent) relating to consumers who sought Forbearances under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), Public Law No. 116-136 (March 27, 2020). The Bureau has identified the following law violations. Respondent has committed deceptive acts or practices by making material representations likely to mislead reasonable consumers in connection with Forbearances, in violation of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5531 and

5536(a)(1)(B). Respondent has also violated provisions of the Fair Credit Reporting Act (FCRA) by (1) failing to properly furnish Forbearance-related information, in violation of Section 623(a)(1)(F)(ii) of FCRA, 15 U.S.C. § 1681s-2(a)(1)(F)(ii); (2) furnishing consumer information that it knew or had reasonable cause to believe was inaccurate, in violation of Section 623(a)(1)(A) of FCRA, 15 U.S.C. § 1681s-2(a)(1)(A); and (3) failing to promptly correct and update furnished information related to Forbearances, in violation of Section 623(a)(2) of FCRA, 15 U.S.C. § 1681s-2(a)(2). Respondent has also violated Regulation V by failing to update, establish, and implement reasonable written policies and procedures regarding the accuracy and integrity of the consumer information it furnished to consumer reporting agencies (CRAs) related to the CARES Act and FCRA as amended by the CARES Act in violation of 12 C.F.R. § 1022.42. Under §§ 1053 and 1055 of the 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 §§ 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565, and under § 621 of FCRA, 15 U.S.C. § 1681s(b)(1)(H).

II.

Stipulation

2. Respondent, as defined below, has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated November 15, 2022 (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 §§ 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 Consumer” means a borrower (i) whose mortgage loan was serviced by Respondent, (ii) whose mortgage loan was placed into a Forbearance during the Relevant Period, and (iii) who paid late fees in connection with payments that were temporarily postponed due to the Forbearance, after the Forbearance was requested.
 - b. “COVID-19 Emergency” means the national emergency concerning the novel coronavirus disease (COVID-19) outbreak declared by the

President on March 13, 2020 under the National Emergencies Act, 50

U.S.C. § 1601 et seq., and any extensions of that emergency.

- c. “Effective Date” means the date on which the Consent Order is entered on the administrative docket.
- d. “Federally-Backed Mortgage Loans” means loans covered by the CARES Act including those that are secured by a first or subordinate lien on residential real property (including individual units of condominiums and cooperatives) designed principally for the occupancy of from 1 to 4 families that are: guaranteed or insured by the Federal Housing Administration (FHA); guaranteed or insured by the Department of Veterans’ Affairs (VA); issued, guaranteed, or insured by the Department of Agriculture (USDA); or purchased or securitized by the Federal Home Loan Mortgage Corporation (Freddie Mac) or the Federal National Mortgage Association (Fannie Mae).
- e. “Forbearance” means a temporary postponement of contractually due mortgage payments that was provided to consumers under the CARES Act.
- f. “Government Agencies” means FHA, USDA, and VA.
- g. “GSEs” means Fannie Mae and Freddie Mac.

- h. “Guidelines” means Fannie Mae Lender Letters, Freddie Mac Bulletins, FHA Mortgagee Letters, VA Circulars, and the associated portions of guides or handbooks issued by the Government Agencies and the GSEs that relate to mortgage servicing practices in connection with the COVID-19 Emergency.
- i. “Regional Director” means the Regional Director of the West Region for the Office of Supervision for the Consumer Financial Protection Bureau, or his or her delegate.
- j. “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.
- k. “Relevant Period” includes the period from March 27, 2020 to the Effective Date.
- l. “Respondent” means Carrington Mortgage Services, LLC, and its successors and assigns.

IV.

Bureau Findings and Conclusions

The Bureau finds the following:

4. Respondent is a mortgage servicer that services Federally-Backed Mortgage Loans. As of September 2020, Respondent's portfolio contained nearly half a million such loans. More than 65% were FHA loans, nearly 20% were USDA loans, and just over 10% were VA loans. About 5% comprised loans backed by the GSEs.
5. During the Relevant Period, Respondent provided Forbearances pursuant to the CARES Act or Guidelines for over 115,000 borrowers.
6. Respondent interfaces with the borrowers whose mortgage loans it services in a number of ways, including through the web, email, traditional paper mail, and customer service telephone representatives.
7. Respondent maintained a website containing information regarding how to obtain a Forbearance and post-Forbearance repayment options and utilized call representatives to assist consumers who sought a Forbearance.
8. Respondent is a "covered person" under the CFPA because it engages in offering or providing a consumer-financial product or service, 12 U.S.C. § 5481(5), (6), 15(A)(i) and (ix).

