



Enforcement Alert from Hudson Cook; In Latest “Repeat Offender” Salvo, CFPB Sues Mortgage Company for Alleged HMDA Reporting Violations

October 11th, 2023 | and [Kristen Yarows](#)

HIGHLIGHTS:

- CFPB filed a lawsuit against a non-bank residential mortgage loan originator for allegedly submitting inaccurate HMDA data.
- The lawsuit is the latest example of the CFPB’s focus on what it calls “repeat offenders.” The heart of the complaint is the Bureau’s allegation that the mortgage company violated terms of a prior consent order relating to HMDA reporting.

CASE SUMMARY:

The complaint, filed in the U.S. District Court for the Southern District of Florida, alleges that a non-bank residential mortgage loan originator violated the Home Mortgage Disclosure Act (“HMDA”) by submitting inaccurate HMDA data for 2020. A central focus of the CFPB’s complaint is that the company failed to abide by the terms of a 2019 consent order with the Bureau relating to alleged HMDA errors in prior years.

In 2019, the CFPB alleged that the mortgage company intentionally misreported data concerning borrower race, ethnicity, and sex from 2014 through 2017. Without admitting the allegations, the mortgage company entered into a consent order that required paying a civil money penalty, complying with HMDA, and undertaking corrective actions to develop and improve its HMDA policies and procedures.

In the instant case, the CFPB alleges that the mortgage company’s HMDA data continues to be deficient and that the company did not implement adequate changes to its compliance management system to ensure HMDA data accuracy. The lawsuit seeks injunctive and monetary relief and includes claims for alleged violations of HMDA, its implementing Regulation C, the Consumer Financial Protection Act, and the 2019 order. The complaint is not a final finding or ruling that the defendant has violated the law.

The complaint represents the latest iteration of the CFPB’s focus on what it calls “repeat offenders.” It follows a March 2023 consent order against a debt collection company and an April 2022 lawsuit against a major credit reporting agency, both of which allege that the enforcement target violated terms of a prior consent order with the Bureau.

RESOURCES:

You can review all of the relevant court filings and press releases at the CFPB's Enforcement Page.

- CFPB's Complaint
- CFPB's Press Release

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