

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU



ADMINISTRATIVE PROCEEDING

File No. 2016-CFPB- 0003

In the Matter of:

CITIBANK, N.A.

CONSENT ORDER

The Consumer Financial Protection Bureau (“Bureau”) has reviewed the practices of Citibank, N.A. (Respondent, as defined below) relating to the sale of charged-off consumer debts to debt buyers, and has identified the following law violations: Respondent provided substantial assistance to covered persons engaged in deceptive acts or practices by overstating the annual percentage rate (APR) for accounts in Sales Files (as defined below) it provided to debt buyers. 12 U.S.C. § 5536(a)(3). Respondent engaged in unfair acts or practices by (1) overstating the APR for accounts in Sales Files; (2) failing to identify and remit to debt buyers post-sale payments made by Consumers to Respondent; and (3) delaying sending to debt buyers post-sale payments made by consumers to Respondent. 12 U.S.C. §§ 5531(a), 5536(a)(1)(B). Under Sections 1053 and 1055 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. §§ 5563, 5565, the Bureau issues this Consent Order (Consent Order).

I

Jurisdiction

1. The Bureau has jurisdiction over this matter under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565.

II

Stipulation

2. Respondent has executed a “Stipulation and Consent to the Issuance of a Consent Order,” (Stipulation), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Respondent has consented to the issuance of this Consent Order by the Bureau under Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 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

The following definitions apply to this Consent Order:

3. “Account” means an extension of credit to a Consumer primarily for personal, family or household purposes, and established or maintained for a Consumer pursuant to a credit card program.
4. “Affected Consumer” means:
 - a. any Consumer who made a payment or established a payment plan in connection with Debt Respondent sold to a Debt Buyer where: (1) a Debt Buyer engaged in collection efforts using the incorrect APR provided by

Respondent during the Relevant Time Period; and (2) the APR discrepancy was greater than 1%; or

- b. Any Consumer who made an overpayment after Respondent failed to timely identify and remit payments made on sold accounts.
5. “Board” means the duly elected and acting Board of Directors of Citibank, N.A.
6. “Charged-off” refers to Accounts treated by Respondent as a loss or expense because Respondent has determined that, under the Federal Financial Institutions Examination Council’s Final Notice of Uniform Retail Credit Classification and Account Management Policy, 65 Fed. Reg. 36903 (June 12, 2000), or other relevant guidelines, repayment of the Debt is unlikely.
7. “Consumer” means any natural person obligated or allegedly obligated to pay any Debt.
8. “Debt” means, coterminous with the meaning of “debt” as defined in the Fair Debt Collection Practices Act, 15 U.S.C. § 1692a(5), any obligation or alleged obligation of a Consumer to pay money arising out of a transaction in which the money, property, insurance or services which are the subject of the transaction are primarily for personal, family, or household purposes, whether or not such obligation has been reduced to judgment.
9. “Debt Buyer” means an entity that purchases or purchased from Respondent a portfolio consisting primarily of Accounts with Charged-off Debts through a Debt Sale.
10. “Debt Sale” means a sale by Respondent of a portfolio of Accounts with Charged-off Debts through an individual bulk sale or contractual forward-flow agreement.

11. “Effective Credit Agreement” means the written document or documents evidencing the terms of the legal obligation between Respondent and the Consumer at the time the Account was Charged-off.
12. “Effective Date” means the date on which the Consent Order is issued.
13. “Portfolio” means a collection of Debt sold by Respondent to a Debt Buyer in a single transaction.
14. “Regional Director” means the Regional Director for the Northeast Region for the Office of Supervision for the Bureau or his/her delegate.
15. “Related Consumer Action” means a private action by or on behalf of one or more consumers or an enforcement action by another government agency brought against the Respondent based on substantially the same facts as set forth in Section IV.
16. “Relevant Time Period” includes the period from February 1, 2010 to November 14, 2013.
17. “Respondent” means, Citibank, N.A. and its successors and assigns.
18. “Sales File” means an electronic file spreadsheet Respondent provided to Debt Buyers at the time of a Debt Sale that includes information about individual Consumer Accounts, including the purportedly applicable APR.