The CARES Act

9. The COVID-19 pandemic began affecting United States consumers in or around early 2020. On March 13, 2020, the President declared the COVID-19 Emergency. On March 27, 2020, the CARES Act was enacted and

immediately went into effect to assist consumers during the pandemic, including by providing certain relief for homeowners with mortgages.

10. Section 4022 of the CARES Act provides that borrowers with Federally-Backed Mortgage Loans who are experiencing financial hardship due to the COVID-19 Emergency are entitled up to a 180-day Forbearance upon request and with no additional documentation required other than the borrower's attestation to a financial hardship during or caused by the COVID-19 Emergency. The CARES Act also entitles such borrowers up to a 180-day extension of the Forbearance upon request. The CARES Act further provides that no late fees or penalties may accrue on borrowers' accounts during Forbearance or be charged to the borrower in connection with the Forbearance.
11. Section 4021 of the CARES Act also provides protections for furnishing related to such Forbearances. It amended FCRA, effective immediately on March 27, 2020, to require that if a mortgage obligation was current before a Forbearance (or other accommodation), it must continue to be reported by the furnisher to CRAs as current during the accommodation. If the mortgage obligation was delinquent before the accommodation, during the accommodation, the furnisher cannot advance the delinquent status.

12. The Government Agencies and GSEs that support the mortgages covered by the CARES Act have issued Guidelines to servicers that service loans held or guaranteed by the Government Agencies and GSEs regarding Forbearance and repayment options. Relevant Guidelines, which were revised and updated during the pandemic, included:
- a. FHA, VA, and USDA stated that servicers must approve Forbearances for durations up to 180 days that the consumer requests;
 - b. FHA, VA, USDA, and the GSEs did not require lump sum payments of the total amount forborne upon the termination of the Forbearance; and
 - c. FHA, VA, USDA, and the GSEs all provided repayment options for qualifying borrowers that allowed deferment or its practical equivalent of the amounts forborne to the end of the mortgage loan period, and some, like FHA, require that it is offered to qualifying borrowers as a first option for repayment.

Respondent's Violations of the CFPA

13. The CFPA prohibits covered persons from engaging “in any unfair, deceptive, or abusive act or practice.” 12 U.S.C. §§ 5531, 5536(a)(1)(B).

Deceptive Acts and Practices

14. An act or practice is deceptive if it involves a material representation or omission that misleads, or is likely to mislead, a consumer acting reasonably under the circumstances.
15. During the Relevant Period, Respondent made representations to consumers that were false or misleading about the requirements of the CARES Act and Guidelines, including:
 - a. Respondent represented that certain consumers with a fraud alert placed on their account by Carrington were not eligible for Forbearance when in fact a fraud alert did not make them ineligible;
 - b. Respondent represented to certain consumers who had paid more than one month ahead on their mortgage at the time of their Forbearance request that they were not eligible for a Forbearance at that time when in fact they were eligible for a Forbearance;
 - c. Respondent prompted consumers to provide the specific reason for their hardship when making a Forbearance request, in addition to asking that they attest to financial hardship from the COVID-19 Emergency, thus implying that consumers needed to provide the specific reasons in order to obtain a Forbearance when in fact those consumers only needed to attest to financial hardship from the COVID-19 Emergency;

- d. Respondent represented to certain consumers that to get a Forbearance of more than 90 days, they had to make another request after the first 90 days;
- e. Respondent represented to certain consumers by letter that they were granted an initial or additional 6 or 9 months of Forbearance when in fact they were not granted that specific period of time;
- f. Respondent represented to consumers seeking a Forbearance extension after an initial period of Forbearance that they were required to attest to continued financial hardship and inability to make their monthly mortgage payment in order to obtain such an extension when in fact they were not required to do so;
- g. Respondent represented by letter to certain consumers that, if they did not contact Carrington prior to the end of their initial 90-day Forbearance, their Forbearance would end and their accounts would resume “normal processing,” to include late fee assessments, credit bureau reporting and “any legal action up to and including foreclosure processing” when in fact it was the Carrington policy to extend the Forbearance if there was no contact;
- h. Respondent represented by letter to certain consumers in Forbearance that they were required to remit their monthly payment “immediately”

and could be facing foreclosure proceedings if they did not do so when in fact no payment was required and the consumer could not face foreclosure proceedings;

- i. Respondent represented by letter to certain consumers that they were required to pay late charges for monthly payments not made while their accounts were in Forbearance when in fact such late charges were not required to be paid, and for some of those consumers, Respondent charged the late fees;
- j. Respondent represented by letter to certain consumers in Forbearance that they would “be assessed” or had “been assessed” late charges when in fact late charges could not be and were not assessed;
- k. Respondent represented to certain consumers that they were required to make a lump sum payment of forborne amounts at the expiration of their Forbearance period when in fact they were not required to do so; and
- l. Respondent represented on phone calls to certain consumers that they had more limited repayment options than was the case.

