



STUDENT BORROWER  
PROTECTION CENTER



## MEMORANDUM

July 29, 2025

**TO:** Interested Parties

**FROM:** Eric Halperin, Senior Fellow, Consumer Federation of America and Allison Preiss, Senior Fellow, Student Borrower Protection Center

**RE: Why is the Trump Administration Holding Onto Your Money? More than \$360 Million Owed to Consumers from CFPB Enforcement Actions is Already Gone or At Risk**

When banks and other consumer financial companies break the law, the Consumer Financial Protection Bureau (CFPB) - at least until President Trump's appointees took it over earlier this year - takes action to address the wrongdoing. The CFPB takes these actions not only to hold lawbreakers accountable, but to return money to Americans that have been ripped off or scammed. For instance, an enforcement action may result in refunds or other redress to harmed Americans, and penalties paid by lawbreakers that are eventually returned to other consumers through the agency's Civil Penalty Fund, also known as the victims relief fund. Now, Acting Director Russell Vought is attempting to gut the nation's only federal consumer financial law enforcement agency, including by dismantling its enforcement program.

In addition to attempting to fire roughly 80 percent of the enforcement division, the Trump-Vought CFPB has permanently dismissed, [at last count](#), 22 of the Bureau's public enforcement actions that were pending when Trump took office. The Trump administration has also terminated or modified at least 10 settled actions where lawbreakers had previously agreed to compensate victims, pay fines, and cease illegal conduct. These unprecedented maneuvers took money out of consumers' pockets for the benefit of big banks and other multi-billion dollar corporations.

A new analysis from the Consumer Federation of America and the Student Borrower Protection Center reveals that at least \$360 million in compensation for people harmed by corporate illegal conduct has already been pulled back or could be taken from the American people.

**Unprecedented Actions to Vacate Redress and Penalty Provisions of Settlements: More than \$120 Million**

In three different cases, the Trump-Vought CFPB has terminated or forfeited settlements involving redress that should have been paid to Americans, expressly terminating any obligation for companies to compensate people who had been harmed; in a fourth matter, the CFPB dramatically reduced the amount of the penalty owed. These actions robbed Americans of \$120

million that companies had previously agreed to pay to servicemembers, student loan borrowers, and car buyers - and returns it to the perpetrators:

- **Navy Federal Credit Union - \$80 Million in Redress:** In 2024, the [CFPB took action](#) against Navy Federal Credit Union for charging illegal overdraft fees. Navy Federal charged surprise overdraft fees on certain ATM withdrawals and debit card purchases, even when accounts showed sufficient funds at the time of the transactions. The CFPB ordered Navy Federal to refund more than \$80 million to consumers, stop charging illegal overdraft fees, and pay a \$15 million civil penalty. The order was terminated on July 1, 2025 and Navy Federal was explicitly excused from paying redress to the servicemembers, veterans, their family members, and other customers who had been charged illegal fees.
- **Toyota Motor Credit Corporation - \$48 Million in Redress:** In 2023, the [Bureau took action](#) against Toyota Motor Credit Corporation for operating an illegal scheme to prevent borrowers from cancelling add-on products that increased their monthly car loan payments. The company also withheld refunds or refunded incorrect amounts on the add-on products and knowingly tarnished consumers' credit reports with false information. Toyota Motor Credit was ordered to stop its unlawful practices, pay \$48 million to harmed consumers, and pay a \$12 million penalty into the CFPB's victims relief fund. The order was terminated on May 12, 2025; the termination included all redress obligations not completed as of the day the order was terminated.
- **National Collegiate Student Loan Trusts - \$2.25 Million in Redress:** In January 2025, the Bureau [reached a settlement](#) with National Collegiate Student Loan Trusts in a case that had been filed in 2017. The lawsuit alleged that the National Collegiate Student Loan Trusts sued consumers for debts the Trusts could not prove were owed and filed false and misleading affidavits. The settlement, among other things, required the trusts to pay \$2.25 million to student borrowers it harmed. After the trusts' wealthy investors objected to the settlement, the Trump-Vought CFPB terminated the settlement.
- **Wise - Nearly \$2 Million in Victims Relief Fund Penalties:** In January 2025, the CFPB [reached a settlement](#) with Wise, which is a payments company that allows individuals to send money internationally for engaging in deceptive marketing related to fees and other illegal conduct. Wise agreed to compensate harmed consumers and pay a \$2.025 million penalty. On May 15, 2025, the Trump-Vought CFPB reduced the penalty to \$44,955. The nearly \$2 million in penalties that CFPB excused Wise from paying would have gone into the CFPB victims relief fund to be paid out to other harmed consumers.

### **Redress at Risk: More than \$244 Million to be Paid to Americans is in Jeopardy**

In 2024, the CFPB ordered companies to pay \$550 million in redress to Americans harmed by illegal conduct. While some of that money has been paid to consumers, the CFPB's unprecedented termination of orders puts any redress that has not already been paid to consumers at risk. As shown by the CFPB's termination of the Toyota order, which was entered in 2023, there may be redress outstanding from even earlier enforcement actions, which is at risk of

vanishing if the CFPB continues to terminate orders that required redress payments. [Multiple news outlets have reported](#) that lawbreaking companies have been petitioning the CFPB to get their own settlements undone.

