

Bureau of Consumer Financial Protection Settles with Cash Express

Cash Express Made Misleading Representations to Consumers and Improperly Seized Money From Check-Cashing Transactions

OCT 24, 2018

WASHINGTON, D.C. – The Bureau of Consumer Financial Protection (Bureau) today announced a settlement with Cash Express, LLC, a small-dollar lender based in Cookeville, Tenn., that offers high-cost, short-term loans, such as payday and title loans, as well as check-cashing services. Cash Express owns and operates approximately 328 retail lending outlets in four states: Tennessee, Kentucky, Alabama, and Mississippi.

As described in the consent order, the Bureau found that Cash Express violated the Consumer Financial Protection Act (CFPA) by deceptively threatening in collection letters that it would take legal action against consumers, even though the debts were past the date for suing on legal claims, and it was not Cash Express's practice to file lawsuits against these consumers. The Bureau also found that Cash Express violated the CFPA by misrepresenting that it might report negative credit information to consumer reporting agencies for late or missed payments, when the company did not actually report this information.

The Bureau also found that Cash Express violated the CFPA by abusively withholding funds during check-cashing transactions to satisfy outstanding amounts on prior loans, without disclosing this practice to the consumer during the initiation of the transaction.

Under the terms of the consent order, Cash Express and its subsidiaries are barred from automatically taking money from check-cashing transactions unless certain conditions are met. Cash Express is further barred from making misrepresentations

about its consumer reporting activities and its intention or likelihood of filing suit to collect a debt.

The order requires Cash Express to pay approximately \$32,000 in restitution to consumers, and pay a \$200,000 civil money penalty.

A copy of the consent order is available at:

https://files.consumerfinance.gov/f/documents/bcfp_cash-express-llc_consent-order_2018-10.pdf 

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The Bureau of Consumer Financial Protection is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.

Topics: ● ENFORCEMENT ● SMALL-DOLLAR LOANS ● DECEPTIVE PRACTICES
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