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Consumer Financial Services Bites of the Month - November 18, 2026 - "Sweet November."

November 25, 2026 | Justin B. Hosie, Eric L. Johnson and Kristen Yarows

In this month's article, we share some of our top "Bites" covered during the November 2026 webinar.

Bite 17: DOJ Takes Action Against Mortgage Servicer

On October 19, 2026, the U.S. Department of Justice announced a settlement with a company that services home loans guaranteed by the Department of Veterans Affairs, resolving allegations that the company violated the Servicemembers Civil Relief Act ("SCRA"). The DOJ alleged that the company failed to reduce the interest rate on servicemembers' mortgage loans to 6% retroactively to the date of the servicemembers' military orders and failed to reduce monthly mortgage payments by the amount of interest forgiven. The DOJ also alleged that the company misled servicemembers about the interest rates on their mortgages and retaliated against SCRA-protected servicemembers who requested interest-rate reductions by accelerating the payment of principal and falsely reporting certain mortgages as delinquent to the VA. Under the settlement, the company will pay at least $425,000 to 41 affected servicemembers and a $79,380 civil penalty. The settlement also requires the company to revise its SCRA policies and procedures to prevent future SCRA violations and provide SCRA training to its employees.

Bite 16: 17 States Take Action Against Rent-to-Own Company

On October 21, 2026, the attorneys general of 17 states announced a settlement with a company that offers rental-purchase agreements through merchant providers. Iowa and Nebraska led the coalition, which also included Florida, Idaho, Kansas, Kentucky, West Virginia, Arkansas, Georgia, Louisiana, Mississippi, Missouri, North Dakota, Oklahoma, Texas, Utah, and Wyoming. The settlement resolves allegations that the company violated state consumer protection laws. The company agreed to cancel approximately $662 million in rental payments and pay $2.75 million to the states. Among other terms of the settlement, the company agreed to disclose the full terms and potential total lease cost before consumers sign agreements, clearly disclose consumers' termination rights, and provide practical ways to return property. The company also agreed to refrain from threatening to seize merchandise for nonpayment when it does not intend to do so and from representing that rental-purchase agreements will improve consumers' credit ratings. The company did not admit any liability or wrongdoing.

Bite 15: FTC Takes Action Against Debt Relief Operation

On October 22, 2026, the FTC announced that a federal court permanently banned the operators of an alleged debt relief scheme from the debt relief industry. The FTC's complaint alleged that the scheme

targeted seniors and veterans by impersonating banks, credit card companies, and government agencies. The court's orders ban the defendants from impersonating government entities, businesses, or persons; from telemarketing; and from advertising, marketing, promoting, or offering debt relief products or services. Earlier in 2026, the court entered stipulated orders against three individual defendants requiring them to turn over assets. One order against an individual defendant order includes a $104.3 million judgment, jointly and severally with the other defendants, which will be partially suspended after the defendant turns over assets valued at approximately $12.6 million. Money collected from the defendants may be used for consumer redress.

Bite 14: FTC Takes Action Against Government Impersonation Scheme

On October 22, 2026, the FTC filed a complaint against two companies and an individual for their alleged involvement in a government impersonation scheme targeting consumers seeking passport services. The FTC alleges that the operation used deceptive paid-search advertisements to lure consumers to websites that purported to be affiliated with the U.S. Department of State. The FTC further alleges that the defendants impersonated the government, made false promises regarding passport services, and used fake positive reviews to make the operation appear legitimate. The complaint alleges violations of the FTC Act, the Impersonation Rule, and the Gramm-Leach-Bliley Act. The FTC also alleges that the individual defendant operated the scheme while subject to a prior FTC order in an unrelated case.

Bite 13: FTC and 20 States Take Action Against Discount Store

On October 26, 2026, the FTC and twenty states announced a lawsuit against a large discount retailer over alleged deceptive pricing practices. The company operates more than 21,000 stores in 48 states. The complaint alleges that the company routinely charged consumers more at the register than prices displayed on shelves, price tags, and advertisements, allegedly costing consumers millions of dollars. According to the FTC, the company received tens of thousands of complaints regarding advertised prices not being honored but failed to adequately address the alleged problem. The complaint also notes that, between 2019 and 2026, the company entered into seven settlements with six state attorneys general and consumer protection agencies involving inaccurate pricing. The FTC and states allege violations of the FTC Act, the Gramm-Leach-Bliley Act, and various state laws.

Bite 12: CFPB Halts Plan to Bring Regional Employees Back to D.C.

On October 26, 2026, it was reported that the CFPB halted a plan that would have forced regional employees to move to Washington, D.C. The National Treasury Employees Union informed its members that the CFPB had "no plans in the short term" to reissue forced-relocation notices to remote employees outside the D.C. area. Approximately 450 CFPB employees are stationed remotely or were assigned to the CFPB's former regional offices in Atlanta, Chicago, New York, and San Francisco. About 200 regional staff members reportedly left the CFPB after the return-to-office plan was issued. The CFPB employed approximately 1,750 people at the end of the Biden administration, a number that had fallen to 1,072 by August 1, 2026. The CFPB moved to new headquarters in June 2026 that are reportedly designed to accommodate approximately 550 employees.

