

# Consumer Financial Protection Bureau Settles with SMART Payment Plan, LLC for Deceptive Sales Practices

NOV 02, 2020

**WASHINGTON, D.C.** — Today the Consumer Financial Protection Bureau (Bureau) issued a consent order against SMART Payment Plan, LLC (SMART), finding that the company’s disclosures of its loan payment program contained misleading statements in violation of the Consumer Financial Protection Act of 2010’s prohibition against deceptive acts or practices. SMART is a limited liability company with its principal place of business in Austin, Texas. SMART operates a loan payment program for auto loans called the SMART Plan that deducts payments from consumers’ bank accounts every two weeks and then forwards these payments every month to the consumers’ lenders. The consent order imposes a judgment against SMART requiring it to pay \$7,500,000 in consumer redress and requirements to prevent future violations.

SMART provided consumers individualized “benefits summaries” that purported to state a specific amount of interest savings or other money savings consumers would get by enrolling in the SMART Plan, but SMART’s fees would ordinarily exceed the savings. SMART’s disclosures thus created the misleading impression that consumers would save money using its product.

The ordered redress amount is suspended upon SMART’s payment of \$1,500,000 by December 31, 2020 and a \$1 civil money penalty to the Bureau. The suspension of the full payment for redress, as well as the \$1 civil penalty, is based on SMART’s demonstrated inability to pay more based on sworn financial statements. Harmed consumers may be eligible for additional relief from the Bureau’s Civil Penalty Fund. The consent order prohibits SMART from making any misrepresentations about its payment programs. It also requires SMART to account for the total costs for its payment programs, as well as the net savings or costs after deducting any fees, whenever SMART makes claims about savings or financial benefits.

The consent order against SMART can be found at: [https://files.consumerfinance.gov/f/documents/cfpb\\_smart-payment-plan-llc\\_consent-order\\_2020-11.pdf](https://files.consumerfinance.gov/f/documents/cfpb_smart-payment-plan-llc_consent-order_2020-11.pdf)

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*The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit [consumerfinance.gov](https://consumerfinance.gov).*