

Wiley Consumer Protection Download (June 3, 2025)

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Welcome to Wiley's update on recent developments and what's next in consumer protection at the Federal Trade Commission (FTC), Consumer Financial Protection Bureau (CFPB), and at the state level.

Wiley also has launched a Trump Administration Resource Center and Resource Guide to track Executive branch priorities during the second Administration of President Trump. With Wiley's deep-rooted understanding of Washington and today's evolving regulatory landscape, the Resource Center and Resource Guide provide critical insights, actionable intelligence, practical solutions, and guidance across key industries to help businesses stay ahead of the curve and manage challenges in 2025 and beyond. Please reach out to any of our authors with any questions about recent Trump Administration actions and the potential impact on regulations or enforcement activity.

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Federal and State Regulatory Announcements

California DFPI Releases 2024 Annual Report Detailing

Enforcement and Regulatory Activities. On **May 29**, the California Department of Financial Protection and Innovation released its 2024 Annual Report detailing its enforcement and regulatory activities

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under the California Consumer Financial Protection Law (CCFPL) in the prior year. The Annual Report notes that the DFPI received approval and began implementing the first registration requirements under the CCFPL covering income-based advances, private postsecondary education financing, debt settlement services, and student debt relief services industries. The Annual Report further notes that the DFPI opened 699 CCFPL-related investigations and issued over 200 public actions in 2024, representing a 12% increase from 2023.

Colorado AG Issues Consumer Alert Regarding AI Chatbots. On **May 21**, the Colorado Attorney General (AG) issued a Consumer Alert warning parents about the alleged risks of their children using artificial intelligence (AI) chatbots. According to the Consumer Alert, “[s]ocial AI chatbot interactions can turn age inappropriate even with innocuous prompts. Disturbing content includes: violence, explicit sexuality, self-harm, and eating disorders.” Among other things, the Consumer Alert also warns that the AI chatbots “can be addictive, impacting social interactions and brain development. The chatbots often mimic human emotions and can be manipulative.”

Select Federal Enforcement Actions

FTC Finalizes Order with Web Hosting Company for Allegedly Insufficient Data Safeguards. On **May 21**, the FTC voted 3-0 to approve the final order against a web hosting company for alleged violations of the FTC Act. In January 2025, the FTC alleged that the company did not have sufficient data protection safeguards, including sufficient asset management and segmentation policies, in place to prevent recent data breaches that occurred. The company agreed to injunctive relief and to implement an information security program.

FTC Settles with Two Debt Relief Entities and Their Owners for Allegedly Misrepresenting Their Affiliations and Services. On **May 22**, the FTC filed a stipulated order in the U.S. District Court for the Middle District of Florida to settle a 2024 lawsuit against two related student loan debt relief entities and their three owners and operators for alleged violations of the FTC Act, the Telemarketing Sales Rule, and the Gramm-Leach-Bliley Act. The FTC’s July 2024 complaint alleged that the defendants misled consumers by falsely advertising affiliation with the U.S. Department of Education, posting false testimonials, promising low monthly payments that most customers did not experience, and incorrectly claiming to put consumers’ monthly payments toward their loan balances. The defendants agreed to a \$7.3 million judgment and permanent injunctive relief, including a ban on all debt relief activities.

FTC Settles with Student Debt Relief Company, Affiliates, and Officers for Alleged Violations Including the New Impersonation Rule. On **May 15**, the FTC filed two stipulated orders in the U.S. District Court for the Central District of California to settle a 2024 lawsuit against a student debt relief company and some of its officers for alleged violations of the FTC Act, Telemarketing Sales Rule, Gramm-Leach-Bliley Act, and Impersonation Rule. The FTC’s June 2024 complaint alleged that the company misled consumers by promising debt relief that was not delivered and falsely claimed to be affiliated with the Department of Education. On May 6 and May 14, respectively, the court issued a default judgment against three affiliate companies and an order against the remaining affiliates and officers for permanent injunction and monetary relief. The defendants are subject to injunctive relief and one affiliate and officer are also subject to a \$16.8 million judgment.

Select State Enforcement Actions

Maryland AG Settles with Three Housing Management Companies for Alleged Violations of Fair Housing Laws. On **May 20**, the Maryland AG announced three settlements with three housing management companies for alleged violations of the Maryland Code prohibiting housing discrimination on the basis of source of income. The Maryland AG alleged that each of these companies engaged in discriminatory behavior when approving rental applications. In addition to injunctive relief, the first company agreed to pay a \$90,000 civil penalty; the second company agreed to pay a \$105,000 civil penalty; and the third company agreed to pay a \$25,000 civil penalty.

