

Enforcement Alert from Hudson Cook; In Latest "Repeat Offender" Salvo, CFPB Sues Mortgage Company for Alleged HMDA Reporting Violations

October 11, 2023 | [Mark E. Rooney](#) and [Kristen Yarows](#)

HIGHLIGHTS:

- CFPB filed a lawsuit against a non-bank residential mortgage loan originator for allegedly submitting inaccurate HMDA data.
- The lawsuit is the latest example of the CFPB's focus on what it calls "repeat offenders." The heart of the complaint is the Bureau's allegation that the mortgage company violated terms of a prior consent order relating to HMDA reporting.

CASE SUMMARY:

The complaint, filed in the U.S. District Court for the Southern District of Florida, alleges that a non-bank residential mortgage loan originator violated the Home Mortgage Disclosure Act ("HMDA") by submitting inaccurate HMDA data for 2020. A central focus of the CFPB's complaint is that the company failed to abide by the terms of a 2019 consent order with the Bureau relating to alleged HMDA errors in prior years.

In 2019, the CFPB alleged that the mortgage company intentionally misreported data concerning borrower race, ethnicity, and sex from 2014 through 2017. Without admitting the allegations, the mortgage company entered into a consent order that required paying a civil money penalty, complying with HMDA, and undertaking corrective actions to develop and improve its HMDA policies and procedures.

In the instant case, the CFPB alleges that the mortgage company's HMDA data continues to be deficient and that the company did not implement adequate changes to its compliance management system to ensure HMDA data accuracy. The lawsuit seeks injunctive and monetary relief and includes claims for alleged violations of HMDA, its implementing Regulation C, the Consumer Financial Protection Act, and the 2019 order. The complaint is not a final finding or ruling that the defendant has violated the law.

The complaint represents the latest iteration of the CFPB's focus on what it calls "repeat offenders." It follows a March 2023 consent order against a debt collection company and an April 2022 lawsuit against a major credit reporting agency, both of which allege that

the enforcement target violated terms of a prior consent order with the Bureau.

RESOURCES:

You can review all of the relevant court filings and press releases at the CFPB's Enforcement Page.

- CFPB's Complaint
- CFPB's Press Release

Enforcement Alerts by Hudson Cook, LLP, written by the attorneys in the firm's [Government Investigations, Examinations and Enforcement](#) and [Litigation](#) practice groups, are provided to keep you informed of federal and state government enforcement actions and related actions that may affect your business. Please contact our attorneys if you have any questions regarding this Alert. You may also view [articles](#), register for an upcoming [CFPB Bites monthly webinar](#) or request a [past webinar](#) recording on our website.

Hudson Cook, LLP provides articles, webinars and other content on its website from time to time provided both by attorneys with Hudson Cook, LLP, and by other outside authors, for information purposes only. Hudson Cook, LLP does not warrant the accuracy or completeness of the content, and has no duty to correct or update information contained on its website. The views and opinions contained in the content provided on the Hudson Cook, LLP website do not constitute the views and opinion of the firm. Such content does not constitute legal advice from such authors or from Hudson Cook, LLP. For legal advice on a matter, one should seek the advice of counsel.

SUBSCRIBE TO INSIGHTS

HUDSON COOK

Hudson Cook, LLP is a national law firm representing the financial services industry in compliance, privacy, litigation, regulatory and enforcement matters.

7037 Ridge Road, Suite 300, Hanover, Maryland 21076
410.684.3200

hudsoncook.com

© Hudson Cook, LLP. All rights reserved. Privacy Policy | Legal Notice
Attorney Advertising: Prior Results Do Not Guarantee a Similar Outcome