IV

Bureau Findings and Conclusions

The Bureau finds the following:

19. Citibank, N.A. (Citibank) is a national bank with approximately \$1.337 trillion in total assets as of September 30, 2015.

20. Citibank is an insured depository institution with assets greater than \$10 billion within the meaning of 12 U.S.C. § 5515(a).
21. Citibank is a “covered person” as that term is defined by 12 U.S.C. § 5481(6).
22. Citibank is a credit card issuer. Citibank sells annually more than one million charged-off credit card accounts issued under its own name (Branded Cards) or issued in the names of its retail partners (Retail Cards).

Overstated APR for Accounts Sold to Debt Buyers

23. When Respondent sold portfolios of Charged-off credit card Accounts, it typically provided Debt Buyers an electronic Sales File that included information about the Consumer (e.g., name, address, and social security number) and about the debt, including the amount of the debt and the purportedly applicable APR.
24. When Respondent sold Branded Card Accounts, it provided Debt Buyers with Sales Files containing information regarding the purportedly applicable APR for these Accounts.
25. Between February 2010 and June 2013, Respondent overstated the APR for approximately 128,809 Accounts they sold to approximately 16 different Debt Buyers. The APR in the Sales Files was higher than the rate listed on the Account holder’s statement or the Effective Credit Agreement for some or all of the Account balance. For a limited number of Accounts, Respondent represented that that the applicable APR was 29% when it was actually 0%.
26. Respondent did not check the Account-level APR information contained in Sales Files to ensure it was consistent with the APR information contained in the Account-level documentation.

27. At the time of sale, Respondent did not provide Debt Buyers with Account-level documentation, such as account agreements or statements, that would have enabled the Debt Buyer to verify the APR information contained in Respondent's Sales Files, unless the Debt Buyers requested this documentation.
28. Respondent's Debt Sales contracts typically included a provision limiting the amount of documents a Debt Buyer could request post-sale without incurring a \$10 per document charge.
29. Between February 2010 and November 14, 2013, Debt Buyers that applied an incorrect APR provided by Respondent where the discrepancy was greater than 1% in their collection efforts obtained or entered into payment plans pursuant to which they subsequently obtained \$4.89 million in payments from approximately 2,100 Consumers.

Failure to Identify and Timely Remit Payments to Debt Buyers

30. Respondent sometimes received payments from Consumers on Accounts that Respondent previously sold to Debt Buyers. For Retail Card accounts, Respondent used a manual process to forward such payments made by Consumers.
31. From 2010 to 2012, Respondent failed to identify and timely remit to Debt Buyers over 9,500 payments totaling \$701,000 made by Consumers to Respondent relating to accounts Respondent sold.
32. In numerous instances Respondent did not forward Consumers' 2012 payments until July 2013 and Consumers' 2010-11 payments until April 2014, which prevented Debt Buyers from updating account balances.

33. Prior to August 2013, Respondent did not have a policy requiring notification of Consumers when it sold their accounts. Consumers had no control over Respondent's processes for identifying and tracking payments on Accounts sold to Debt Buyers.
34. Between 2012 and 2013, Respondent failed to timely remit payments by Consumers on Retail Card accounts that had been sold to Debt Buyers. In some instances the delay was over 365 days.
35. In 2012, Respondent delayed for at least 91 days forwarding 4,012 payments totaling \$224,699 to Debt Buyers, which prevented Debt Buyers from timely updating Account balances.
36. In 2013, Respondent delayed for at least 91 days forwarding 486 payments totaling \$66,197 to Debt Buyers, which prevented Debt Buyers from timely updating Account balances.
37. As a result of Respondent's failure to identify and timely remit payments, Debt Buyers likely made misstatements to Consumers about the amount owed on the Consumer's Accounts, Consumers likely were subjected to collection efforts by Debt Buyers when they had already paid off their account, and Debt Buyers may also have furnished inaccurate information to consumer reporting agencies.

