

**UNITED STATES OF AMERICA  
DEPARTMENT OF THE TREASURY  
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

**In the Matter of:**

The Federal Savings Bank  
Chicago, Illinois

AA-ENF-2025-63

**CONSENT ORDER**

**WHEREAS**, the Office of the Comptroller of the Currency (“OCC”) has supervisory authority over The Federal Savings Bank, Chicago, Illinois (“Bank”);

**WHEREAS**, the OCC intends to initiate cease-and-desist proceedings against the Bank pursuant to 12 U.S.C. § 1818(b), through the issuance of a Notice of Charges, for violations of Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. § 45(a)(1);

**WHEREAS**, in the interest of cooperation and to avoid additional costs associated with administrative and judicial proceedings with respect to the above matter, the Bank, by and through its duly elected and acting Board of Directors (“Board”), consents to the issuance of this Consent Order (“Order”), by the OCC through the duly authorized representative of the Comptroller of the Currency (“Comptroller”); and

**NOW, THEREFORE**, pursuant to the authority vested in the OCC by Section 8(b) of the Federal Deposit Insurance Act, as amended, 12 U.S.C. § 1818(b), the OCC hereby orders that:

**ARTICLE I**

**JURISDICTION**

(1) The Bank is an “insured depository institution” as that term is defined in 12 U.S.C. § 1813(c)(2).

(2) The Bank is a Federal savings association within the meaning of 12 U.S.C. § 1813(q)(1)(C), and is chartered and examined by the OCC. *See* 12 U.S.C. §§ 1461 *et seq.*, 5412(b)(2)(B).

(3) The OCC is the “appropriate Federal banking agency” as that term is defined in 12 U.S.C. § 1813(q) and is therefore authorized to initiate and maintain this cease-and-desist action against the Bank pursuant to 12 U.S.C. § 1818(b).

## ARTICLE II

### COMPTROLLER’S FINDINGS

The Comptroller finds, and the Bank neither admits nor denies, the following:

(1) Between at least 2022 and 2024 (“relevant period”), the Bank made cash-out refinance loans guaranteed by the U.S. Department of Veterans Affairs (“VA”).

(2) During the relevant period, the Bank made multiple false or misleading statements to consumers:

- (a) The Bank sent consumers millions of deceptive advertisements that stated the consumer had “available funds” and instructed the consumer to contact the Bank. In reality, the advertisement was a solicitation for a VA cash-out refinance loan and a new loan was required to access the funds.
- (b) Certain Bank employees made deceptive statements to consumers indicating that the Bank maintained a special relationship with the VA.
- (c) Certain Bank employees made deceptive statements to consumers regarding the terms of the VA cash-out refinance loans that created the impression that the consumer’s interest rate or monthly payment would significantly decrease within a defined time period. However, the cash-out

refinance loan was a permanent loan with a fixed interest rate and mortgage payment, and the Bank could not in fact guarantee that the consumers would be able to refinance their loans with the lower interest or monthly payments as stated or implied by Bank employees.

(3) The Bank's deceptive statements induced consumers to obtain VA cash-out refinance loans, which resulted in certain consumers paying significant origination fees and receiving refinanced mortgage loans with significantly increased interest rates and monthly payments.

(4) The Bank is taking corrective actions to remedy the deficiencies identified in this Order.

(5) By reason of the foregoing, the Bank has engaged in deceptive acts or practices in violation of Section 5 of the FTC Act, 15 U.S.C. § 45(a)(1). The Bank was unjustly enriched in connection with its violations of Section 5 of the FTC Act.

### **ARTICLE III**

#### **COMPLIANCE REPORTING**

(1) Within thirty (30) days of the date of this Order, and thereafter within thirty (30) days after the end of each quarter, the Board shall submit to the Assistant Deputy Comptroller a written progress report setting forth in detail:

- (a) a description of the corrective actions needed to achieve compliance with each Article of this Order;
- (b) the specific corrective actions undertaken to comply with each Article of this Order; and
- (c) the results and status of the corrective actions.

(2) In the event the OCC requires the Bank to revise any of the corrective actions needed to achieve compliance with each Article of this Order, the Bank shall promptly make necessary and appropriate revisions and resubmit the corrective actions to the Assistant Deputy Comptroller.

#### **ARTICLE IV**

##### **COMPLIANCE WITH LAW**

(1) The Board shall ensure that the Bank, its officers, employees, and agents immediately cease and desist engaging in violations of Section 5 of the FTC Act related to VA-guaranteed mortgage loans. The Board shall ensure that the Bank takes all steps necessary to eliminate any and all violations of Section 5 of the FTC Act for such products and to ensure future compliance with the requirements of the FTC Act.

#### **ARTICLE V**

##### **CONSUMER RESTITUTION FOR DECEPTIVE PRACTICES**

(1) Within thirty (30) days of the date of this Order, the Bank shall submit to the Assistant Deputy Comptroller, for review and prior written determination of no supervisory objection, the name, qualifications, and engagement terms of a proposed independent, third-party consultant (“Restitution Consultant”) to plan and oversee the payment of restitution to eligible consumers.