CFPB settlements often require entities to pay Americans for harm they suffered as a result of the company's lawbreaking; for instance, a checking account holder who was charged illegal overdraft fees might get a refund of those fees, or a credit card applicant who was illegally discriminated against might receive a check to attempt to compensate for the harm. Orders will usually require companies to submit a redress plan to the agency for carrying out those refunds or other redress, and the CFPB must approve the redress plan before any payments are made.

The amount of time it takes for a plan to be approved depends on the complexity of the settlement and how difficult it is to identify harmed Americans. After a plan is approved, the company will in some cases make payments directly to consumers, but in other cases, a company will pay the redress amount to the CFPB. In those circumstances, the CFPB will identify harmed Americans, effectively drafting its own redress plan and administering the payments. In this process, referred to as "Bureau Administered Redress," the CFPB receives the money soon after an order is entered and holds that money until it can be paid out. Both cases involving company-paid redress and Bureau Administered Redress are included in the cases where there is a risk that harmed consumers will never receive their payments.

Because some of the process related to redress takes place behind closed doors and it can be unclear whether or not payments have started to be made to consumers in particular cases, it can be difficult to determine an exact amount of money that companies agreed to pay that may never make it to consumers. However, given the more than \$550 million in redress ordered in 2024 enforcement actions and the fact that the Trump administration has reached back as far as 2023 to undo more than \$120 million in redress payments, hundreds of millions of dollars may never make it back to Americans.

Below are just some examples of the dozens of cases where payments to consumers are at risk:

- **Block/Cash App - Up to \$120 Million:** In January 2025, the CFPB ordered [Block, the operator of peer-to-peer payments app Cash App](#), to pay up to \$120 million to consumers harmed by its illegal conduct. The order also required Block to pay a \$55 million penalty to the CFPB's victims relief fund. The CFPB found that Block employed weak security protocols that put its users at risk. While Block is required by law to investigate and resolve disputes about unauthorized transactions, the company's investigations were woefully incomplete. Block directed users — who had suffered financial losses as a result of fraud — to ask their bank to attempt to reverse transactions, which Block would subsequently deny. Block also deployed a range of tactics to deter Cash App users from seeking help.
- **Navient - \$100 Million:** In September 2024, the CFPB resolved its long-running lawsuit against student loan servicer [Navient](#), which alleged that Navient violated the law by, among other things, illegally depriving student borrowers of opportunities to enroll in more affordable [repayment plans](#) and forced them to pay much more than they should

have. Under the terms of the order, Navient was required to pay \$100 million to harmed consumers, which the CFPB would disburse as Bureau Administered Redress, and a \$20 million penalty to the CFPB victims relief fund. Although Navient paid the \$100 million to the CFPB shortly after the order was entered, there is [no indication](#) that the CFPB has started to make payments to consumers.

- **American Honda Finance Company - \$10.3 Million:** In January 2025, the CFPB ordered [American Honda Finance Corporation](#) to pay \$10.3 million to consumers harmed by Honda reporting inaccurate information that affected people's credit reports. During the COVID-19 pandemic, Honda Finance deferred certain vehicle loan payments, but the CFPB found that the company told credit reporting companies that borrowers were delinquent when they should have been reported as current. Honda was also required to pay a \$2.5 million penalty to the CFPB's victims relief fund.
- **National Collegiate Student Loan Trusts and Pennsylvania Higher Education Assistance Agency - Nearly \$3 Million:** In May 2024, [National Collegiate Student Loan Trusts and its servicer, Pennsylvania Higher Education Assistance Agency](#), agreed to the entry of a judgment to resolve the CFPB's complaint alleging failures to respond to student loan servicing requests from borrowers, including requests for relief as a result of the COVID-19 pandemic. The judgements would require the Trusts and PHEAA to pay \$400,000 and \$1.75 million in civil money penalties, respectively, to the CFPB's victim fund and pay nearly \$3 million in redress to affected consumers. As happened in the other lawsuit against the Trusts with a pending settlement that the Trump-Vought CFPB has already dropped, the Trusts' wealthy investors objected to the entry of the judgement. In October 2024, the judge entered the judgement over the investors' objection, but the investors have appealed.
- **Sutherland Global - \$11.5 Million:** In 2024, [Sutherland Global](#) was ordered to pay \$11.5 million in redress for systemic failures in servicing of mortgages for older Americans. This money is to be disbursed through Bureau Administered Redress.

### **Lack of Transparency About Payments Through the Victims Relief Fund Raises Additional Questions**

Customarily, the CFPB has regularly reported on civil money penalties received and when the penalties received are disbursed to victims through the CFPB victims relief fund. Since 2011, it has posted on its website quarterly financial reports reflecting this activity. In the past, these reports have been posted about 3 months after the end of the quarter. However, new CFPB leadership has not posted a quarterly report since taking over. The most recent report was [posted on January 5, 2025](#) and covers the period ending September 30, 2024. The reports contain information on the amounts of money allocated from the fund to compensate consumers in specific cases, the amount of penalties collected, and the amount of Bureau Administered Redress collected.