Violations of the CFPA

38. Section 1036(a)(3) of the CFPA, 12 U.S.C. §5536(a)(3), makes it unlawful for "any person to knowingly or recklessly provide substantial assistance to a covered person or service provider" engaging in unfair, deceptive, or abusive practices. Under this Section, "the provider of such substantial assistance shall

be deemed to be in violation of [Section 1031] to the same extent as the person to whom such assistance is provided.”

39. The Debt Buyers described in Paragraphs 23 - 29 are “covered persons” engaged “in offering or providing a consumer financial product or service” because they collected debt related to a consumer financial product or service. 12 U.S.C. §§ 5481(6), (15)(A)(x).
40. Debt Buyers who, in their collection efforts, cited to Consumers the inaccurate APR information Respondent provided in Sales Files made material misrepresentations to Consumers about the amount actually owed on the Consumers’ accounts or the rate at which interest was accruing. Therefore, these Debt Buyers engaged in deceptive practices in violation of Sections 1031 and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531, 5536(a)(1)(B).
41. Respondent provided substantial assistance to these Debt Buyers’ deceptive acts or practices by including inaccurate APR data in Sales Files it provided to the Debt Buyers and warranting in many instances that the information in Sales Files was materially true and correct.
42. Respondent’s inclusion of inaccurate APR data in its Sales Files was reckless.
43. Therefore, Respondent violated Section 1036(a)(3) of the CFPA, 12 U.S.C. § 5536(a)(3).
44. Sections 1031(a) and 1036(a)(1)(B) of the CFPA, 12 U.S.C. §§ 5531(a) and 5536(a)(1)(B) prohibit a covered person from engaging in “any unfair, deceptive or abusive act or practice.”
45. Respondent’s inclusion of inaccurate APR information in its Sales Files caused or was likely to cause substantial injury to Consumers. Consumers negotiated

settlements with Debt Buyers based on inaccurate information about the amount owed on their Accounts and the applicable APR or paid more than actually owed as a result of the inaccurate APR.

46. The injury was not reasonably avoidable by Consumers or outweighed by any countervailing benefits to consumers or to competition.
47. Therefore, Respondent's conduct constituted an unfair act or practice in violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.
48. Respondent's failure to identify and timely remit payments made by Consumers on Accounts sold to Debt Buyers caused or was likely to cause substantial injury to Consumers by precluding Debt Buyers from timely updating Consumers' Account balances. Consumers likely made payments based on Debt Buyers' misstatements about the amount owed on their Accounts, and were likely subjected to inaccurate credit reporting and to collection efforts by Debt Buyers when the Consumers had already paid off their Accounts.
49. These injuries were not reasonably avoidable by Consumers or outweighed by countervailing benefits to consumers or to competition.
50. Therefore, Respondent's failure to identify and timely remit payments from Consumers on sold accounts constituted an unfair act or practice in violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536.

V

Conduct Provisions

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

51. Respondent and its officers, agents, servants, employees, and attorneys who have actual notice of this Consent Order, whether acting directly or indirectly,

may not violate, including by taking reasonable measures to ensure that its Service Providers, Affiliates, and other agents do not violate Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531 and 5536 in connection with Debt Sales.

52. Within 90 days of the Effective Date, Respondent will enhance its processes, systems, and controls to:
- a. Ensure Respondent provides accurate documentation and information to Debt Buyers and Consumers in connection with Debt Sales, including by, at a minimum, adopting policies requiring Respondent to provide to Debt Buyers the information and documentation set forth in Paragraph 53(a) - 53(e);
 - b. Prevent Respondent from selling Accounts that, as of the date of sale, possess any of the characteristics set forth in Paragraph 54(a) - 54(d);
 - c. Require Respondent to adopt and use a contract for Debt Sales that includes the provisions set forth in Paragraph 56(a) - 56(c);
 - d. Require Respondent to make available to a Consumer whose Account has been sold in connection with a Debt Sale, upon request and at no cost to the Consumer, the information and documentation set forth in Paragraph 57(a) - 57(d);
 - e. Ensure Respondent timely identifies and forwards payments from Consumers for sold Accounts; and
 - f. Assure that appropriate employees and service providers are trained with respect to the referenced processes, systems, and controls.

