



MEMORANDUM

DATE: March 26, 2025

TO: Interested Parties

FROM: Consumer Federation of America
Student Borrower Protection Center

RE: **Trump-Led CFPB Pardons Repeat Offender Corporations for Violations Causing Over \$3 Billion of Consumer Harm**

In the six weeks following the Acting Consumer Financial Protection Bureau (CFPB) Director Russell Vought's [stop work order](#), he and Trump have doled out **ten** corporate pardons worth over \$3 billion dollars to Wall Street banks, predatory lenders, and their wealthy executives. **Seven** of these pardons were provided to repeat offender corporations who have a track record of breaking the law and have already paid out nearly \$7 billion as a result of CFPB and other regulators' enforcement actions.

These Trump-led CFPB pardons include chronic repeat offenders Wells Fargo and Bank of America, who hold the record for the highest fines and most enforcement actions from the CFPB. Along with repeat offender JPMorgan Chase, these banks were [facing damning evidence](#) that, through the popular peer-to-peer (P2P) payment app Zelle, Americans lost nearly \$1 billion due to fraud—until Trump let them off scot free. This trio of repeat offenders accounts for a significant percentage of the \$21 billion the CFPB has forced banks and lenders to return to consumers over its lifetime.

The corporate lawbreakers in this memo have chosen to persist in their illegal conduct rather than clean up their act to stop cheating consumers. This memo identifies repeat offenders¹ subject to CFPB enforcement actions that [were pending](#) when the Trump administration took over the CFPB, including their rap sheet, organized by the status of their Trump-administration pardon.

¹ Companies or individuals that were named as defendants in prior CFPB enforcement actions or in state attorney general enforcement actions for a similar pattern of conduct as alleged in the pending or recently dismissed CFPB action.

PARDONED REPEAT OFFENDERS

1. Wells Fargo

Dismissed Case: [Early Warning Services, LLC; Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Wells Fargo Bank, N.A.](#) (filed Dec. 20, 2024, permanently dismissed on March 4, 2025)

The Bureau sued JPMorgan Chase, Bank of America, and Wells Fargo for allowing fraud to fester on Zelle. Americans have lost hundreds of millions of dollars to fraud tied to payment network's shoddy safeguards.

Rap Sheet: At \$4.8 billion, Wells Fargo holds the record for highest penalties paid by a CFPB-regulated entity. It has twice held the record for the highest fine in an individual action, in September 2016 and December 2022.

- [In 2015](#), Wells Fargo was ordered to pay over \$34 million—\$10.8 million in consumer relief and \$24 million in fines—for the leading role it played in an illegal kickback scheme, where its loan officers took cash, marketing materials, and consumer information in exchange for business referrals.
- [In August 2016](#), Wells Fargo was ordered to pay \$4 million—\$410,000 in consumer relief and \$3.6 million in fines—for illegal private student loan servicing practices that increased costs and unfairly penalized certain student loan borrowers.
- [In September 2016](#), Wells Fargo was ordered to pay \$100 million to the CFPB's civil penalty fund and an additional \$85 million to other regulators for its widespread illegal practice of secretly opening unauthorized deposit and credit card accounts.
- [In April 2018](#), Wells Fargo was ordered to pay a \$1 billion penalty for illegally charging fees in connection with mortgage rate-lock extensions, and for imposing unlawful fees and premiums for force-placed collateral insurance on its auto loans.
- [In December 2022](#), Wells Fargo was ordered to pay the largest amount in the CFPB's history: \$3.7 billion—\$2 billion in consumer relief and \$1.7 billion in fines—for repeatedly misapplying loan payments, wrongfully foreclosing on homes illegally repossessing vehicles, incorrectly assessing fees and interest, charging surprise overdraft fees, and other illegal activity affecting over 16 million consumer accounts.

2. Bank of America

Dismissed Case: [Early Warning Services, LLC; Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Wells Fargo Bank, N.A.](#) (filed Dec. 20, 2024, permanently dismissed March 4, 2025)

The Bureau sued JPMorgan Chase, Bank of America, and Wells Fargo for allowing fraud to fester on Zelle. Americans have lost hundreds of millions of dollars to fraud tied to payment network's shoddy safeguards.

Rap Sheet: Bank of America, worth trillions of dollars, has been ordered to pay over \$1 billion as a result of numerous CFPB enforcement actions for violating the law.