(2) Within sixty (60) days of the date of receipt of the OCC’s written determination of no supervisory objection to a Restitution Consultant, the Bank shall engage the Restitution Consultant and shall submit to the Assistant Deputy Comptroller, for review and prior written determination of no supervisory objection, a written methodology prepared by the Restitution Consultant to identify eligible consumers. The written methodology shall define the scope of the

eligible consumers to be identified by the Restitution Consultant. The written methodology shall include a proposed timeline for the commencement and the completion of identification of eligible consumers. The Restitution Consultant shall conduct its review to identify eligible consumers in accordance with the written methodology following the Bank's receipt of the OCC's written determination of no supervisory objection.

(3) Within thirty (30) days of the Restitution Consultant's completion of its review, the Restitution Consultant shall provide a written report to the Bank that identifies eligible consumers. Based upon the results of the Restitution Consultant's review and written report, the OCC, at its sole discretion, may direct the Bank to expand the scope of the Restitution Consultant's review in terms of the eligible consumers and the time period to be covered.

(4) Within sixty (60) days of the date the Restitution Consultant provides a written report to the Bank that identifies eligible consumers, the Bank shall submit to the Assistant Deputy Comptroller, for review and prior written determination of no supervisory objection, a written methodology prepared by the Restitution Consultant to determine the appropriate amount of restitution and to pay restitution to eligible consumers. The written methodology may consider any restitution the Bank previously paid to an eligible consumer when determining the appropriate amount of restitution for that eligible consumer. The written methodology shall include a proposed timeline for the commencement and completion of restitution of eligible consumers. The Bank shall pay restitution to eligible consumers in accordance with the written methodology following its receipt of the OCC's written determination of no supervisory objection.

(5) Within ninety (90) days of the Bank's payment of restitution to eligible consumers, the Restitution Consultant shall review and assess the Bank's compliance with the

written methodology to pay restitution to eligible consumers. The Restitution Consultant shall summarize its assessment in a written report that it shall submit to the Board.

## **ARTICLE VI**

### **GENERAL BOARD RESPONSIBILITIES**

(1) The Board shall ensure that the Bank has timely adopted and implemented all corrective actions required by this Order, and shall verify that the Bank adheres to the corrective actions and they are effective in addressing the Bank's deficiencies that resulted in this Order. The Board shall hold Bank management and personnel accountable for executing their duties and responsibilities pertaining to or resulting from this Order.

## **ARTICLE VII**

### **WAIVERS**

- (1) The Bank, by executing and consenting to this Order, waives:
- (a) any and all rights to the issuance of a Notice of Charges pursuant to 12 U.S.C. § 1818;
  - (b) any and all procedural rights available in connection with the issuance of this Order;
  - (c) any and all rights to a hearing and a final agency decision pursuant to 12 U.S.C. § 1818 and 12 C.F.R. Part 19;
  - (d) any and all rights to seek any type of administrative or judicial review of this Order;
  - (e) any and all claims for fees, costs, or expenses against the OCC, or any of its officers, employees, or agents related in any way to this enforcement matter or this Order, whether arising under common law or under the

terms of any statute, including, but not limited to, the Equal Access to Justice Act, 5 U.S.C. § 504 and 28 U.S.C. § 2412;

- (f) any and all rights to assert these proceedings, the consent to and/or the issuance of this Order, as the basis for a claim of double jeopardy in any pending or future proceedings brought by the United States Department of Justice or any other governmental entity; and
- (g) any and all rights to challenge or contest the validity of this Order.

## **ARTICLE VIII**

### **OTHER PROVISIONS**

- (1) As a result of this Order, the Bank is not:
  - (a) precluded from being treated as an “eligible savings association” for the purposes of 12 C.F.R. Part 5, unless the Bank fails to meet any of the requirements contained in subparagraphs (1) – (4) of 12 C.F.R. § 5.3, Definitions, *Eligible bank or eligible savings association*, or is otherwise informed in writing by the OCC; and
  - (b) subject to the restrictions in 12 C.F.R. § 5.51 requiring prior notice to the OCC of changes in directors and senior executive officers or the limitations on golden parachute payments set forth in 12 C.F.R. Part 359, unless the Bank is otherwise subject to such requirements pursuant to 12 C.F.R. § 5.51(c)(7)(i) or (iii).
- (2) This Order supersedes all prior OCC communications issued pursuant to 12 C.F.R. § 5.3, 5.51(c)(7)(ii).

## **ARTICLE IX**

### **CLOSING**

(1) This Order is a settlement of the cease-and-desist proceedings against the Bank contemplated by the OCC, based on the violations of law described in the Comptroller's Findings set forth in Article II of this Order. The OCC releases and discharges the Bank from all potential liability for a cease-and-desist order that has been or might have been asserted by the OCC based on the violations described in Article II of this Order, to the extent known to the OCC as of the effective date of this Order. The OCC expressly reserves its right to assess civil money penalties or take other enforcement actions if the OCC determines that the Bank has continued, or failed to correct, the violations described in Article II of this Order or that the Bank otherwise is violating or has violated this Order.