- g. Respondent must prepare a written report documenting the referenced processes, systems, and controls and provide a copy of the written report to the Regional Director.
- 53. For Debt Sales entered into after the Effective Date, Respondent must provide the Debt Buyer with at least the following information and documentation for each Account sold:
 - a. The Effective Credit Agreement;
 - b. If the Consumer, within twelve (12) months prior to the Debt Sale and while Respondent was the creditor on the Account, has disputed the amount of a Debt Respondent claimed to be owed in a monthly Account statement, a record of any such dispute and the result of Respondent's investigation of the dispute. Notwithstanding the foregoing, this requirement shall begin to apply to Debt Sales thirty days after the Effective Date.
 - c. Records of the last twelve (12) monthly Account statements (including any charge-off statement); if the Account was open for less than twelve (12) months, Respondent must make available records of all Account statements;
 - d. The name and address of the original creditor, such that the Debt Buyer may comply with any obligation of the Debt Buyer to provide "the name and address of the original creditor" under the Fair Debt Collection Practices Act, 15 U.S.C. § 1692g(a)(5) and (b); and

- e. If the Account is subject to a judgment, an itemization of the judgment amount as awarded, including the amounts awarded by the court for costs, attorney's fees, interest, and any other fee.
54. After the Effective Date, Respondent must not sell Accounts that, as of the date of sale, possess any of the following characteristics:
- a. Respondent is unable to provide the documentation set forth in Paragraph 53(a) - 53(e) of this Consent Order;
 - b. Is within 150 days of the expiration of any applicable statute of limitations;
 - c. The Consumer has notified Respondent in writing of identity theft or unauthorized use and Respondent has not determined, after reasonable review, that the Consumer owes the Debt; or
 - d. The Consumer has alleged in writing that he or she does not owe the amount claimed by Respondent, and Respondent has not determined, after a reasonable review, that the Consumer owes the entire amount Respondent will be selling, and has not provided a written response to, either directly to the Consumer or to a consumer reporting agency, as appropriate.
55. If Respondent determines that it has sold an Account in violation of the above provisions, Respondent must make a reasonable effort to repurchase the Account and take reasonable steps to require the Debt Buyer to which it sold the Account to inform Respondent about any amounts paid on the Debt since the date of sale, so that Respondent may reconcile the Account balance upon repurchase.

56. All Debt Sale contracts and agreements Respondent enters into after the Effective Date must:
- a. Prohibit the Debt Buyer from collecting post-sale interest on any Account in the Debt Sale, unless authorized by court;
 - b. Prohibit the Debt Buyer from reselling any Account included in the Debt Sale, except to the extent Respondent is repurchasing an Account; and
 - c. Require the Debt Buyer to provide to Consumers the name of the original creditor in the written notice required by 15 U.S.C. § 1692g(a).
57. For Debt Sales entered into after the Effective Date, Respondent must make available to a Consumer, upon request and at no cost to the Consumer, at a minimum:
- a. The Effective Credit Agreement;
 - b. If the Account is subject to a judgment, an itemization of the judgment amount as awarded, including the amounts awarded by the court for costs, attorney's fees, interest, and any other fee;
 - c. Copies of the last twelve (12) monthly Account statements prior to the Debt Sale; if, at the time of the Debt Sale, the Account was open for less than twelve (12) months, Respondent must make available all Account statements; and
 - d. The name and address of the original creditor, as that term is used in the Fair Debt Collection Practices Act, 15 U.S.C. § 1692g.
58. If, after Respondent sells the Consumer's Account, a Consumer disputes information that Respondent has furnished to a consumer reporting agency,

Respondent must comply with the Fair Credit Reporting Act, 15 U.S.C. § 1681s-2 and Regulation V, 12 C.F.R. Parts 1022.40-1022.43.

