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June 3, 2014

To: Clients and Friends

From: David F. Dulock

Subject: RESPA and TILA Violations Result in Significant Civil Penalties Paid to CFPB and FTC

This memorandum advises you of a \$500,000 civil penalty paid to the Consumer Financial Protection Bureau (CFPB) pursuant to the following described Consent Order and of a \$225,000 civil penalty paid to the Federal Trade Commission (FTC) pursuant to the following described Stipulated Order:

1. In a May 24, 2014, Consent Order ([click here](#)) the CFPB ordered an Alabama-based real estate brokerage company and its affiliated title insurance and closing company, jointly and severally, to pay the CFPB a \$500,000 civil penalty for violations of the affiliated business arrangement disclosure requirements of RESPA and its implementing Regulation X (12 U.S.C.A. §2607 and 12 C.F.R. §1024.15, respectively). These violations are individually described in the Consent Order.

2. In a May 14, 2014, Stipulated Order ([click here](#)) the United States District Court for the Southern District of Texas – Houston Division ordered a Houston, Texas-based mortgage lead generator to pay the FTC a \$225,000 civil penalty for violations of federally mandated advertising rules and advertising record retention requirements. These violations are individually described in the Stipulated Order.

In light of the above hyperlinked orders, we recommend that you review and, if necessary, revise your policies and procedures for compliance with the RESPA and TILA requirements the subject of said orders.

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