(2) Nothing in this Order shall prevent the OCC from:

- (a) instituting enforcement actions other than a cease-and-desist order against the Bank based on the Comptroller's Findings set forth in Article II of this Order;
- (b) instituting enforcement actions against the Bank based on any other findings, including if the OCC determines that the Bank has continued, or failed to correct, the violations described in Article II of this Order or that the Bank otherwise is violating or has violated this Order;
- (c) instituting enforcement actions against institution-affiliated parties (as defined by 12 U.S.C. § 1813(u)) based on the Comptroller's Findings set forth in Article II of this Order, or any other findings; or

(d) utilizing the Comptroller's Findings set forth in Article II of this Order in future enforcement actions against the Bank or its institution-affiliated parties to establish a pattern or the continuation of a pattern.

(3) Nothing in this Order is a release, discharge, compromise, settlement, dismissal, or resolution of any actions, or in any way affects any actions that may be or have been brought by any other representative of the United States or an agency thereof, including, without limitation, the United States Department of Justice.

(4) This Order is:

(a) a "cease-and-desist order issued upon consent" within the meaning of 12 U.S.C. § 1818(b);

(b) a "cease-and-desist order which has become final" within the meaning of 12 U.S.C. § 1818(e);

(c) an "order issued with the consent of the depository institution" within the meaning of 12 U.S.C. § 1818(h)(2);

(d) an "effective and outstanding . . . order" within the meaning of 12 U.S.C. § 1818(i)(1); and

(e) a "final order" within the meaning of 12 U.S.C. § 1818(i)(2) and (u).

(5) This Order is effective upon its issuance by the OCC, through the Comptroller's duly authorized representative. Except as otherwise expressly provided herein, all references to "days" in this Order shall mean calendar days and the computation of any period of time imposed by this Order shall not include the date of the act or event that commences the period of time.

(6) The provisions of this Order shall remain effective except to the extent that, and until such time as, such provisions are amended, suspended, waived, or terminated in writing by the OCC, through the Comptroller's duly authorized representative. If the Bank seeks an extension, amendment, suspension, waiver, or termination of any provision of this Order, the Board or a Board-designee shall submit a written request to the Deputy Comptroller asking for the desired relief. Any request submitted pursuant to this paragraph shall include a statement setting forth in detail the circumstances that warrant the desired relief or prevent the Bank from complying with the relevant provision(s) of the Order, and shall be accompanied by relevant supporting documentation. The OCC's decision concerning a request submitted pursuant to this paragraph, which will be communicated to the Board in writing, is final and not subject to further review.

(7) The Bank will not be deemed to be in compliance with this Order until it has adopted, implemented, and adhered to all of the corrective actions set forth in each Article of this Order.

(8) This Order is not a contract binding on the United States, the United States Treasury Department, the OCC, or any officer, employee, or agent of the OCC and neither the Bank nor the OCC intends this Order to be a contract.

(9) Each citation, issuance, or guidance referenced in this Order includes any subsequent citation, issuance, or guidance that replaces, supersedes, amends, or revises the referenced cited citation, issuance, or guidance.

(10) No separate promise or inducement of any kind has been made by the OCC, or by its officers, employees, or agents, to cause or induce the Bank to consent to the issuance of this Order.

(11) All reports, plans, or programs submitted to the OCC pursuant to this Order shall be forwarded, by overnight mail or via email, to the Assistant Deputy Comptroller, Chicago Office, with a copy to the Bank's assigned Portfolio Manager.

(12) The terms of this Order, including this paragraph, are not subject to amendment or modification by any extraneous expression, prior agreements, or prior arrangements between the parties, whether oral or written.

IN TESTIMONY WHEREOF, the undersigned, authorized by the Comptroller as his duly authorized representative, has hereunto set her signature on behalf of the Comptroller.

//s/// Digitally Signed, Dated 2026.04.02

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Karen Boehler  
Deputy Comptroller  
Community Banks

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Date

IN TESTIMONY WHEREOF, the undersigned, as the duly elected and acting Board of Directors of The Federal Savings Bank have hereunto set their signatures on behalf of the Bank.

<hr/> <i>/s/</i> <hr/>	<hr/> 4/2/2026 <hr/>
John Calk	Date
<hr/> <i>/s/</i> <hr/>	<hr/> 4/2/2026 <hr/>
Richard Coffman	Date
<hr/> <i>/s/</i> <hr/>	<hr/> 4/2/2026 <hr/>
William Giffin	Date
<hr/> <i>/s/</i> <hr/>	<hr/> 4/2/2026 <hr/>
Charlie Gleichenhaus	Date
<hr/> <i>/s/</i> <hr/>	<hr/> 4/2/2026 <hr/>
Roger Manka	Date
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William Markel	Date
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Viola Meehan	Date
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James Norini	Date
<hr/> <i>/s/</i> <hr/>	<hr/> 4/2/2026 <hr/>
Javier Ubarri	Date