VI

Compliance Plan

IT IS FURTHER ORDERED that:

59. Within 60 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's sale of Charged-off Consumer Debts to Debt Buyers complies with all applicable Federal consumer financial laws and the terms of this Consent Order (Compliance Plan). The Compliance Plan must include, at a minimum:
 - a. Detailed steps for addressing each action required by this Consent Order; and
 - b. Specific timeframes and deadlines for implementation of the steps described above.
60. The Regional Director will have the discretion to make a determination of non-objection to the Compliance Plan or direct the Respondent to revise it. If the Regional Director directs the Respondent to revise the Compliance Plan, the Respondent must make the revisions and resubmit the Compliance Plan to the Regional Director Enforcement Director within 30 days.
61. After receiving notification that the Regional Director has made a determination of non-objection to the Compliance Plan, the Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Compliance Plan.

VII

Role of the Board

IT IS FURTHER ORDERED that:

62. The Board, or a relevant Committee thereof, must review all submissions (including plans, reports, programs, policies, and procedures) required by this Consent Order prior to submission to the Bureau.
63. Although this Consent Order requires the Respondent to submit certain documents for the review or non-objection by the Regional Director, the Board will have the ultimate responsibility for proper and sound management of Respondent and for ensuring that Respondent complies with Federal consumer financial law and this Consent Order.
64. In each instance that this Consent Order requires the Board to ensure adherence to, or perform certain obligations of Respondent, the Board, or a relevant Committee thereof, must:
 - a. Authorize whatever actions are necessary for Respondent to fully comply with the Consent Order;
 - b. Require timely reporting by management to the Board on the status of compliance obligations; and
 - c. Require timely and appropriate corrective action to remedy any material non-compliance with any failures to comply with Board directives related to this Section.

VIII

Order to Pay Redress

IT IS FURTHER ORDERED that:

65. Within 10 days of the Effective Date, Respondent must reserve or deposit into a segregated deposit account \$4.89 million, which represents the approximate amount of consumer injury caused by the practices described in Section IV, for the purpose of providing redress to Affected Consumers as required by this Section.
66. Within 30 days of the Effective Date, Respondent must submit to the Regional Director for review and non-objection a comprehensive written plan for providing redress consistent with this Consent Order (Redress Plan). The Regional Director will have the discretion to make a determination of non-objection to the Redress Plan or direct the Respondent to revise it. If the Regional Director directs the Respondent to revise the Redress Plan, the Respondent must make the revisions and resubmit the Redress Plan to the Regional Director within 15 days. After receiving notification that the Regional Director has made a determination of non-objection to the Redress Plan, the Respondent must implement and adhere to the steps, recommendations, deadlines, and timeframes outlined in the Redress Plan.
67. The Redress Plan must apply to all Affected Consumers and:
 - a. Specify how Respondent will identify all Affected Consumers;
 - b. Provide processes for providing redress covering all Affected Consumers;
 - c. Include a description of the following:
 - i. Methods used to compile a list of potential Affected Consumers;

- ii. Methods used to calculate the amount of redress to be paid to each Affected Consumer;
 - iii. Procedures for issuance and tracking of redress to Affected Consumers; and
 - iv. Procedures for monitoring compliance with the Redress Plan.
68. The Redress Plan must, at a minimum, require Respondent to; (a) refund each Affected Consumer the sum of all payments made during the Relevant Time Period to Debt Buyers engaged in collection efforts using an incorrect APR provided by Respondent where the discrepancy was greater than 1% and (b) refund each Affected Consumer any overpayment resulting from Respondent's failure to timely identify and remit payments made on sold accounts, less any amount of refunds Respondent provided to the Affected Consumers prior to the Effective Date (Restitution Amount). Respondent will not increase, or cause to be increased, any Affected Consumer's balance on the relevant Account as a result of this refund.
69. The Redress Plan must describe the process for providing restitution for Affected Consumers, and must include the following requirements:
- a. Respondent must mail a certified or Bank check to any Affected Consumer along with a Restitution Notification Letter;
 - b. Respondent must send the certified or bank check by United States Postal Service first-class mail, address correction service requested, to the Affected Consumer's last known address as maintained by the Respondent's records;