- 16. The representations were material because they were likely to influence consumers’ decisions about their mortgages, including their ability to obtain a CARES Act Forbearance, the length of that Forbearance, and payment

obligations at the end of the Forbearance, as well as decisions about other financial obligations.

17. Respondent's representations during the Relevant Period were likely to mislead reasonable consumers and were therefore deceptive acts and practices in violation of the CFPA. 12 U.S.C. §§ 5531(a), 5536(a)(1)(B).

Respondent's Violations of FCRA and Regulation V

18. From at least March 27, 2020 to the present, Respondent has been a "person" under FCRA. 15 U.S.C. § 1681a(b). From at least March 27, 2020 to the present, Respondent has furnished information relating to consumers to one or more CRAs for inclusion in consumer reports. Therefore, it has been a "furnisher" under Regulation V. 12 C.F.R. § 1022.41(c).
19. From at least March 27, 2020 to the present, Respondent has regularly and in the ordinary course of business furnished information to one or more CRAs about its transactions or experiences with consumers for purposes of FCRA section 623(a)(2)(A). 15 U.S.C 1681s-2(a)(2)(A).

Respondent's Violations of 623(a)(1)(F)(ii) of FCRA

20. The CARES Act Section 4021 amended FCRA, effective immediately, to prohibit reporting non-payment as delinquent or advancing delinquency for continued non-payment where an accommodation has been reached with a

consumer, during the period of that accommodation. FCRA

§ 623(a)(1)(F)(ii), 15 U.S.C. § 1681s-2(a)(1)(F)(ii).

21. Providing a Forbearance under the CARES Act or a repayment plan for forborne amounts is an “accommodation” for the consumer.
22. Respondent has reported certain consumer accounts as delinquent—rather than current—when consumers did not make payments during Forbearance but were not delinquent at the time they entered Forbearance.
23. Respondent advanced the delinquency of certain consumer accounts during Forbearances where consumers were delinquent at the time they entered Forbearance.
24. Respondent reported certain consumer accounts in post-Forbearance repayment plans or other workouts as delinquent even though their payments had been timely.
25. Thus, during the Relevant Period, Respondent has violated section 623(a)(1)(F)(ii) of FCRA, 15 U.S.C. § 1681s-2(a)(1)(F)(ii).

Respondent’s Violations of 623(a)(1)(A) of FCRA

26. Section 623(a)(1)(A) of FCRA prohibits a furnisher from reporting consumer information that the furnisher knows or has reasonable cause to believe is inaccurate. 15 U.S.C. § 1681s-2(a)(1)(A).

27. Respondent has reported certain consumer accounts as delinquent—rather than current—when consumers did not make payments during Forbearance, but were not delinquent at the time they entered Forbearance, reporting that was not accurate or complete under section 623(a)(1)(F)(ii) of FCRA, 15 U.S.C. § 1681s-2(a)(1)(F)(ii).
28. Respondent advanced the delinquency of certain consumer accounts during Forbearance where consumers were delinquent at the time they entered Forbearance, reporting that was not accurate or complete under section 623(a)(1)(F)(ii) of FCRA, 15 U.S.C. § 1681s-2(a)(1)(F)(ii).
29. Respondent reported certain consumer accounts in post-Forbearance repayment plans or other workouts as delinquent even though their payments had been timely, reporting that was not accurate or complete under section 623(a)(1)(F)(ii) of FCRA, 15 U.S.C. § 1681s-2(a)(1)(F)(ii).
30. Respondent had reasonable cause to believe the reporting described in paragraphs 27-29 was inaccurate, since its files would have reflected each of the relevant facts.
31. Thus, during the Relevant Period, Respondent has violated section 623(a)(1)(A) of FCRA, 15 U.S.C. § 1681s-2(a)(1)(A).

