



News

Akeela White Analyzes in ARM Compliance Digest: CFPB Publishes Plan for Handling Criminal Regulatory Offenses

July 29, 2025

In the July 14, 2025, issue of the *ARM Compliance Digest*, Hinshaw partner Akeela White reviewed a new policy statement published by the Consumer Financial Protection Bureau (CFPB) that describes how the agency will address criminally liable regulatory offenses.

The policy comes in response to a Presidential Executive Order issued last month. Criminal referrals have been rare in consumer finance law.

Akeela writes:

The CFPB's new policy statement marks a shift in its approach to criminal enforcement referrals related to violations of consumer financial laws, including the Truth in Lending Act, Real Estate Settlement Procedures Act, Electronic Fund Transfer Act, and the Fair Credit Reporting Act (which imposes criminal penalties for knowingly and willfully obtaining consumer information from a consumer reporting agency under false pretenses, 15 USCS § 1681q).

For the first time, the CFPB has specified the factors it will consider when deciding whether to refer alleged criminal violations to the Department of Justice. These factors include the harm caused, the potential gain to the offender, the individual's specialized knowledge or licensing, and evidence of the person's awareness that their conduct was unlawful. Notably, the emphasis on a defendant's awareness of wrongdoing reflects the broader regulatory philosophy advanced by former Director Rohit Chopra, who, in his 2022 remarks at the University of Pennsylvania on "Reining in Repeat Offenders," underscored the need for regulators to address corporate recidivism with remedies that go beyond monetary penalties.

Within a year, the CFPB will publish and annually update a list of all criminal regulatory offenses it enforces, including potential penalties and applicable *mens rea* standards. The Bureau is also reviewing whether to establish a default *mens rea* standard for all criminal regulatory offenses, which could increase consistency but may create uncertainty during the transition. As the CFPB evaluates whether to move away from strict liability or clarify intent requirements, companies may face ambiguity about which mental state standard applies to specific conduct.

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Service Areas

Consumer Financial Services

Mortgage Servicing and
Lender Litigation



Compliance programs may need to be reassessed once the review is complete. While the policy does not create new legal obligations, it signals a more structured and transparent approach to criminal enforcement. You should monitor upcoming CFPB reports and be ready for changes in how criminal liability is determined and enforced, especially as the Bureau increases its focus on repeat offenders and structural remedies.

Read the full July 14, 2025, edition of the *AccountsRecovery.net ARM Compliance Digest*.

- “CFPB Publishes Plan for Handling Criminal Regulatory Offenses” was published by *ARM Compliance Digest* on July 14, 2025.