

Newsroom

CFPB Takes Action Against Credit Repair Cloud and CEO Daniel Rosen for Enabling Credit Repair Companies that Harvest Illegal Fees

Proposed order requires defendants to pay \$3 million

AUG 08, 2024

SHARE & PRINT [Social Media Icons]

WASHINGTON, D.C. – Today, the Consumer Financial Protection Bureau (CFPB) filed a proposed order to resolve its lawsuit against Credit Repair Cloud and CEO Daniel A. Rosen for providing substantial assistance or support to credit repair businesses that charge illegal advance fees to consumers.

"Credit Repair Cloud and its CEO Daniel Rosen enabled credit repair companies that harvested illegal fees from struggling consumers," said CFPB Director Rohit Chopra. "We will continue our work to hold individual executives accountable when they violate federal law."

Credit Repair Cloud is a California-based corporation founded by Daniel A. Rosen. Since 2013, Credit Repair Cloud has sold software and other tools to help others start and operate credit repair businesses.

The CFPB alleges that Credit Repair Cloud and Rosen provided substantial assistance to credit repair companies that use telemarketing to reach consumers and charge illegal advance fees by providing users with a system that, among other things, generated and tracked disputes and integrated a billing system, and provided training, marketing tools, and model websites.

The CFPB alleges that Rosen was individually liable for Credit Repair Cloud's violations because he controlled Credit Repair Cloud, he participated in its acts of substantial assistance, and he knew or recklessly disregarded that they were taking place.

Enforcement Action

Under the Consumer Financial Protection Act, the CFPB has the authority to take action against persons violating consumer financial protection laws, including the Telemarketing Sales Rule.

- Pay \$3 million in civil penalties: CEO Daniel Rosen would pay a \$2 million civil money penalty and Credit Repair Cloud would pay a \$1 million civil penalty... Stop assisting companies with illegally charging advance fees... Notify companies using its tools and services that they cannot charge illegal upfront fees...

Read today's proposed order.

Consumers can submit complaints about financial products or services by visiting the CFPB's website or by calling (855) 411-CFPB (2372).

Employees who they believe their company has violated federal consumer financial protection laws are encouraged to send information about what they know to whistleblower@cfpb.gov.

The Consumer Financial Protection Bureau is a 21st century agency that implements and enforces Federal consumer financial law and ensures that markets for consumer financial products are fair, transparent, and competitive.

Topics: ENFORCEMENT

PRESS INFORMATION

If you want to republish the article or have questions about the content, please contact the press office.

Go to press resources page

STAY INFORMED

Subscribe to our email newsletter. We will update you on newsroom updates.

Email address

mail@example.com

See Privacy Act statement

Sign up

Subscribe to our RSS feed to get the latest content in your reader.

Subscribe to RSS