

Consumer Financial Protection Bureau Goes to Bat for Military Families Again

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Auto lender specializing in loans to servicemembers is fined \$1.25 million

Washington, D.C. — Today, the Consumer Financial Protection Bureau (CFPB) took action against Security National Automotive Acceptance Company (SNAAC), an auto lender with headquarters in Ohio and operating in more than two dozen states that specializes in loans to servicemembers, for violating a CFPB consent order. In 2015, the CFPB ordered SNAAC to pay penalties for illegal debt collection tactics, including making threats to contact servicemembers' commanding officers about debts and exaggerating the consequences of not paying. SNAAC violated the 2015 order by failing to provide more than \$1 million in refunds and credits, affecting more than 1,000 consumers. The consent order requires SNAAC to make good on the refunds and credits it owes and pay an additional \$1.25 million penalty.

"This ruling is the latest in a long line of actions that the CFPB, through its Office of Servicemember Affairs, has taken to protect the financial well-being of those who serve our country," said Lauren Saunders, associate director of the National Consumer Law Center. Saunders discusses the "consumer watchdog's" record looking out for servicemembers and veterans in USA Today.

SNAAC, based in Mason, Ohio, is an auto-finance company that operates in more than two dozen states and specializes in loans to servicemembers, primarily to buy used vehicles. In June 2015, the CFPB sued SNAAC for aggressive collection tactics against consumers who fell behind on their loans. If servicemembers lagged behind on payments, SNAAC's collectors would threaten to contact—and in many cases did contact—their chain of command about their debts. Also, the company exaggerated the consequences of not paying. For instance, they told some consumers that failure to pay could result in action under the Uniform Code of Military Justice, demotion, discharge, or loss of security clearance.

That same year, a CFPB consent order found that SNAAC had engaged in unfair and deceptive acts and practices while collecting on these auto loans. The order required SNAAC to pay \$2.275 million in consumer redress through credits and refunds, and a \$1 million civil penalty. Acting on a tip from a servicemember's father, the CFPB discovered that SNAAC had issued worthless "credits" to hundreds of consumers and failed to provide proper redress to many more.

The CFPB's consent order is available at:

http://files.consumerfinance.gov/f/documents/201704_SNAAC-consent-order.pdf

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