

State Watch: Consumer Protection Enforcement Update

February 11, 2026 | [Anastasia V. Caton](#)

There was a deluge of consumer protection activity from the states—and municipalities—as an eventful 2025 drew to a close. Now, 2026 is already shaping up to be an action-packed year of state enforcement.

Baltimore, Maryland

The City of Baltimore sued a digital lending platform, claiming that it violated Baltimore's Consumer Protection Ordinance for misleading Baltimore consumers into taking out high-cost, small dollar, short-term loans, and "trapping" Baltimoreans in a "cycle of debt." The City claims the company deceptively marketed the product as "earned wage access" and "overdraft services" instead of high-cost loans. The City also alleges that the company encouraged consumers to provide "tips" for charitable causes, while only passing along a small portion of the tips to the charities. The City claims that the tips and other charges taken together resulted in interest rates that were more than 10 times the lawful usury limit in Maryland.

The City also recently sued a payday lender, similarly claiming that it engaged in misleading marketing of usurious loans and "trapped" Baltimoreans in a "cycle of debt."

California

California Attorney General Bonta announced an investigative sweep into surveillance pricing, which, he says, may trigger requirements under and even violate California's Consumer Privacy Act. The AG said his office is looking at "businesses with significant online presence in the retail, grocery, and hotel sectors." The AG sent letters to these businesses requesting information about how they use consumers' shopping and browsing history, location, demographics, inferential, or other data to set prices. The AG referenced the 2024 work of the Federal Trade Commission in the area of surveillance pricing and expressed concern that the change in administration will result in less federal focus on surveillance pricing.

The California Privacy Protection Agency Board issued two decisions concerning data brokers. The first requires a reseller to pay a \$45,000 fine for failing to register as a data broker in California and orders it to stop selling Californians' personal information. The second requires a data and technology provider to pay a \$62,600 fine for failing to register as a data broker. According to CalPrivacy, the company's violation was due to an administrative error. It must also adopt procedures to avoid a similar future error.

Colorado

Attorney General Weiser settled with a Denver-based credit repair company, claiming that the company engaged in numerous illegal credit repair practices. Specifically, the AG alleges that the company offered to improve consumers' credit scores by adding them as "authorized users" to the accounts of other individuals with better credit (a practice known as "piggybacking"). The AG also claims that the company charged Colorado consumers in advance of providing services, made misrepresentations about the benefits of buying tradelines, and failed to provide disclosures required by Colorado law. The company agreed to pay \$20,000 in penalties and stop offering credit repair services to Colorado consumers.

Florida

Florida Attorney General Uthmeier announced that, based on findings from a recent economic report, his office would be launching investigations into pet sales and financing in Florida. The report found that more than 80% of puppies sold in Florida come from out-of-state breeders that may have been operating "puppy mills." The AG said that Floridians often receive sick animals and end up with costly vet bills. In addition, the AG noted the "aggressive financing" practices of "large-scale pet retailers," including through store-branded credit cards with high interest rates. The AG said his office would be investigating both the sale of sick puppies and predatory pet financing tactics.

Maine

The Maine Bureau of Financial Institutions issued a Bulletin advising Maine state-chartered financial institutions it is an unfair practice for financial institutions to assess multiple NSF fees to accountholders if: (1) the institution provides inaccurate disclosure of its representation and NSF fee practices; or (2) even if its disclosures are accurate, the institution assesses multiple NSF fees in a short period of time without sufficient notice and opportunity for the customer to bring their account to a positive balance and avoid the fees.

Massachusetts

Massachusetts Attorney General Campbell settled with a residential mortgage loan servicer over its allegedly unfair and deceptive servicing and collection practices. The AG claims that the company sent cure notices that provided a cure period significantly shorter than what state law requires, failed to notify Massachusetts consumers of their right to pursue a loan modification, failed to process modification requests in accordance with Massachusetts law, and failed to provide relief required by law for Massachusetts consumers impacted by the COVID-19 pandemic. The AG also claims the company failed to provide the debt validation notices required by Massachusetts law and exceeded the communication frequency limits under Massachusetts's debt collection regulations. The settlement requires the company to pay \$4.65 million, which includes consumer restitution, and implement certain operational changes to protect Massachusetts consumers in the future.

New Hampshire

New Hampshire Attorney General Formella entered into a settlement with a large electronic payment processing company over alleged violations of New Hampshire's consumer protection laws. Specifically, the AG claimed that the company deceptively advertised that New Hampshire consumers could access their funds any time, when in fact, according to the AG, consumers could not access their funds when the company wrongfully froze their accounts. The AG also claimed that the company advertised a "purchase protection" product for purchases of goods and services, but imposed

considerable conditions on customers to access the protection. Further, the AG argued that the company failed to give adequate disclosures about the privacy of New Hampshire consumers' sensitive financial information. The consent order requires the company to make changes to its marketing and operations and pay \$1.75 million.

New York City

The New York City Department of Consumer and Worker Protection sued a solar panel installation company, alleging the company misrepresented the savings associated with solar panels, ignored consumer complaints following installation, and failed to help consumers obtain the solar tax incentives as promised. In connection with the financing, the DCWP claims that the company imposed undisclosed dealer fees and "tricked" consumers into signing up for large loans without their knowledge. The DCWP is seeking over \$1.7 million in civil penalties and \$18 million in restitution. It also is asking the court to shut down the company and hold its owner personally liable.

With the change in mayoral administrations in NYC, the DCWP is now led by Sam Levine, former Director of Consumer Protection at the Federal Trade Commission.