- c. Respondent must make reasonable attempts to obtain a current address for any Affected Consumer whose Restitution Notification Letter and/or restitution check is returned for any reason, using the National Change of Address System, and must promptly re-mail all returned letters and/or restitution checks to current addresses, if any; and
 - d. Processes for handling any unclaimed funds.
70. With respect to redress paid to Affected Consumers, the Redress Plan must include:
- a. The form of the letter (“ Notification Letter”) to be sent notifying Affected Consumers of the redress; and
 - b. The form of the envelope that will contain the Redress Notification Letter. The letter must include language explaining the manner in which the amount of redress was calculated; and a statement that the provision of the refund payment is in accordance with the terms of this Consent Order.
 - c. Respondent must not include in any envelope containing a Redress Notification Letter any materials other than the approved letters and redress checks, unless Respondent has obtained written confirmation from the Regional Director that the Bureau does not object to the inclusion of such additional materials.
71. Within 90 days from completion of the Redress Plan, Respondent must submit a Redress Plan Report to the Regional Director, which must include Respondent’s Internal Audit department’s review and assessment of Respondent’s compliance with the terms of the Redress Plan, including:

- a. The methodology used to determine the population of Affected Consumers;
 - b. The Restitution Amount for each Affected Consumer;
 - c. The total number of Affected Consumers;
 - d. The procedures used to issue and track redress payments;
 - e. The amount, status, and planned disposition of all unclaimed redress payments; and
 - f. The work of independent consultants that Respondent has used, if any, to assist and review its execution of the Redress Plan.
72. If Respondent claims to have made any restitution prior to the Effective Date of this Consent Order that complies with the requirements of this Consent Order, Respondent must provide appropriate proof of such restitution to the Regional Director.
73. Respondent must provide all relief to consumers required by this Consent Order, regardless of whether the total of such relief exceeds the amount reserved or deposited into a segregated account under this Section.
74. After completing the Redress Plan, if the amount of redress provided to Affected Consumers is less than \$4.89 million, within 30 days of the completion of the Redress Plan Report, Respondent must pay to the Bureau, by wire transfer to the Bureau or to the Bureau's agent, and according to the Bureau's wiring instructions, the difference between the amount of redress provided to Affected Consumers and \$4.89 million.
75. If the Bureau determines, in its sole discretion, that additional redress to Affected Consumers is wholly or partially impracticable or otherwise

inappropriate, or if funds remain after the additional redress is completed, the remaining funds will be deposited in the U.S. Treasury as disgorgement.

Respondent will have no right to challenge any actions that the Bureau or its representatives may take under this Paragraph.

76. Respondent must not condition the payment of any redress to any Affected Consumer under this Consent Order on that person's agreement to any condition, such as the waiver of any right.

IX

Order to Pay Civil Money Penalties

IT IS FURTHER ORDERED that:

77. Under Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of law alleged in the Complaint, and taking into account the factors set forth in 12 U.S.C. § 5565(c)(3), Respondent must pay a civil money penalty of \$3 million to the Bureau, as directed by the Bureau and as set forth herein.
78. 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.
79. The civil money penalty paid under this Consent Order will be deposited in the Civil Penalty Fund of the Bureau as required by Section 1017(d) of the CFPA, 12 U.S.C. § 5497(d).
80. Respondent must treat the civil money penalty paid under this Consent Order as a penalty paid to the government for all purposes. Regardless of how the Bureau ultimately uses those funds, Respondent must not:

- a. Claim, assert, or apply for a tax deduction, tax credit, or any other tax benefit for any civil money penalty that Respondent pays 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.
81. 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 monetary remedies imposed in the Related Consumer Action, because of the civil money penalty paid in this action (“Penalty Offset”). If the court in any Related Consumer Action grants such a Penalty Offset, Respondent must, within 30 days after entry of a final order granting the Penalty Offset, notify the Bureau, and pay the amount of the Penalty Offset 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.

