

# Consumer Compliance Supervisory **HIGHLIGHTS**

**FEDERAL DEPOSIT INSURANCE CORPORATION**



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# INTRODUCTION

The FDIC supervises approximately 2,755 state-chartered banks and thrifts that are not members of the Federal Reserve System (supervised institutions). Most of these institutions are community banks that provide credit and services locally. The FDIC examines supervised institutions for compliance with federal consumer financial protection laws.

In general, the FDIC's consumer compliance examinations of supervised institutions are risk focused. As part of every consumer compliance examination, FDIC examination staff review information gathered about a financial institution to direct resources to those consumer compliance areas that pose the greatest potential risks of consumer harm. Overall, the FDIC's consumer compliance supervision actions in 2025 revealed that our supervised institutions continue to maintain effective compliance management systems (CMS) and take appropriate steps to identify and mitigate risks to consumers.

This issue of the FDIC Consumer Compliance Supervisory Highlights includes:

- A summary of the overall results of the FDIC's consumer compliance examinations of supervised institutions in 2025;
- A description of the most frequently cited violations in 2025; and
- An overview of trends in consumer complaints that were processed by the FDIC in 2025.

# SUMMARY OF OVERALL CONSUMER COMPLIANCE PERFORMANCE IN 2025

The FDIC carries out its responsibility to ensure compliance with federal consumer financial protection laws primarily through the examination and supervision process. In 2025, the FDIC conducted approximately 825 consumer compliance examinations.

The FDIC uses the Federal Financial Institutions Examination Council's (FFIEC) Uniform Interagency Consumer Compliance Rating System to evaluate supervised institutions' adherence to consumer protection laws and regulations. As of December 31, 2025, 98 percent of all FDIC-supervised institutions were rated satisfactory or better for consumer compliance (i.e., ratings of "1" or "2"), and 98 percent were rated "Outstanding" or "Satisfactory" for the Community Reinvestment Act (CRA).

Institutions rated less than satisfactory for consumer compliance (i.e. ratings of "3," "4," or "5") had overall CMS weaknesses, which often resulted in violations of law and either potential or actual consumer harm. Institutions rated "Needs to Improve" or "Substantial Noncompliance" for CRA represented a weak performance under the lending, investment and service tests, the community development test, the small bank performance standards, or an approved strategic plan, as applicable.

# MOST FREQUENTLY CITED VIOLATIONS

In 2025, FDIC consumer compliance examiners identified regulatory violations that ranged in severity from the highest to lowest level of concern (i.e. Levels 3, 2 and 1, with Level 1 representing the lowest level of concern).<sup>1</sup> This publication focuses on the five most frequently cited Level 3 or Level 2 violations.

The FDIC cited 1,155 violations of consumer protection statutes and regulations in 2025. Together, the top five most frequently cited violations represented 875 violations or approximately 75 percent of the total violations cited in 2025. As illustrated in the chart that follows, the Truth in Lending Act (TILA) and its implementing regulation, Regulation Z, represented 462 violations; the Electronic Fund Transfer Act (EFTA) and its implementing regulation, Regulation E, represented 136 violations; the Flood Disaster Protection Act (FDPA) and its implementing regulation, 12 CFR Part 339, represented 131 violations; the Truth in Savings Act (TISA) and its implementing regulation, Regulation DD, represented 74 violations; and the Home Mortgage Disclosure Act (HMDA) and its implementing regulation, Regulation C, represented 72 violations. While this list contains the same laws and regulations from our 2025 publication, EFTA moved from the fourth most frequently cited violation to the second most frequently cited violation.

Because the FDIC conducts consumer compliance examinations using a risk-focused methodology, the most frequently cited violations generally involve statutes and regulations that represent the greatest potential for consumer harm. For example, TILA requires disclosures about mortgage costs and, if institutions do not comply with TILA, consumers could be harmed and reimbursements may be required. Moreover, the flood insurance provisions included in the FDPA ensure that consumers are protected against certain risks related to flooding if the property is located in a special flood hazard area.

Of the top statutes/regulations cited for violations, the following list describes the most frequently cited violation(s) in each area:

- **TILA/Regulation Z:** TILA/Regulation Z requires creditors to provide borrowers with clear information about the terms and costs of credit. For institutions with TILA/Regulation Z violations, the most common violations involved institutions failing to provide some of the required information. The three TILA violations cited most frequently were: 1) 15 U.S.C. § 1638 and 12 CFR § 1026.19(e), which requires a creditor to provide the consumer with good faith estimates of the disclosures required by § 1026.37 for closed-end transactions secured by real property and provides specific timing requirements; 2) 15 U.S.C. § 1604 and 12 CFR §§ 1026.38(f) – (k), which requires the creditor to provide a detailed breakdown of all loan costs associated with closed-end credit transactions secured by real property, listed in a prescribed table format; and 3) 12 C.F.R. § 1026.38(o), which requires the creditor to disclose the total of payments, finance charge, amount financed, annual percentage rate, and total interest percentage on the Closing Disclosure for certain home mortgage transactions. Collectively, these violations comprised 28 percent of the total TILA violations cited in 2025.