- [In 2014](#), Bank of America was ordered by the CFPB to pay over \$790 million (\$727 million in consumer relief and \$45 million to the CFPB's civil penalty fund and other regulators) in 2014 for deceiving consumers about its credit card add-on products and unfairly billing consumers for services not performed.
- [In May 2022](#), Bank of America was fined \$10 million (plus at least \$592,000 in consumer relief) by the CFPB in May of 2022 for processing illegal garnishment orders against its customers' accounts, resulting in frozen accounts and stolen money.
- [In July 2022](#), Bank of America was fined \$225 million and required to provide hundreds of millions of dollars in consumer redress by the CFPB and the Office of the Comptroller of the Currency (OCC) for botching the disbursement of state unemployment benefits at the height of the pandemic by freezing their accounts with a faulty fraud detection program.
- [In July 2023](#), Bank of America was ordered to pay \$250 million (\$100 million in consumer relief and \$250 million in fines to the CFPB and OCC) for multiple fraudulent practices affecting hundreds of thousands of consumers. Those fraudulent practices included Bank of America wrongfully withholding credit card rewards, double-dipping on fees, and opening accounts without consent.
- [In November 2023](#), Bank of America was fined \$12 million by the CFPB for reporting false mortgage data to the federal government.

3. JPMorgan Chase

Dismissed Case: [Early Warning Services, LLC; Bank of America, N.A.; JPMorgan Chase Bank, N.A.; Wells Fargo Bank, N.A.](#): (filed Dec. 20, 2024, permanently dismissed March 4, 2025) The Bureau sued JPMorgan Chase, Bank of America, and Wells Fargo for allowing fraud to fester on Zelle. Americans have lost hundreds of millions of dollars to the alleged fraud tied to payment network's shoddy safeguards.

Rap Sheet: JPMorgan Chase has paid over \$600 million in fines and restitution to the CFPB and 47 state attorneys general for its illegal behavior.

- [In 2013](#), JPMorgan Chase and Chase Bank, USA were ordered to pay \$309 million to over 2 million consumers for unfairly billing consumers for certain credit card "add-on products" (credit monitoring services) that they did not receive.
- [In January 2015](#), JPMorgan Chase was ordered to pay \$900,000 in consumer relief and fines for its role in an illegal kickback scheme, where its loan officers took cash, marketing materials, and consumer information in exchange for business referrals.

- [In July 2015](#), the CFPB and 47 states ordered JPMorgan Chase to pay over \$200 million in consumer relief and penalties to the CFPB and states for selling “zombie” credit card debts to third-party debt buyers and illegally robo-signing court documents.
- [In 2017](#), JPMorgan Chase was fined \$4.6 million for failing to have the required processes to report checking account information accurately and keeping consumers in the dark about reporting disputes and application denials.

4. Capital One Bank, NA

Dismissed Case: [Capital One Bank, N.A.](#): (filed Jan. 14, 2025, dismissed on February 27, 2025)

The Bureau sued Capital One for cheating consumers out of more than \$2 billion in interest payments on savings accounts. The bank unlawfully misled consumers about its 360 Savings accounts and obscured its higher-interest savings product from them.

Rap Sheet: The CFPB’s first ever enforcement action against a bank was against Capital One Bank [in July 2012](#) for using deceptive marketing tactics to pressure or mislead consumers into paying for “add-on products” such as payment protection and credit monitoring when they activated their credit cards. The Bureau ordered Capital One to pay \$165 million—\$140 million in redress to two million customers and a \$25 million penalty.

5. Pennsylvania Higher Education Assistance Agency

Dismissed Case: [Pennsylvania Higher Education Assistance Agency \(PHEAA\) d/b/a American Education Services or AES](#): (filed May 31, 2024, dismissed on February 28, 2025) The Bureau sued the student loan servicer PHEAA for pursuing borrowers for loans discharged in bankruptcy. The lawsuit alleged that PHEAA illegally collected money that borrowers do not owe, and that PHEAA reports false information to credit reporting companies.

Rap Sheet: PHEAA has a long track record of failing student borrowers and being ordered to provide over \$100 million as a result of regulatory enforcement actions.

- Earlier in 2024, the CFPB [ordered PHEAA to pay more than \\$5 million](#) along with the National Collegiate Student Loan Trusts (NCSLTs) for student loan servicing failures. In this case, the defendants ignored student loan borrowers seeking payment relief, including during the COVID-19 national emergency. The NCSLTs were originally set up by the big banks to push risks onto investors from this bank-led predatory student lending scheme, and included student loans from [Bank of America, JPMorgan, and a bank now owned by Citizens Bank](#). In response to the CFPB’s concerns about illegal debt collection practices, the NCSLTs repeatedly argued in court that they were not debt collectors because they contracted out all of their functions so federal financial laws did not apply to them. Fortunately, the Supreme Court [agreed](#) that just because the NCSLTs do not have employees does not mean that the entities or their subcontractors are exempt from the law.

- Several states have also ordered PHEAA to correct past mistakes and provide remediation directly to borrowers. For example, in 2021, [the State of Massachusetts reached a settlement with PHEAA](#) related to widespread errors and delays and in 2022, the State of New York reached a similar [settlement](#) requiring PHEAA to automatically review thousands of accounts to find and correct prior errors and provide over \$110 million in debt relief directly to borrowers.

