

## **NEVADA AND JPMORGAN CHASE NATIONAL CREDIT CARD DEBT COLLECTION SETTLEMENT**

The Nevada Attorney General's Office remains steadfast in promoting the fair treatment of consumers. In a time when one's financial situation is all but guaranteed, the office seeks to prevent businesses from misleading or taking advantage of consumers. Attorney General Adam Paul Laxalt has not only made it a priority within his office to ensure the fair treatment of consumers, but also to gain restitution for those who may have been subjected to unfair business practices.

Another notable settlement since entering office, Attorney General Laxalt reached an agreement with JPMorgan Chase (Chase) to improve the company's debt collection practices. In 2015, Laxalt, along with the Attorneys General of 46 other states, the District of Columbia and the federal Consumer Financial Protection Bureau (CFPB), announced that Chase is required to pay a total of \$136 million to affected parties as part of the settlement. Nevada's share is \$1,714,376.53.

### **JPMorgan Chase, 2015**

#### ***Investigation***

The settlement was reached following a joint state-federal investigation into Chase's debt collection practices. The investigation revealed that Chase:

1. Subjected consumers to collections activity for accounts that were not theirs, in amounts that were incorrect or uncollectable.
2. Subjected consumers to inaccurate credit reporting and unlawful judgments that may affect consumers' ability to obtain credit, employment, housing and/or insurance in the future.
3. Sold certain accounts to debt buyers that were inaccurate, settled, discharged in bankruptcy, not owed by the consumer or otherwise uncollectable.
4. Filed lawsuits and obtained judgments against consumers using false and deceptive documents prepared without following required procedures, a practice commonly referred to as "robo-signing." These practices misled consumers and courts and caused consumers to pay false or incorrect debt and incur legal expenses and court fees to defend against invalid or excessive claims.

5. Made calculation errors when filing debt collection lawsuits that sometimes resulted in judgments against consumers for incorrect amounts.

### ***Settlement Provisions***

As part of the settlement, Chase is required to make the following changes in its debt collecting practices:

1. Chase may not assist in a debt buyer's unfair, deceptive or abusive practices;
2. Chase will implement a process to provide accurate documentation to debt buyers and consumers;
3. Chase must provide a guarantee to debt buyers that the account(s) they purchase are in debt;
4. Chase must maintain certain records of debt sales for at least three years. These records must be made available to both the debt buyer and consumer;
5. Chase must exercise diligence in establishing relationships with new debt buyers. Chase is responsible for monitoring the fair practice of these debt buyers;
6. Chase must ensure accuracy of declarations and sworn statements used when collecting debts;
7. Chase must ensure accuracy of documents used in collections litigation;
8. Chase has agreed to cease all collection efforts on more than 528,000 consumers, including an estimated 1,870 in Nevada. Chase will notify affected borrowers of the change and will request that all three major credit reporting agencies not report the judgments.

### ***Restitution:***

The agreement also ensures that Chase will fulfill \$50 million in consumer restitution through a separate 2013 consent order reached with the Office of the Comptroller of the Currency. If Chase's consumer restitution through the OCC action falls short of \$50 million by July 1, 2016, Chase must pay the remaining balance to state attorneys general and the CFPB.

### ***Payment to States and CFPB:***

Chase will pay more than \$95 million to the 47 participating states and the District of Columbia, an additional \$11 million to the executive committee states that

conducted the investigation and settlement negotiations, and \$30 million to the CFPB. Nevada's share of the settlement is \$1,714,376.53.

### ***Supporting Documents***

For more details on the CFPB settlement, click [here](#).

For information on restitution amounts for each state, click [here](#).

To file a complaint with the Office of the Nevada Attorney General, click [here](#).

For more information on debt collection issues or to file a complaint with the [Federal Trade Commission](#) or the [Consumer Financial Protection Bureau](#), click on their respective links.