

CFPB Creates Registry to Detect Corporate Repeat Offenders

Registry will help law enforcement identify recidivist companies and the individuals responsible for repeat offenses

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WASHINGTON, D.C. – The Consumer Financial Protection Bureau (CFPB) today finalized a [rule \(cfpb.gov/rules-policy/final-rules/registry-of-nonbank-covered-persons-subject-to-certain-agency-and-court-orders/\)](https://cfpb.gov/rules-policy/final-rules/registry-of-nonbank-covered-persons-subject-to-certain-agency-and-court-orders/) to establish a registry to detect and deter corporate offenders that have broken consumer laws and are subject to federal, state, or local government or court orders. The registry will also help the CFPB to identify repeat offenders and recidivism trends. The new registry is part of the CFPB’s ongoing focus on holding lawbreaking companies accountable and stopping corporate recidivism.

“Too often, financial firms treat penalties for illegal activity as the cost of doing business,” said CFPB Director Rohit Chopra. “The CFPB’s new rule will help law enforcement across the country detect and stop repeat offenders.”

When a financial company violates the law, a government agency may take an enforcement action against them. Typically, this leads to an order entered by a court or the agency. These orders are not suggestions. While these orders are publicly available, they are not comprehensively tracked. The CFPB’s new registry will facilitate better understanding of bad actors that seek to restart a scam, fraudulent scheme, or other illegal conduct that harms the public. The CFPB expects that the registry will be used by state attorneys general, state regulators, and a range of other law enforcement agencies. The registry will also assist investors, creditors, business partners, and members of the public that are conducting due diligence or research on financial firms bound by law enforcement orders.

The 2008 financial crisis exposed significant weaknesses in the oversight of nonbank financial companies. Nonbank financial companies have traditionally faced inconsistent oversight, making it more difficult for regulators to identify and address potential risks to consumers. Congress has taken steps to increase oversight and transparency in the nonbank financial sector. For instance, in 2008, Congress passed the SAFE Act to address risks posed by nonbank financial companies. The Act requires mortgage loan originators to be registered and licensed.

While the list of banks, credit unions, and many mortgage companies are known to regulators and the public, many other types of financial companies are not licensed or

registered - either through the Nationwide Multistate Licensing System (NMLS) or other regulatory registries. However, in the Consumer Financial Protection Act, Congress gave the newly created CFPB the authority to register nonbanks. This authority supports the CFPB's role to monitor risks posed by nonbanks to consumers. It also supplements and supports already existing registries, like the NMLS, by covering entities that are not subject to the types of state and federal oversight already extended to certain individuals and entities, like in the mortgage industry. This is the first-ever rule by the CFPB to utilize the authority to register nonbank entities.

Today's final rule requires covered nonbank companies to:

- **Register with the CFPB when they have been caught violating consumer law:** Generally, covered nonbanks will report certain final agency and court orders and judgments to the CFPB. These orders include consent and stipulated orders brought under consumer protection laws.
- **Provide an attestation from a senior executive that the company is not flouting orders:** For nonbank companies supervised by the CFPB, the entity subject to an order will provide a written attestation from an executive that confirms compliance with any relevant orders.

The CFPB made changes to the proposed rule in response to public feedback. For example, registrants with orders published in the NMLS Consumer Access website may use a simplified filing process. The registration requirements will be phased in on a rolling basis.

Reining in repeat offenders is a priority for the CFPB. Importantly, the CFPB established a [Repeat Offender Unit](https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-28_2022-11.pdf) (https://files.consumerfinance.gov/f/documents/cfpb_supervisory-highlights_issue-28_2022-11.pdf). This national supervision team is responsible for designing and executing comprehensive oversight of supervised entities subject to CFPB law enforcement orders. The Repeat Offenders Unit is actively ensuring that a company, its senior management, and its board of directors are not treating any orders as suggestions. The CFPB is taking a number of steps to identify specific individuals responsible for repeat offenses.

The CFPB's enforcement program is heavily focusing on stopping repeat offenders, including by bringing multiple enforcement actions against recidivist [debt collectors](https://cfpb.gov/about-us/newsroom/cfpb-orders-portfolio-recovery-associates-to-pay-more-than-24-million-illegal-debt-collection-practices-reporting-violations/) (cfpb.gov/about-us/newsroom/cfpb-orders-portfolio-recovery-associates-to-pay-more-than-24-million-illegal-debt-collection-practices-reporting-violations/), [mortgage lenders](https://cfpb.gov/about-us/newsroom/cfpb-shuts-down-mortgage-loan-business-of-rmk-financial-for-repeat-offenses-against-military-families/) (cfpb.gov/about-us/newsroom/cfpb-shuts-down-mortgage-loan-business-of-rmk-financial-for-repeat-offenses-against-military-families/), [payday lenders](https://cfpb.gov/about-us/newsroom/cfpb-sues-ace-cash-express-for-concealing-no-cost-repayment-plans-and-improperly-withdrawing-consumers-funds/) (cfpb.gov/about-us/newsroom/cfpb-sues-ace-cash-express-for-concealing-no-cost-repayment-plans-and-improperly-withdrawing-consumers-funds/), and [credit reporting companies](https://cfpb.gov/about-us/newsroom/cfpb-charges-transunion-and-senior-executive-john-danaher-with-violating-law-enforcement-order/) (cfpb.gov/about-us/newsroom/cfpb-charges-transunion-and-senior-executive-john-danaher-with-violating-law-enforcement-order/).

[Read the final rule.](https://cfpb.gov/rules-policy/final-rules/registry-of-nonbank-covered-persons-subject-to-certain-agency-and-court-orders/) (cfpb.gov/rules-policy/final-rules/registry-of-nonbank-covered-persons-subject-to-certain-agency-and-court-orders/)

[Read Director Chopra's remarks on today's final rule.](https://cfpb.gov/about-us/newsroom/prepared-remarks-of-cfpb-director-rohit-chopra-on-the-final-rule-to-detect-and-deter-repeat-offenders/) (cfpb.gov/about-us/newsroom/prepared-remarks-of-cfpb-director-rohit-chopra-on-the-final-rule-to-detect-and-deter-repeat-offenders/)

Consumers can submit complaints about financial products or services by visiting the [CFPB's website](https://cfpb.gov/complaint/) (cfpb.gov/complaint/) or by calling (855) 411-CFPB (2372).

Employees who believe their company has violated federal consumer financial protection laws are encouraged to send information about what they know to whistleblower@cfpb.gov.

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive. For more information, visit www.consumerfinance.gov (<http://www.consumerfinance.gov/>).

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