

Consumer Financial Protection Bureau Announces Settlement with Foreclosure Relief Services Company and Its Owner

JUL 23, 2020

WASHINGTON, D.C. – On July 20, 2020, the United States District Court for the Central District of California entered a stipulated final judgment resolving the Consumer Financial Protection Bureau’s (Bureau) allegations against Certified Forensic Loan Auditors, LLC (CFLA) and Andrew Lehman (Lehman). CFLA is a foreclosure relief services company headquartered near Houston, Texas, and Lehman is CFLA’s president and CEO. The Bureau alleged that CFLA and Lehman engaged in deceptive and abusive acts or practices in violation of the Consumer Financial Protection Act of 2010 (CFPA) and charged unlawful advance fees in connection with marketing and selling financial advisory and mortgage assistance relief services to consumers in violation of Regulation O and the CFPA. The court’s order permanently bans CFLA and Lehman from the industry and imposes a suspended judgment for redress of \$3 million and civil money penalties of \$40,000.

The Bureau’s complaint, which was filed on September 6, 2019, and amended on November 13, 2019, alleged that CFLA and Lehman made deceptive and unsubstantiated representations about the company’s mortgage assistance relief services and its ability to help consumers avoid foreclosures or negotiate loan modifications. Specifically, the amended complaint alleged that the company made deceptive and unsubstantiated claims about the efficacy and content of its services, as well as false claims about the experience and qualifications of the people performing those services. The Bureau also alleged that the company’s conduct constituted abusive acts or practices in violation of the CFPA. Finally, the Bureau alleged that CFLA and Lehman charged consumers illegal upfront fees in violation of Regulation O, which governs the offering or provision of mortgage assistance relief services.

The court’s order permanently bans CFLA and Lehman from providing mortgage assistance relief services or financial advisory services. The order also imposes a suspended judgment against CFLA and Lehman for redress of \$3 million and imposes a civil money penalty of \$40,000. The suspended judgment for redress and the amount of the civil money penalty account for CFLA’s and Lehman’s limited ability to pay based on sworn financial statements. Whenever the Bureau collects a civil money penalty through an enforcement action, that penalty is deposited into the Bureau’s Civil Penalty Fund. Assuming continued available funds, the Bureau will work to provide full relief from this fund to eligible harmed consumers.

CFLA and Lehman were the only remaining defendants in the Bureau’s lawsuit. The court previously entered a final judgment resolving the Bureau’s allegations against Michael Carrigan, CFLA’s former auditor.

The stipulated final judgment and order against Carrigan is available at:

https://files.consumerfinance.gov/f/documents/cfpb_CFLA-lehman-carrigan_final-stipulated-judgment-order_2019-10.pdf

The amended complaint is available at: https://files.consumerfinance.gov/f/documents/cfpb_cfla-lehman-carrigan_amended-complaint_2020-07.pdf

The stipulated final judgment and order against CFLA and Lehman is available at: https://files.consumerfinance.gov/f/documents/cfpb_cfla-lehman-carrigan_final-stipulated-judgment-order_2020-07.pdf

###