Bite 11: CFPB Publishes Semi-Annual Report to Congress

On October 27, 2026, the CFPB published its Semi-Annual Report to Congress covering January 1 through June 30, 2026. The report covers the remaining six months of the Bureau's work under the

tenure of then-Acting Director Russell Vought. The report noted that "leadership is committed to fixing the Bureau's broken consumer complaint system" and that the Bureau ceased publication of unverified complaint narratives and visualizations. The report noted that the "Bureau has continued to implement its robust deregulatory agenda by finalizing two fair lending rulemakings": (1) issuing a final rule amending Reg B of the Equal Credit Opportunity Act to state that ECOA doesn't authorize disparate impact liability. The amended rule also prohibits use of race, color, national origin, or sex as eligibility criteria for Special Purpose Credit Programs; and (2) amending Reg B provisions implementing Section 1071 of the Dodd-Frank Act to refocus on the rule's coverage of credit transactions and financial institutions and remove data collection requirements that were not in the statute. The CFPB notes that its new enforcement principles have resulted in securing over $250,000 in consumer redress for over 2,000 consumers who were affected by a fintech company's transition to a new bank partner.

The CFPB also executed a new exam schedule consistent with its supervision priorities, focusing on depository institutions, actual consumer fraud, and areas clearly within the CFPB's statutory authority. The CFPB also touted its Humility in Supervision Pledge which outlines how examiners should conduct supervisory work. Finally, the CFPB also reported on the many state attorneys general and state regulatory actions to enforce the Consumer Financial Protection Act.

Bite 10: Inspector General Releases Findings on CFPB's Cybersecurity Program

On October 27, 2026, the Federal Reserve's Office of Inspector General released its 2026 Information Security Program Audit of the CFPB. The audit concluded that the CFPB's cybersecurity program remains "not effective" under federal standards and assigned the CFPB a maturity rating of 2 out of 5, unchanged from 2025. The Inspector General issued eight new recommendations and reported that 10 of 14 unresolved recommendations from prior annual information-security audits remain open. Among other issues, the report identified gaps in asset inventories, actively used datasets missing from the CFPB's data inventory, and hardware at vacated regional offices that was not properly inventoried. The Inspector General also identified outdated baseline controls, reactive vulnerability-management practices, and gaps or outdated information in CFPB policies and guidance.

Bite 9: 36 States Take Action Against Auto Company Over Data Privacy

On October 29, 2026, thirty-six state attorneys general announced a settlement with an auto company to resolve allegations that it unlawfully sold consumers' driving-behavior and location information to third parties, including data brokers that allegedly supplied the information to insurance companies. The attorneys general alleged that, from 2016 through 2024, the company enrolled millions of drivers in a program that tracked geolocation and driving habits while assuring consumers that information would not be shared with insurers without express consent. The company agreed to pay $220 million to resolve the allegations. The settlement also requires the company to limit the driving data it collects and obtain express consent before collecting or sharing that information. The company previously resolved related allegations with the California Attorney General and the FTC in 2026.

Bite 8: CFPB Sued Over Rollback of Fair Lending Protections

On October 29, 2026, the National Urban League and Massachusetts Association of Community Development Corporations filed a lawsuit against the CFPB challenging changes to Regulation B. The lawsuit is the second federal action challenging the CFPB's rollback of certain fair lending protections. The plaintiffs allege that the CFPB acted arbitrarily and capriciously under the Administrative Procedure

Act by failing to provide adequate explanations for the changes, respond meaningfully to significant public comments, consider reliance interests, or sufficiently assess the rule's costs and benefits. According to the complaint, the CFPB received approximately 64,500 comments on the proposed rule, about 90% of which opposed the proposed modifications, but made no changes to the final rule. The complaint also alleges that the rule's revised discouragement provisions conflict with the Equal Credit Opportunity Act ("ECOA") and exceed the Bureau's authority. The Complaint also alleges that then-Acting Director Russell Vought lacked authority under the Federal Vacancies Reform Act and the Constitution to issue the proposed and final rules.

Bite 7: FTC and Washington Take Action Against Payment Processor

On November 2, 2026, the FTC and State of Washington announced a settlement with a payment processor and its affiliate to resolve allegations that the companies deceived small businesses about the cost of payment-processing services and cancellation terms. The complaint alleges that the companies falsely promised businesses that they would save money, failed to clearly disclose that customers were being enrolled in automatically renewing contracts, and made it difficult for customers to cancel those contracts. The FTC alleged violations of the FTC Act and the Gramm-Leach-Bliley Act. The proposed order imposes an approximately $32 million judgment, which will be suspended after the defendants pay $600,000 based on their inability to pay the full amount. The order also requires the company to notify customers that, for a 60-day period, it will waive early termination fees or other penalties for customers seeking to end their merchant-processing agreements.