Respondent's Violations of 623(a)(2) of FCRA

32. Under section 623(a)(2) of FCRA, a person who regularly and in the ordinary course of business furnishes information to one or more CRAs, and who has furnished information that the person determines is not complete or accurate, must promptly notify the CRAs of that determination and provide any corrections or any additional information that is necessary to make the information complete and accurate. 15 U.S.C. § 1681s-2(a)(2).
33. Respondent has failed to promptly notify the CRAs of, or correct, reporting errors for certain consumers in Forbearance or during repayment of forbore amounts, such as those errors described in Paragraphs 22-24 and 27-29.
34. Thus, during the Relevant Period, Respondent has violated section 623(a)(2) of FCRA, 15 U.S.C. § 1681s-2(a)(2).

Respondent's Violations of 12 C.F.R. § 1022.42

35. The Furnisher Rule, Part E of Regulation V, requires in 12 C.F.R. § 1022.42 that a furnisher of consumer information:
- a. establish and implement reasonable written policies and procedures regarding the accuracy and integrity of the information relating to consumers that it furnishes to a CRA, which must be appropriate to the nature, size, complexity, and scope of the furnisher's activities;

- b. consider and incorporate the appropriate guidelines set forth in Appendix E of 12 C.F.R. Part 1022 in developing such policies and procedures; and
- c. review such policies and procedures periodically and update them as necessary to ensure their continued effectiveness.

36. Respondent failed to update its written policies and procedures in relation to the CARES Act and FCRA, as amended by the CARES Act, and did not establish and implement reasonable written policies and procedures regarding the accuracy and integrity of the consumer information it furnished to CRAs specifically related to the CARES Act and FCRA as amended by the CARES Act.
37. Thus, during the Relevant Period, Respondent has violated Regulation V, 12 C.F.R. § 1022.42.

ORDER

V.

Conduct Provisions

IT IS ORDERED, under §§ 1053 and 1055 of the CFPA, that for 2 years from the Effective Date of the Order,

38. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly, in connection with Forbearances, may not violate: section 4021 of

the CARES Act; the CFPA, including 12 U.S.C. §§ 5531(a), 5536(a)(1)(B); the FCRA, including 1681s-2(a)(1)(A), and 1681s-2(a)(2); and Part E of Regulation V, 12 C.F.R. § 1022.42; and must take the following affirmative actions, to the extent not already taken:

- a. on an annual basis, conduct an assessment of the sufficiency of customer service representative staffing to meet the needs of consumer call volume;
- b. to the extent that any laws relating to hardships due to the pandemic remain in effect during the term of this Order, provide training to relevant new employees and annual training to relevant existing employees, to ensure sufficient knowledge with respect to Forbearance, Forbearance repayment options, and law applicable to Forbearance and the Guidelines;
- c. establish and implement policies and procedures to ensure that its communications with respect to Forbearance and Forbearance repayment options and the Guidelines are accurate and not misleading and comport with applicable law;
- d. notify all consumers to whom it was represented that they were not eligible for a Forbearance, as described in paragraphs 15(a-b), and who have loans serviced by Carrington, are delinquent as of the Effective

Date, and have not entered into a forbearance since March 27, 2020, that they may be eligible for loss mitigation assistance, including, but not limited to, Forbearance;

- e. conduct an audit to search for Affected Consumers whom Respondent has not already identified and provided, as of the Effective Date, full refunds for late fees charged and paid for payments not made due to a Forbearance;
- f. refund late fees paid by all Affected Consumers identified by the audit described in subparagraph (e) to the extent any such fees have not already been refunded as of the Effective Date;
- g. promptly correct, to the extent not already done, furnishing inaccuracies related to practices identified in Paragraphs 22-24 and 27-29 during the Relevant Period; and
- h. review on an annual basis, and update as necessary, its policies and procedures to ensure their continued effectiveness and to ensure compliance with FCRA and Regulation V.

VI.

Compliance Plan

IT IS FURTHER ORDERED that:

39. Within 45 days of the Effective Date, Respondent must submit to the Regional Director for review and determination of non-objection a comprehensive compliance plan designed to ensure that Respondent complies with the terms of this Consent Order (Compliance Plan). The Compliance Plan must address each action required by this Consent Order, along with detailed steps for doing so and the specific timeframes and deadlines for implementation of the steps described above.
40. The Regional Director will have the discretion to make a determination of non-objection to the Compliance Plan or to direct Respondent to revise it. If the Regional Director directs Respondent to revise the Compliance Plan, Respondent must make the directed revisions and resubmit the Compliance Plan to the Regional Director within 30 days of receipt of the Regional Director's revisions.
41. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

VII.

Order to Pay Civil Money Penalty

IT IS FURTHER ORDERED that:

42. 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, and taking into account the factors in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$5,250,000 to the Bureau.
43. 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.
44. 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).
45. Respondent must, for all purposes, 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.

46. 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.

VIII.