New York State

Attorney General James entered into a settlement with a company that purchased and serviced lease-to-own agreements of consumer goods and services, including furniture, pets, and car repairs. The AG claimed that the company partnered with retailers to offer the leases at the point-of-sale, but consumers thought they were entering into traditional loans or credit sales, and did not realize that they were not actually purchasing the goods and services. In some instances, the goods included pets and wedding dresses. The AG claimed that the company charged consumers convenience fees to make payments, further driving up the costs to consumers. The AG also alleges that the company deceptively threatened to refer consumers to its nonexistent "legal department" or to repossess family pets if they did not pay. The consent order goes into detail about the level of oversight and approval that AG claims the company had over the marketing, origination, and terms of the lease-to-own agreements. Under the consent order, the company must pay \$175,000 in civil penalties, cease collecting debts that originated from leases with New Yorkers (approximately \$2.4 million in debt forgiveness), cancel its leases with New Yorkers, and delete information from consumers' credit reports, and refrain from being involved with any leases for services, pets, or other goods with no clear resale value.

North Carolina

Attorney General Jackson won a summary judgment motion against a real estate brokerage over its "Homeowner Benefit Agreements." The HBAs, according to AG Jackson, locked North Carolina homeowners into exclusive, 40-year contracts to list their homes, in exchange for a relatively small up-front payment. The AG also claimed that consumers were required to pay the company a commission even if they sold with a different real estate brokerage. And, according to the AG, the company could collect early termination fees and would record liens on the property. Finally, the AG claimed (and the court found) that the company violated the state's Telephone Solicitation Act by calling numbers on the Do Not Call Registry and placing illegal robocalls to North Carolinians. The court order permanently enjoins the company from enforcing its HBAs in North Carolina.

Ohio

Attorney General Yost sued a residential solar panel company over its allegedly deceptive sales and financing tactics. Specifically, the AG's lawsuit claims that the company misrepresented to Ohio consumers that the systems would result in significant utility savings over time when the systems often produced far less electricity than what was necessary to realize the advertised savings. The AG also alleges that the terms of the company's financing—which included an increase in the monthly payment amount after 18 months unless the customer made a voluntary balloon payment—were confusing to consumers. Further, the AG claims that the company misled consumers about the availability of federal tax credits, particularly elderly consumers with little or no taxable income and therefore no eligibility to claim tax credits. The lawsuit seeks injunctive relief, restitution, and civil penalties of up to \$25,000 per violation.

Pennsylvania

Pennsylvania's Department of Banking and Securities, Compliance Office, entered into consent orders with two vehicle dealers over their alleged failure to maintain a license as required by Pennsylvania's Consumer Credit Code. Specifically, retail sellers of motor vehicles under a retail installment contract must be licensed by the Department. The Department claims that both dealers failed to submit timely applications for renewal of their licenses but continued doing business after their licenses were cancelled. One dealer was ordered to pay a fine of \$1,500, while the other was ordered to pay a fine of \$250.

Virginia

In a final act before the transition to the Jones administration, outgoing Virginia Attorney General Miyares sued six large solar finance companies and financial institutions that purchased solar loans made to Virginia borrowers, alleging violations of the federal Consumer Financial Protection Act and the Virginia Consumer Protection Act. The AG claims that the defendants charged "hidden loan fees" by misrepresenting them as part of the cost of the system, and that Virginia consumers were induced into entering into the credit agreements by deceptive claims that they would save money on utility costs. The claims arose from the sales of systems by a single now-defunct solar installation company. The AG relies on the FTC's Holder Rule to hold the creditors liable for the seller's allegedly deceptive marketing and sales practices. We anticipate Attorney General Jones will continue the lawsuit.

Multistate

A bipartisan coalition of 21 state attorneys general and one district attorney joined the Federal Trade Commission's lawsuit against a large ride-sharing and delivery company over its subscription service. The states and FTC claim that the company misled consumers about the savings associated with the subscription service, and used improper negative option marketing tactics when it offered a free trial of its subscription. They also allege that the company made it difficult to cancel the subscription and charged consumers before their billing date (including those who were still in their free trial period). The lawsuit seeks consumer restitution, penalties, costs, and injunctive relief. The coalition is led by Maryland Attorney General Brown, and includes the AGs of Alabama, Arizona, Connecticut, the District of Columbia, Illinois, Michigan, Minnesota, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oklahoma, Pennsylvania, Virginia, West Virginia, and Wisconsin, and the District Attorney for Alameda County, California.

A coalition of 21 state attorneys general sent a comment letter opposing the federal Consumer

Financial Protection Bureau's proposed rule that would effectively eliminate the disparate impact test for discrimination under the federal Equal Credit Opportunity Act. The AGs requested the Bureau withdraw the rule, which they claim is inconsistent with the underlying purpose of the ECOA, and would result in credit discrimination.

A coalition of 20 state financial regulators entered into a settlement with an individual mortgage loan originator licensed in 19 states, with licenses pending in two other states. The regulators allege that the MLO claimed credit for required continuing education classes that he did not take, in violation of the SAFE Act and state laws. Under the terms of the settlement agreement, Colorado and Florida will receive \$7,000 each, Maryland and New Mexico will not receive any fines because the MLO's license was only pending in those states, and the remaining states will receive \$1,000 each. In addition, the individual is permanently barred from licensure as an MLO in all participating states except Colorado and Florida, which will allow him to reapply for a license in two years if he pays the penalties and completes additional education requirements. He is also barred from acting as a qualified individual or control person of any financial services entity registered with NMLS for two years.

Join us for our next quarterly update on state enforcement on Tuesday, May 19 at 2:00 pm ET. [Click here](#) to register for the webinar.

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

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