

Consumer Financial Protection Bureau Settles with Seventh Mortgage Company to Address Deceptive Loan Advertisements Sent to Servicemembers and Veterans

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WASHINGTON, D.C. – Today, the Consumer Financial Protection Bureau (Bureau) issued a consent order against Accelerate Mortgage, LLC (Accelerate), a Delaware limited liability corporation that is licensed as a mortgage broker and lender in about 31 states. Accelerate offers and provides mortgage loans guaranteed by the United States Department of Veterans Affairs (VA). Accelerate’s principal means of advertising VA-guaranteed loans is through direct-mail advertisements sent primarily to United States military servicemembers and veterans. The Bureau found that Accelerate sent consumers mailers for VA-guaranteed mortgages that contained false, misleading, and inaccurate statements or that lacked required disclosures, in violation of the Consumer Financial Protection Act’s (CFPA) prohibition against deceptive acts and practices, the Mortgage Acts and Practices – Advertising Rule (MAP Rule), and Regulation Z. The consent order requires Accelerate to pay a civil money penalty and imposes requirements to prevent future violations.

Today’s action is the seventh case stemming from a Bureau sweep of investigations of multiple mortgage companies that use deceptive mailers to advertise VA-guaranteed mortgages. The Bureau commenced this sweep in response to concerns about potentially unlawful advertising in the market that the VA identified. This ongoing sweep of investigations reflects the Bureau’s commitment to enforcing the laws that ensure the financial marketplace is fair and accurate for all consumers, including servicemembers, veterans, and surviving spouses whom VA-guaranteed mortgages are designed to benefit.

The Bureau found that Accelerate disseminated advertisements that contained false, misleading, and inaccurate statements or that failed to include required disclosures. For example, Accelerate advertisements misrepresented the credit terms of the advertised mortgage loan by stating credit terms that the company was not actually prepared to offer to the consumer, including misrepresenting the interest rate or payment amount applicable to the advertised mortgage and the nature or amount of cash available to the consumer in connection with the advertised mortgage. Accelerate also made misrepresentations about the existence or amount of fees or costs to the consumer in connection with the advertised mortgage. Accelerate advertisements created the false impression that Accelerate was affiliated with the government by using words, phrases, images, or designs that are associated with the VA, Internal Revenue Service, or Federal Deposit Insurance Corporation. Accelerate advertisements also falsely represented that the consumer’s access to mortgage-refinance benefits through VA-guaranteed loans was time-limited. The Bureau also found that Accelerate advertisements failed to properly disclose, when required by Regulation Z, credit terms for the advertised mortgage, such as the annual percentage

rate of the advertised mortgage or the consumer's repayment obligations over the full term of the loan.

The consent order against Accelerate requires Accelerate to pay a civil penalty of \$225,000. The consent order also imposes injunctive relief to prevent future violations, including requiring Accelerate to bolster its compliance functions by designating an advertising compliance official who must review its mortgage advertisements for compliance with mortgage advertising laws prior to their use; prohibiting misrepresentations similar to those identified by the Bureau; and requiring Accelerate to comply with certain enhanced disclosure requirements to prevent future misrepresentations.

The consent order against Accelerate can be found at:

https://files.consumerfinance.gov/f/documents/cfpb_accelerate-mortgage-llc_consent-order_2020-09.pdf

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