

Thorough Internal Preparation and Counsel Result in No Enforcement Action on CFPB Civil Investigative Demand

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Where we started: McGlinchey's Consumer Financial Services Compliance team serves as outside counsel to a national sub-prime auto lender who received a civil investigative demand from the Consumer Financial Protection Bureau (CFPB) regarding collections practices.

Our Strategy – plus more: Our Government and Internal Investigations team worked closely with the Consumer Financial Services Compliance group to conduct a thorough internal review. Our goal was to anticipate the CFPB's questions and concerns to address them upfront. This approach allowed us to move the matter rapidly to the finish line in less than one year. We reviewed the client's policies, procedures, and performance, and its use of third-party databases and vendors to manage collections. We prepared written responses to the CID and prepared seven witnesses for testimonial hearings.

Upshot: Following hearings, the CFPB resolved the issue in our client's favor without taking enforcement action. In the call to announce their decision, the CFPB lawyers complimented McGlinchey's handling of the matter.