New York AG Announces Settlement with Gym Chain for Allegedly Making Memberships Difficult to Cancel. On **May 30**, the New York AG announced a settlement with a gym chain for allegedly making gym memberships difficult to cancel in violation of New York law and the Restore Online Shoppers' Confidence Act (ROSCA). According to the settlement, the New York AG's investigation allegedly found that the gym chain failed to: disclose its subscription terms in violation of ROSCA; provide consumers with the subscription acknowledgment required under New York law; and offer cost-effective and easy-to-use cancellation mechanisms. The settlement requires the gym chain to modify its subscription practices, offer refunds to subscribers who attempted to cancel their memberships but could not, and to pay \$600,000 in civil penalties.

Upcoming Events and Comment Deadlines

FTC Announces Agenda for Workshop to Examine Impact of "Big Tech" Practices on Kids and Families. The FTC will hold a virtual workshop on **June 4** to "discuss how Big Tech companies impose addictive design features, erode parental authority, and fail to protect children from exposure to harmful content." The workshop, titled "The Attention Economy: How Big Tech Firms Exploit Children and Hurt Families," will feature parents, child safety experts, and government leaders. Experts will discuss potential approaches to protect kids online, including age verification and parental consent requirements. Chairman Andrew Ferguson and Commissioners Melissa Holyoak and Mark Meador plan to deliver remarks, along with Senators Marsha Blackburn (R-TN) and Katie Britt (R-AL). The full agenda and registration details can be found [here](#).

CFPB Proposes to Withdraw Determination to Invoke Supervisory Authority Over Nonbank Companies. Comments are due **June 13** on the CFPB's proposal to withdraw a Procedural Rule that allows the CFPB to invoke its supervisory authority over certain nonbank financial companies that are not otherwise subject to its jurisdiction. The Procedural Rule explains that Section 1091 of the CFPA provides that the CFPB may supervise a nonbank entity that the agency "has reasonable cause to determine, by order, after notice to the covered person and a reasonable opportunity for such covered person to respond ... is engaging, or has engaged, in conduct that poses risks to consumers with regard to the offering or provision of consumer financial products or services." The CFPB had previously focused its nonbank supervisory authority on companies in the mortgage, private loan, and payday loan industries, and certain larger companies in the consumer reporting, debt collection, student loan servicing, international remittances, and auto loan servicing industries.

CFPB Proposes to Rescind Nonbank “Repeat Offender” Registry Rule. Comments are due **June 13** on the CFPB’s proposal to rescind its Rule requiring certain nonbank financial institutions subject to final court or agency enforcement orders or consent decrees to report the existence of such orders to the CFPB and to file annual reports. The proposal cites the CFPB’s concern that “the costs the rule imposes on regulated entities, and which may in large part be passed onto consumers, are not justified by the speculative and unquantified benefits to consumers.”

[More Analysis from Wiley](#)

Privacy, AI, and Consumer Protection Takeaways from FTC Chairman’s House Testimony

Webinar: Navigating FTC Health Care Advertising and Privacy Compliance in the Trump Administration: Key Insights for Health Service Providers

State Privacy Enforcement Ramp-Up Continues with New Actions in California and Texas

‘Click to Cancel’ Rule Kicking In, and All Signs Point to Stiff Enforcement

Trump Directs FTC to Lead Government-Wide Rescission and Modification of Anticompetitive Federal Regulations

Copyright Office Issues Key Guidance on Fair Use in Generative AI Training

5 Key Privacy Enforcement Insights Shared by State Regulators at IAPP’s #GPS25

FTC Commissioner Holyoak Highlights Privacy Priorities in IAPP Keynote

Crypto Advocacy in Action: A Conversation with Coinbase’s Nick Carden

New DOJ Task Force Seeks Input on State and Federal Laws that Impede Competition and Innovation

Virginia Enacts Amendments to Consumer Protection Act

Executive Order on Ticket Resale Market Calls for Greater FTC Enforcement

Trump Administration Revamps Guidance on Federal Use and Procurement of AI

Key Takeaways from the California Privacy Agency’s First CCPA Enforcement Action

What Comes Next at the FTC, After Removal of Two Commissioners

What to Expect from New FTC Leadership on Digital Health Care

March Privacy Forecast: A Weekly Series

FTC Announces New Labor Market Task Force and Prioritizes Worker Protections

New DOJ Restrictions on Cross-Border Data Transactions Take Effect April 8: Ten Questions as Your Business Prepares to Comply

Wiley Welcomes Former FTC Deputy Director Ian Barlow, Strengthening Regulatory, Enforcement, and Compliance Capabilities

FTC Adopts Amended Children's Online Protection Act Rule

FTC Announces Rule on "Junk Fees" and Pricing Disclosures in Certain Industries

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