

# One Minute Memo<sup>®</sup>



## CFPB Issues Guidance For Receiving Favorable Treatment In Enforcement Actions

On June 25, 2013, the Consumer Financial Protection Bureau issued a *bulletin* advising that companies may be able to secure more favorable outcomes in CFPB enforcement proceedings by engaging in certain “responsible business conduct.” The favored activities include self-policing, self-reporting, voluntary remediation and cooperation. Although it expressly disclaimed any promises of leniency, the Bureau indicated that these activities could, for example, help avoid public enforcement actions, reduce the number of charges pursued, or reduce the sanctions and penalties sought by the Bureau.

Notably, the bulletin was issued two days before the Bureau announced consent orders against *U.S. Bank* and *Dealers’ Financial Services*. In its press release announcing those orders, the Bureau noted that it agreed to the limited redress contained in those orders (including no civil monetary penalties) because both companies “engaged in the sort of conduct the CFPB expects from companies found to have violated consumer financial laws” by “proactively altering problematic aspects of the . . . program [at issue] and readily working with the Bureau to provide refunds . . . .”

Seyfarth Shaw represented Dealers’ Financial Services in its dispute with the CFPB. If you are interested in the latest intelligence on the CFPB’s evolving approach to enforcement actions, please feel free to contact David Bizar or Scott Pearson, the co-chairs of Seyfarth’s Consumer Financial Services Litigation group.

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