6. TransUnion

Dismissed Case: [TransUnion; Trans Union, LLC; TransUnion Interactive, Inc.](#); and John T. Danaher: (filed Apr. 12, 2022, dismissed on Feb. 28, 2025) The CFPB charged TransUnion and senior executive John Danaher with violating a law enforcement order. TransUnion deployed digital dark patterns to dupe Americans into subscription plans.

Rap Sheet: TransUnion and its related entities have been fined by the Bureau multiple times for its subscription plans. The pending case that was permanently dismissed on February 28 included allegations that TransUnion intentionally violated the 2017 order below.

- [In 2017](#), TransUnion was ordered to pay \$16.9 million in consumer relief and penalties for deceiving consumers about the usefulness and actual cost of credit scores it sold to consumers and for luring consumers into costly recurring payments for credit-related products with false promises.
- [In 2023](#), the FTC and CFPB ordered TransUnion and its rental screening company subsidiary to pay \$23 million for failing to take steps to ensure that rental background checks were accurate and for withholding, from renters, the names of third parties that were providing the inaccurate information. The action also alleged that TransUnion was lying to consumers about timely placing or removing security freezes and locks on the credit reports.

7. 1st Alliance

Dismissed Case: [1st Alliance Lending, LLC, John Christopher DiIorio, Kevin Robert St. Lawrence, and Socrates Aramburu](#): (filed Jan. 15, 2021, dismissed on Feb. 28, 2025) The CFPB sued 1st Alliance Lending, LLC and its principals for allegedly unlawful mortgage lending practices. The Bureau alleged that the defendants violated the Truth in Lending Act, the Fair Credit Reporting Act, the Equal Credit Opportunity Act, the Mortgage Acts and Practices—Advertising Rule, and the Consumer Financial Protection Act of 2010.

Rap Sheet: In 2014, [1st Alliance was ordered to pay \\$83,000](#) for violating federal law by illegally splitting real estate settlement fees.

REPEAT OFFENDERS TO WATCH

1. MoneyGram

Pending Case: [MoneyGram International, Inc. and MoneyGram Payment Systems, Inc.](#): (filed Apr. 21, 2022) The CFPB and New York's Attorney General sued repeat offender MoneyGram for leaving families high and dry. The company ignored government warnings to stop and stranded customers waiting for their money.

Rap Sheet: MoneyGram has been subject to numerous orders from the Federal Trade Commission and Department of Justice for a litany of financial crimes.

- [In 2009](#), MoneyGram was fined \$18 million related to fraud charges brought by the Federal Trade Commission, and was ordered to implement a comprehensive anti-fraud and agent-monitoring program.
- [In 2012](#), MoneyGram agreed to forfeit \$100 million and enter into a deferred prosecution agreement with the Department of Justice, admitting it criminally aided and abetted wire fraud and failed to maintain an effective anti-money laundering program. MoneyGram also violated that agreement. MoneyGram has also faced other law enforcement actions leading to significant redress and penalties.
- [In 2018](#), after it was given ample time to implement the 2009 FTC order, MoneyGram had to pay \$125 million to settle allegations that it failed to do so.

2. Experian

Pending Case: [Experian Information Solutions, Inc.](#): (filed Jan. 7, 2025): The Bureau sued Experian for sham investigations of credit report errors. According to the allegations in the suit, Experian does not properly investigate disputes, and fails to remove or even reinserts errors on reports, threatening consumers' access to credit, employment, and housing.

Rap Sheet: Experian was [fined \\$3 million in 2017](#) for deceptively marketing its credit scores, and for violating the Fair Credit Reporting Act by requiring its customers to watch Experian advertisements before providing them with their free credit report.

3. National Collegiate Student Loan Trusts

Dismissed Case: [National Collegiate Student Loan Trusts](#): (filed Sept. 18, 2017) The CFPB took action against the National Collegiate Student Loan Trusts and Transworld Systems for illegal student loan debt collection lawsuits. NCSLT has agreed to pay \$2.25 million in a stipulated judgment that is pending final entry by the Court.

Rap Sheet: Earlier in 2024, the CFPB [ordered PHEAA to pay more than \\$5 million](#) along with the National Collegiate Student Loan Trusts for student loan servicing failures. The CFPB's

investigation revealed that defendants ignored and mishandled thousands of student loan borrowers' requests seeking payment relief, including during the COVID-19 national emergency.

4. Populus Financial/Ace Cash Express

Pending Case: [Populus Financial Group, Inc., d/b/a ACE Cash Express, Inc.](#) (filed July 12, 2022): The CFPB sued ACE Cash Express for concealing no-cost repayment plans and improperly withdrawing consumers' funds. The repeat offender kept borrowers in debt and in the dark, generating at least \$240 million in reborrowing fees.

Rap Sheet: In 2014, [ACE Cash Express was ordered by the CFPB](#) to pay \$10 million in consumer relief and penalties for using illegal debt collection tactics—including harassment and false threats of lawsuits or criminal prosecution—to pressure overdue borrowers into taking out additional loans they could not afford.