Bite 6: FTC Takes Action Against Debt Collection Operation

On November 9, 2026, the FTC announced that a federal court, at the FTC's request, temporarily halted a debt collection operation and froze its assets. The FTC alleges that the defendants used deceptive and unlawful tactics to pressure consumers into paying debts that they often did not owe. According to the complaint, the operation pretended to be a law firm or affiliated with attorneys and used high-pressure tactics to coerce consumers to make payments on debts that the consumers often did not owe, a practice known as phantom debt collection. According to the complaint, the company would allegedly leave voicemail messages stating that they were calling from the legal department and threatened to contact consumers' employers and family members if they did not respond. The FTC also alleges that the defendants failed to make required disclosures that they were debt collectors and failed to provide legally required debt-validation notices identifying the amount and creditor associated with alleged debts. The FTC alleges violations of the FTC Act, the Fair Debt Collection Practices Act, and the Gramm-Leach-Bliley Act.

Bite 5: FTC Takes Action Against Auto Dealer

On November 9, 2026, the FTC announced a proposed settlement with a New York auto dealership group to resolve allegations that it advertised vehicle prices substantially below the amount consumers ultimately paid. This dealership group was one of the 97 dealership groups who received warning letters from the FTC in March 2026 regarding deceptive pricing. The complaint alleges that the dealership group advertised vehicles online with artificially low prices and refused to honor them. For instance, the dealer allegedly charged consumers thousands of dollars in required down payments on top of the advertised price. The complaint also alleges that the dealership group obscured information about required down payments by including it in a small-print disclaimer on a "details" page hidden behind a popup and among other disclosures. The proposed order prohibits the dealership group from

misrepresenting the costs or terms of acquiring a vehicle and requires the dealership group's advertisements that include prices to prominently display the actual price a consumer must pay for a vehicle, excluding only changes the government requires consumers to pay. Similar to the earlier action in October against another dealer group of the 97 that received warning letters, this proposed order did not include any monetary relief.

Bite 4: President Trump Nominates Mufarrige for FTC Commissioner

On November 9, 2026, President Trump submitted nominations and withdrawals of nominations to the Senate, including the nomination of Chris Mufarrige to serve as a Federal Trade Commissioner for a seven-year term beginning September 26, 2026. Chris Mufarrige currently serves as Director of the FTC's Bureau of Consumer Protection. Before returning to the FTC, he served during President Trump's first administration as a Senior Advisor to the Director and Deputy Director of the CFPB. The nomination requires Senate confirmation. President Trump also withdrew the prior nomination of David MacNeil to serve as a Federal Trade Commissioner.

Bite 3: CFPB Sends Mortgage Servicing Rule to White House for Review

On November 10, 2026, it was reported that the CFPB submitted a final rule overhauling federal mortgage servicing requirements to the White House for review. According to the Office of Information and Regulatory Affairs, the rule, titled "*Streamlining Mortgage Servicing for Borrowers Experiencing Payment Difficulties (Regulation X)*," was received on November 6. It is not yet clear how the final version compares with the CFPB's July 2024 proposal. That proposal would have allowed servicers to begin evaluating borrowers for assistance without waiting for completed applications, established additional protections against avoidable foreclosures, restricted certain fees while borrowers are being evaluated for relief. The July 2024 proposal also proposed changes to borrower communications, including requirements involving notices in languages other than English.

Bite 2: FTC and 17 States Take Action Against Discount Store

On November 12, 2026, the FTC and seventeen state attorneys general announced a settlement with a discount retailer, resolving allegations that it routinely charged customers more at the register than its advertised prices. The FTC alleges that the retailer's internal records show that customers have consistently complained to the company over the past six years about the retailer's mobile app preventing customers from accessing and redeeming coupons at the register. The FTC also touted how in the last 5 years, state and local regulators have cited this retailer for thousands of pricing violations, resulting in fines exceeding $3 million. In the last three years, the retailer has entered into multiple settlements with state Attorneys General and consumer protection agencies, paying over $800,000 in penalties for inaccurate pricing. Under the proposed order, the retailer will establish a $40 million consumer redress fund, create a $20 million discount program for customers, and pay more than $3 million to participating states. The retailer must also establish a pricing-accuracy program subject to independent assessment and annual certification and is prohibited from misrepresenting the prices of its goods and services. The FTC noted that it and state partners sued a different discount retailer over similar alleged pricing practices in October 2026.

Bite 1: 43 States Take Action Against Rent-to-Own Company

On November 12, 2026, forty-three state attorneys general announced a settlement with a rent-to-own company to resolve allegations that the company deceptively advertised its rental-purchase

agreements. The company agreed to pay $43 million in restitution, $10.5 million the states, and terminate leases with optional renewal payments totaling $130 million. Under the settlement, the company agreed to: (1) disclose material terms and conditions in the rental-purchase agreements; and (2) implement retailer training. The company also agreed to refrain from (1) marking up the cash price from that of the company's retail partners; (2) obstructing consumers' ability to return merchandise to the company; and (3) reporting consumers' rental-purchase agreement transaction data to Equifax, Experian, and TransUnion for a period of five years. There was no admission of liability or wrongdoing by the rent-to-own company.

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