

## Specific Provisions of the Settlement are Outlined Below:

### **Resale Prohibition:**

- The resale prohibition is significant. Previously, initial buyers of Chase's consumer credit card debt could resell the debt. The subsequent buyer could then flip the debt to another buyer, and the process could repeat itself many times over. If initial information about the debt was incorrect or transmitted with errors to a subsequent debt buyer, that could result in long-term harm to the consumer and leave the consumer with the difficult or even impossible burden of successfully challenging or correcting errors.

### **Investigation Uncovered Unlawful Debt Collection Practices:**

- According to the joint state-federal probe, Chase:
  - Subjected consumers to collections activity for accounts that were not theirs, in amounts that were incorrect or uncollectable.
  - Subjected consumers to inaccurate credit reporting and unlawful judgments that may affect consumers' ability to obtain credit, employment, housing and insurance in the future.
  - Sold certain accounts to debt buyers that were inaccurate, settled, discharged in bankruptcy, not owed by the consumer or otherwise uncollectable.
  - Filed lawsuits and obtained judgments against consumers using false and deceptive affidavits and other documents that were 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.
  - Made calculation errors when filing debt collection lawsuits that sometimes resulted in judgments against consumers for incorrect amounts.

### **Chase Suspended Credit Card Debt Sales & Collections Litigation:**

- Chase suspended its consumer credit card debt sales in 2013 and collections litigation in 2011. In 2012, Chase maintained approximately 64.5 million open accounts with \$124 billion in outstanding credit card debt. From 2009-2013, Chase recovered approximately \$4.5 billion of debt from defaulted accounts through collection lawsuits, selling defaulted accounts to third-party debt buyers, or a combination of both.

### **Chase to Cease Collecting on 528,000 Consumers:**

- Chase has agreed to cease all collection efforts on more than 528,000 consumers, including an estimated 1,870 in Nevada. Chase sued the affected consumers for credit card debts and obtained judgments between January 1, 2009 and June 30, 2014. Chase will notify affected borrowers of the change and will request all three major credit reporting agencies to not report the judgments.

**Consumer 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 Chases' 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 is \$1,714,376.53 million.

**Consumers with Debt Collection Questions or Complaints:**

- Debt collectors are bound by state and federal laws, including the [Fair Debt Collection Practices Act \(FDCPA\)](#), which prohibits debt collectors from using abusive, unfair, or deceptive practices to collect from consumers. Consumers may also have the option of pursuing claims in state or federal court.