



STATE OF CALIFORNIA

**Department of Financial Protection and Innovation**

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

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**Contact:**

DFPI.media@dfpi.ca.gov

## **State Regulators Settle with ACI Payments, Inc. for Unauthorized Transactions from Mr. Cooper Customer Accounts**

*State regulators and state attorneys general levy combined fines of \$20 million for data misuse impacting 480,000 consumers nationwide*

SACRAMENTO - The California Department of Financial Protection and Innovation (DFPI) and 43 other state agencies have [reached settlements with ACI Payments, Inc.](#), for erroneously initiating electronic transactions totaling \$2.3 billion from the accounts of 480,000 mortgage-holders serviced by Mr. Cooper (formerly known as Nationstar Mortgage, LLC). State regulators levied \$10 million in fines through a multistate enforcement action led by regulators from Arkansas, Connecticut, Maryland and Texas with support from the Conference of State Bank Supervisors. Additionally, 50 state attorneys general, including the attorney general of California, levied \$10 million in fines to ACI, in coordination with state regulators.

ACI Payments, a subsidiary of ACI Worldwide Corp., is a state-regulated money services business licensed in California and nearly all other U.S. states (NMLS ID 936777). Mr. Cooper offered ACI's Speedpay product for its customers to schedule their monthly mortgage payments, enabling automatic transfers of authorized mortgage payments from their personal bank accounts to Mr. Cooper. The violations occurred when ACI Payments erroneously used live customer data in a test of its Speedpay platform, causing unexpected and sometimes multiple mortgage payments from customer accounts. In some cases, these transactions exposed consumers to overdraft or insufficient funds fees.

"ACI Payments engaged in practices that were in total disregard for the security of its customers' personal identifying information, initiating more than 194,000 erroneous transactions from the accounts of unsuspecting consumers. The DFPI is pleased to join with

state regulators and attorneys general to hold the company accountable for its actions on behalf of the California consumers who were harmed,” said DFPI Commissioner Clothilde V. Hewlett.

Upon notification of the incident from ACI Payments, state regulators commenced a multistate money transmission investigation reviewing all aspects of the event, including investigating the facts and circumstances surrounding the erroneous transactions, evaluating consumer impact, analyzing the root cause of the incident, and evaluating the remedial steps taken by the company.

This enforcement action orders the following of ACI Payments, Inc.:

- ***Risk and Compliance Programs*** – Maintain a comprehensive Enterprise Risk Management Program and a Third-Party Risk Management Program tailored to the nature, size, complexity and risk profile of ACI.
- ***Agreement Monitoring*** – Regular reporting (for two years) to a state regulator monitoring committee to ensure both the adequacy of the risk management programs and compliance with the order.
- ***Administrative Costs and Penalties*** – Payment of \$10 million in fines for administrative costs and penalties.

State financial regulators license and supervise over 33,000 nonbank financial services companies through the Nationwide Multistate Licensing System (NMLS), including mortgage companies, money services businesses, consumer finance providers and debt collectors. California consumers can submit complaints about nonbank financial services companies by submitting a complaint with the Department online at [dfpi.ca.gov/submit-a-complaint/](https://dfpi.ca.gov/submit-a-complaint/). Consumers can also verify that a company is licensed to do business in their state, and view past enforcement actions, by visiting [NMLS Consumer Access](#).

Read the enforcement action which includes the list of participating states on the [Conference of State Bank Supervisors website](#).

### **About the DFPI**

The California Department of Financial Protection and Innovation (DFPI) protects consumers, regulates financial services, and fosters responsible innovation. The DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all Californians to access a fair and equitable financial marketplace through education and preventing potential risks, fraud, and abuse. Learn more at [dfpi.ca.gov](https://dfpi.ca.gov/).