Additional Monetary Provisions

IT IS FURTHER ORDERED that:

47. 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.

48. 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.
49. Under 31 U.S.C. § 7701, Respondent, unless it already has done so, must furnish to the Bureau its taxpayer identifying numbers, which may be used for purposes of collecting and reporting on any delinquent amount arising out of this Consent Order.
50. Within 30 days of the entry of a final judgment, consent order, or settlement in a Related Consumer Action, Respondent must notify the Regional 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.

IX.

Reporting Requirements

IT IS FURTHER ORDERED that:

51. 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.

52. Within 7 days of the Effective Date, Respondent must designate at least one telephone number and email, physical, and postal address as points of contact, which the Bureau may use to communicate with Respondent.
53. Respondent must report any change in the information required to be submitted under Paragraph 51 at least 30 days before the change or as soon as practicable after the learning about the change, whichever is sooner.
54. Within 90 days of non-objection to the Compliance Plan and again one year after the date of non-objection to the Compliance Plan, Respondent must submit to the Regional Director an accurate written compliance progress report (Compliance Report) that has been approved by Respondent, and submitted under penalty of perjury, which, at a minimum:

- a. lists each applicable paragraph and subparagraph of the Order and describes in detail the manner and form in which Respondent has complied with each such paragraph and subparagraph of the Consent Order;
- b. describes in detail the manner and form in which Respondent has complied with the Compliance Plan; and
- c. attaches a copy of each Order Acknowledgment obtained under Section X, unless previously submitted to the Bureau.

X.

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

55. Within 7 days of the Effective Date, Respondent must submit to the Regional Director an acknowledgment of receipt of this Consent Order, sworn under penalty of perjury.
56. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to its chief executive officer and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who have responsibilities related to the subject matter of the Consent Order.

57. 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 Paragraph 51, any future chief executive officers and executive officers, as well as to any managers, employees, service providers, or other agents and representatives who will have responsibilities related to the subject matter of the Consent Order before they assume their responsibilities.
58. Respondent must secure a signed and dated statement acknowledging receipt of a copy of this Consent Order, ensuring that any electronic signatures comply 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 Consent Order under this Section.
59. Within 90 days of the Effective Date, Respondent must provide the Bureau with a list of all persons and their titles to whom this Consent Order was delivered through that date under Paragraphs 56-57 and a copy of all signed and dated statements acknowledging receipt of this Consent Order under Paragraph 58.

XI.

Recordkeeping

IT IS FURTHER ORDERED that:

60. Respondent must create and retain for the duration of the Consent Order, the following business records:
- a. all documents and records necessary to demonstrate full compliance with each provision of this Consent Order, including all submissions to the Bureau; and
 - b. all documents and records pertaining to the Compliance Plan described in Section VI above.
61. Respondent must retain the documents identified in paragraph 60 for the duration of the Consent Order.
62. Respondent must make the documents identified in paragraph 60 available to the Bureau upon the Bureau's request.

XII.

Notices

IT IS FURTHER ORDERED that:

63. 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 Carrington Mortgage, LLC.*, File No. 2022-CFPB-0010" and send them by overnight courier or first-class mail to the below address and contemporaneously by email to Enforcement_Compliance@cfpb.gov and to:

Regional Director
West Region
Consumer Financial Protection Bureau
301 Howard St
San Francisco, CA 94105

XIII.

Cooperation with the Bureau

IT IS FURTHER ORDERED that:

64. Respondent must cooperate fully to help the Bureau determine the identity and location of, and the amount of injury sustained by, 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.

XIV.

Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondent's compliance with this Consent Order:

65. Within 14 days of receipt of a written request from the Bureau, Respondent must submit additional Compliance Reports or other requested information, which must be made under penalty of perjury; provide sworn testimony; or produce documents.

66. 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.
67. 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.

XV.

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED that:

68. 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 Regional Director.
69. The Regional Director may, in his or her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he or she determines good cause justifies the modification. Any such modification must be in writing.

XVI.

Administrative Provisions

70. The provisions of this Consent Order do not bar, estop, or otherwise prevent the Bureau, or any other governmental agency, from taking any other action against Respondent, except as described in paragraph 71 below. 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.

71. 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.

72. 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.

73. This Consent Order will terminate 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 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.
74. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
75. Should Respondent seek to transfer or assign, after the Effective Date, all or 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.
76. 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.

77. 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.
78. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing Respondent, its officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED, this 16th day of November, 2022.

Rohit Chopra

Rohit Chopra
Director
Consumer Financial Protection Bureau