

Consumer Financial Services

Sullivan & Cromwell's Consumer Financial Services Group represents clients in the full array of regulatory, compliance, enforcement and litigation matters that may arise in providing financial products and services to consumers—whether those products and services involve traditional offerings, such as deposit-taking and mortgage, auto, credit card and other lending, or less traditional offerings, such as add-on products and alternative payment systems.

Following the 2008 financial crisis, consumer protection laws and regulations have evolved at a historically unparalleled pace, and it has become increasingly challenging for institutions to keep up with the shifting regulatory, supervisory and enforcement regime. The adoption of the Consumer Financial Protection Act in 2010, in particular, changed the landscape dramatically. Firms now face an unprecedented level of bank regulatory and law enforcement scrutiny of their practices in providing financial products and services to consumers. At the same time, there has been a marked uptick in investigations and enforcement actions by regulatory and law enforcement agencies, including the Consumer Financial Protection Bureau (CFPB), the federal banking agencies, the Department of Justice (DOJ), and state regulatory and law enforcement authorities. Institutions now face the very real possibility of substantial fines and consumer remediation requirements for any lapse in compliance. In turn, financial institutions are often subject to related private lawsuits.

S&C has a long history of successfully helping clients navigate through complex regulatory regimes and related litigation and an established track record of representing financial institutions in regulatory, compliance and enforcement matters before the CFPB, the Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation (FDIC), the DOJ, and state bank regulatory and law enforcement agencies. The Firm's regulatory, investigations and litigation lawyers work to develop a deep understanding of clients' operations, routinely work with them to respond to the latest aspects of financial services reform, and represent them in civil litigation, arbitrations and mediations concerning consumer financial products and services, including class actions and other private lawsuits in state and federal courts throughout the nation. Coordinating efforts with the Firm's complementary practices, S&C's Consumer Financial Services Group, which includes former federal and state prosecutors, former bank regulatory and enforcement counsel, and other leading practitioners, is well-positioned to serve clients in these challenging times.

SELECTED REPRESENTATIONS

S&C's recent consumer financial services experience includes representations of financial institutions:

- in an audit undertaken by the Federal Housing Finance Agency's Office of Inspector General.
- before the CFPB, the OCC and the FDIC, in the resolution of credit card add-on product enforcement actions alleging unfair or deceptive acts or practices under Section 5 of the Federal Trade Commission Act.
- in the resolution of indirect auto lending Equal Credit Opportunity

PRACTICES & CAPABILITIES

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Act enforcement actions before the CFPB and the DOJ.

- in connection with allegations by the CFPB that the institution's free-checking product violated the Truth in Savings Act and Regulation DD.
- in connection with the resolution of a possible age discrimination problem with restitution to consumers.
- in connection with allegations by the CFPB that the institution's force-placed insurance practices violated Section 5 of the Federal Trade Commission Act.
- in conducting an investigation into potential kickbacks by mortgage lending personnel in violation of the Real Estate Settlement Procedures Act.
- in connection with the DOJ's Operation Choke Point investigation of third-party payment processors and similar CFPB investigations.
- in connection with proceedings before state regulatory authorities concerning mortgage servicing practices.
- before the Federal Reserve and the FDIC, in connection with a proposed enforcement action involving alleged unfair or deceptive acts or practices in the marketing of a deposit product.
- in connection with Home Mortgage Disclosure Act reporting issues.
- in deliberations concerning whether to offer retail banking products and services in the United States.
- in resolving Community Reinvestment Act and fair lending issues that arise in connection with approval applications filed with the banking agencies.
- before the Department of Housing and Urban Development in connection with mortgage-related investigations and litigation.