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What's Ahead for General Electric? A WSJ Conversation

General Electric's ouster of Chief Executive John Flannery this month marked the conglomerate's latest effort to reverse its decline. Hear from WSJ journalists in a member-exclusive call on the shakeup at the 126-year-old company, and ask them questions live.

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This is one of the first enforcement settlements filed under acting chief Mulvaney to cite 'abusive' violations of a consumer-protection law, experts say



CFPB acting Director Mick Mulvaney, a Trump appointee, recently said the bureau would give financial firms a clearer idea of what it considered to be abusive under enforcement powers it received in the 2010 Dodd-Frank regulatory-overhaul law.
PHOTO: JOSHUA ROBERTS/REUTERS

By *Yuka Hayashi*

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WASHINGTON—The Consumer Financial Protection Bureau on Wednesday said it fined payday lender Cash Express LLC for its debt-collection practices, finding some of its activities were “abusive.”

The bureau ordered Cash Express, based in Cookeville, Tenn., to return \$32,000 to affected customers and pay a \$200,000 civil penalty.

Experts said this is one of the first enforcement settlements filed under CFPB acting Director Mick Mulvaney to cite “abusive” violations of a consumer-protection law. Mr. Mulvaney, a Trump appointee, recently said the CFPB would give financial firms a clearer idea of what the agency considered to be abusive under enforcement powers it received in the 2010 Dodd-Frank regulatory-overhaul law. Financial companies had criticized the CFPB's handling of such enforcement matters during the Obama administration.

Ori Lev, a Mayer Brown lawyer and a former CFPB enforcement official, said the number of enforcement cases has dropped significantly under Mr. Mulvaney but the bureau has continued to apply its enforcement powers aggressively in cases it has brought. “There is a disconnect between Mulvaney’s rhetoric and the substance of his actions,” Mr. Lev said.

Cash Express operates more than 300 retail outlets in Tennessee, Kentucky, Alabama and Mississippi, providing high-interest payday and auto-title loans as well as check-cashing services. The bureau said the company violated the Consumer Financial Protection Act through several practices it used to collect debts.

The CFPB labeled one of those “abusive,” alleging the company would, without telling customers, withhold money from a check-cashing transaction to pay down an outstanding debt. The bureau also said Cash Express deceptively threatened customers with legal action over debts that were already past the statute of limitations, and told customers it was sending negative information about them to credit-reporting firms when the company didn't actually make such reports.

The CFPB in the consent order said the company “took unreasonable advantage of the lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service,” explaining why some of the company’s activities were abusive.

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