X

Additional Monetary Provisions

82. 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.

83. 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.
84. 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.
85. 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.

XI

Reporting Requirements

86. 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.

87. Within 90 days of the Effective Date and every 90 days thereafter until redress is completed under Section VII of this Consent Order, Respondent must submit to the Regional Director an accurate written compliance progress report (Compliance Report), which has been approved by the Board or a relevant Committee thereof, which, at a minimum:
- a. Describes in detail the manner and form in which Respondent has complied with this Consent Order; and
 - b. Attaches a copy of each Consent Order acknowledgment obtained under Section XII of this Consent Order, unless previously submitted to the Bureau.

XII

Order Distribution and Acknowledgment

IT IS FURTHER ORDERED that:

88. Within 30 days of the Effective Date, Respondent must deliver a copy of this Consent Order to each of its board members and each executive officer, as well as to any managers, employees, Service Providers, or other agents and representatives who have responsibilities related to the subject matter of the Order.
89. 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 as set forth in Section XI, any future board members 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.

90. 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.

XIII

Record Keeping

IT IS FURTHER ORDERED that:

91. Respondent must create, or if already created, must retain for at least 5 years from the Effective Date, 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 Redress Program, as set forth in Section VIII above.
92. Respondent must retain the documents identified in Paragraph 91 for at least 5 years.
93. Respondent must make the documents identified in Paragraph 91 available to the Bureau upon the Bureau's request.

XIV

Notices

IT IS FURTHER ORDERED that:

94. 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 Citibank, N.A., File No. 2016-CFPB – 0003 ,” and send them either:
- a. By overnight courier (not the U.S. Postal Service), as follows:

Regional Director, Bureau Northeast Region
Consumer Financial Protection Bureau
140 East 45th Street
New York, NY 10017; or
 - b. By first-class mail to the address in Paragraph 94(a) and contemporaneously by email to Enforcement_Compliance@cfpb.gov and any other email address as directed in writing by the Bureau.

XV

Compliance Monitoring

IT IS FURTHER ORDERED that, to monitor Respondent’s compliance with this Consent Order, including any failure to transfer any assets as required by this Consent Order:

95. Within 30 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.

96. For purposes of this Section, the Bureau may communicate directly with Respondent, unless Respondent retains counsel related to these communications.
97. Respondent must permit Bureau representatives to interview any employee or other person affiliated with Respondent who has agreed to such an interview. The person interviewed may have counsel present.
98. 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.

XVI

Modifications to Non-Material Requirements

IT IS FURTHER ORDERED

99. 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.
100. The Regional Director may, in his/her discretion, modify any non-material requirements of this Consent Order (e.g., reasonable extensions of time and changes to reporting requirements) if he/she determines good cause justifies the modification. Any such modification by the Regional Director must be in writing.

XVII

Administrative Provisions

101. Except as set forth in the following paragraph, 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.

102. 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 Order, or to seek penalties for any violations of the Order.
103. This Consent Order is intended to be, and will be construed as, a final Consent Order issued under 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 Bureau or the United States.
104. 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.

105. Calculation of time limitations will run from the Effective Date and be based on calendar days, unless otherwise noted.
106. Should Respondent seek to transfer or assign 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.
107. 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 Section 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.
108. 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.
109. Nothing in this Consent Order or the accompanying Stipulation may be construed as allowing the Respondent, its Board, officers, or employees to violate any law, rule, or regulation.

SO ORDERED this 23^d day of February, 2016.



Richard Cordray
Director
Consumer Financial Protection Bureau