

UNITED STATES OF AMERICA
CONSUMER FINANCIAL PROTECTION BUREAU

ADMINISTRATIVE PROCEEDING

File No. 2013-CFPB-0008

In the Matter of:

CONSENT ORDER

Cash America International, Inc.

The Consumer Financial Protection Bureau (“Bureau”) has reviewed the short-term, small-dollar lending practices of Cash America International, Inc. (“Cash America” or “Respondent” as defined below) and has identified the following violations of law: (1) failing to maintain and provide records and information relevant to the Bureau examination in violation of the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C. § 5536(a)(2); (2) unfair and deceptive acts or practices in connection with the preparation and filing of affidavits in violation of the CFPA, 12 U.S.C. §§ 5531 and 5536(a)(1)(B); and (3) making loans to covered members of the military or their dependents in violation of the Military Lending Act (“MLA”), 10 U.S.C. § 987. Under sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, the Bureau issues this Consent Order (“Order”).

I

Jurisdiction

1. The Bureau has jurisdiction over this matter pursuant to Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563, 5565.

II

Stipulation

2. Cash America has executed a “Stipulation and Consent to the Issuance of a Consent Order,” dated November 18, 2013 (“Stipulation”), which is incorporated by reference and is accepted by the Bureau. By this Stipulation, Cash America has consented to the issuance of this Order by the Bureau pursuant to Sections 1053 and 1055 of the CFPA, 12 U.S.C. §§ 5563 and 5565, and admits the Bureau’s jurisdiction over Cash America and the subject matter of this action.

III

Definitions

3. For the purposes of this Order, the following definitions apply:
 - a. “Board” shall mean Respondent’s duly elected and acting Board of Directors.
 - b. “Cash America” shall mean Cash America International, Inc.
 - c. “Effective Date” shall mean the date on which the Order is issued.
 - d. “Enova” shall mean Enova International, Inc.
 - e. “Relevant Period” shall include the period from January 1, 2008 through November 30, 2012.
 - f. “Regional Director” shall mean the Regional Director for the Southeast Region for the Bureau’s Office of Supervision Examinations.

- g. “Related Consumer Action” shall mean a private damages action by or on behalf of one or more consumers or an enforcement action by another governmental entity, brought against Respondent based on substantially the same facts as set forth in Section IV of this Order.
- h. “Respondent” shall mean Cash America International, Inc., including its subsidiary Enova International, Inc., all other subsidiaries, and its successors and assigns.
- i. “Service Provider” shall have the same meaning as set forth in Section 1002(26) of the CFPA, 12 U.S.C. § 5481(26).

BUREAU FINDINGS OF FACT AND CONCLUSIONS OF LAW

IV

The Bureau finds the following:

- 4. Cash America is a publicly traded financial services company headquartered in Fort Worth, Texas, that engages in offering and providing consumer financial products or services, including short-term, small-dollar loans (commonly referred to as payday loans), lines of credit, installment loans, and pawn loans.
- 5. Cash America offers payday loans through, among other channels, its wholly-owned subsidiary and affiliate, Enova, headquartered in Chicago, Illinois. Enova is a licensed lender offering consumer loans online in 32 states in the United States under the brand name CashNetUSA.
- 6. Cash America is a “covered person” as that term is defined by 12 U.S.C. § 5481(6).
- 7. Enova is a “covered person” as that term is defined by 12 U.S.C. § 5481(6).
- 8. Cash America offers and provides various forms of short-term small-dollar loans, including payday loans, each of which is a “consumer financial product or service” as that term is defined by 12 U.S.C. § 5481(5).

Examination Conduct – Unlawful

9. On July 11, 2012, the Bureau provided a letter (“Exam Letter”) to Cash America that informed the entity that the Bureau was conducting an examination of the company pursuant to 12 U.S.C. § 5514, and that the initial examination review period was July 1, 2011 through June 30, 2012 (“Exam Review Period”).
10. The Exam Letter further informed Cash America of the subject matter of the examination, and that Cash America was “required to maintain all materials and information that may be responsive to the Bureau requests.” The Exam Letter stated that “during the pendency of the examination, any routine or non-routine procedures, including procedures pursuant to a document retention policy, which could result in the destruction of such material or information, including electronically-stored information, should be suspended.”
11. On September 10, 2012, the Bureau commenced the on-site portion of its examination at Cash America’s headquarters in Fort Worth, Texas.
12. On September 25, 2012, the Bureau commenced the on-site portion of its examination at Enova’s headquarters in Chicago, Illinois.
13. Cash America’s subsidiary, Enova, failed to comply with the Exam Letter’s requirement to preserve all materials that may be responsive to the Bureau’s requests by failing to suspend routine data and document destruction procedures. Specifically, Enova:
 - a. failed to preserve recorded inbound and outbound telephone calls from March 27, 2012 through June 2, 2012, a 68-day portion of the Exam Review Period, and
 - b. failed to cease routine document shredding for 47 days after receiving the Exam Letter.
14. During the examination, Enova managers failed to provide certain information relevant to the examination regarding Enova’s call center sales activities by:

- a. directing call center employees to de-emphasize the marketing and sales aspect of the call center employees' duties, and, in some instances, specifically directing certain employees not to use the word "sales" in describing their job functions to Bureau examiners;
 - b. removing materials that emphasized sales, collections, and other performance metrics from the walls and common areas of the call center;
 - c. removing sales-focused materials from call center employee cubicles; and
 - d. turning off an auto-dialer normally used to direct outbound marketing calls to current, prospective, or past customers, while the Bureau examiners visited the call center to review normal and routine call center activities.
15. Cash America failed to timely provide its 2012 Internal Collections Compliance Audit in response to the Exam Letter.
 16. The Bureau is authorized to "require reports and conduct examinations" of nondepository institutions, including payday lenders. 12 U.S.C. § 5514(b)(1).
 17. The Bureau is authorized to require supervised nondepository institutions "to generate, provide, or retain records for the purposes of facilitating supervision of such persons and assessing and detecting risks to consumers." 12 U.S.C. § 5514(b)(7).
 18. It "shall be unlawful" for "any covered person . . . to fail or refuse, as required by Federal consumer financial law, or any rule or order issued by the Bureau thereunder— (A) to permit access to or copying of records; (B) to establish or maintain records; or (C) to make reports or provide information to the Bureau." 12 U.S.C. § 5536(a)(2).
 19. Enova's failure to preserve call recordings and other documents, and Respondent's failure to timely provide the 2012 Internal Collections Compliance Audit, as described in Paragraphs 9

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