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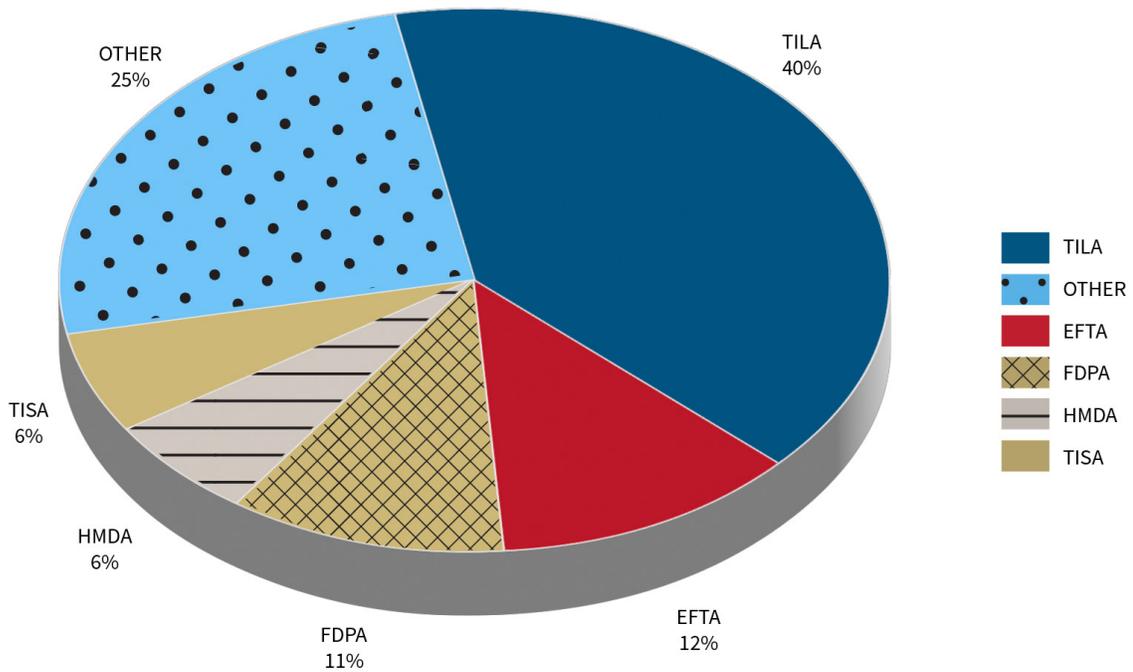
<sup>1</sup> Level 3/High Severity violations are those of the highest concern that have resulted in significant harm to consumers or members of a community. These violations typically result in a request or a requirement that the institution provide restitution in excess of \$10,000 (in aggregate), or include, for example, pattern or practice violations of anti-discrimination provisions. Level 2/Medium Severity violations are those of moderate concern reflecting systemic, recurring, or repetitive violations that represent a failure of the bank to meet a key purpose of an underlying regulation or statute. These violations may have had a small, but negative impact on consumers or have the potential to have a negative impact if uncorrected. Level 1/Low Severity violations are those of the lowest concern and are isolated or sporadic, or systemic violations that are unlikely to affect consumers or the underlying purposes of an applicable regulation or statute. These violations are typically due to individual instances of failure to follow established procedures or minor errors in the implementation of reasonable procedures to comply with a regulation or statute. See FDIC Consumer Compliance Examination Manual, [Section II-6 \(Communicating Findings\)](#).

- **EFTA/Regulation E:** The most cited EFTA/Regulation E violation related to investigations of electronic fund transfer errors. For institutions with EFTA/Regulation E violations, the most common violations involved error resolutions. The two violations most frequently cited were: 1) 15 U.S.C. § 1693f and 12 CFR § 1005.11(c), which requires a financial institution to investigate allegations of electronic fund transfer errors, determine whether an error occurred, report the results to the consumer, and correct the error within certain timeframes; and 2) 15 U.S.C. § 1693f and 12 CFR § 1005.11(d), which requires a financial institution to follow certain procedures if the financial institutions determines that no error occurred or that an error occurred but in a manner or different amount than asserted by the consumer. These two sections represented 74 percent of the total EFTA violations cited in 2025.
- **FDPA/12 CFR Part 339:** The most cited FDPA/Part 339 violation related to institutions' failure to provide flood insurance, when required. Under 42 U.S.C. § 4012a(b) and 12 CFR § 339.3(a), adequate flood insurance must be in place at the time a loan secured by a building or mobile home located in a special flood hazard area is made, increased, extended, or renewed. This section represented 41 percent of the total FDPA violations cited in 2025.
- **TISA/Regulation DD:** TISA/Regulation DD requires banks to provide clear disclosures about the terms and costs of consumer deposit accounts. For institutions with TISA/Regulation DD violations, the most common violations involved institutions failing to provide accurate disclosures. The two TISA violations cited most frequently were: 1) 12 U.S.C. § 4303 and 4305 and 12 CFR §§ 1030.3, which requires the institution to make disclosures required by §§ 1030.4 through 1030.6 clearly and conspicuously, in writing, and in a form the consumer may keep; and 2) 12 U.S.C. §§ 4303-4305 12 CFR §§ 1030.4(a) and (b) which sets forth general requirements for providing disclosures to consumers before opening an account and details the specific information that must be included in the deposit account disclosures such as information on rates, compounding and crediting of interest, balance computation, fees, transaction limitations, features of time accounts, and bonuses. Violations were split evenly between these two sections and together represented 61 percent of the total TISA violations cited in 2025.
- **HMDA/Regulation C:** HMDA/Regulation C requires financial institutions to collect, report, and publicly disclose data about their mortgage lending activity. For institutions with HMDA/Regulation C violations, the most common violations involved institutions failing to provide sufficient data for one or more of the required data fields. Under 12 U.S.C. § 2803 and 12 CFR § 1003.4(a), financial institutions must collect data regarding applications for covered loans received, originated, and purchased for each calendar year. For example, data is reported on the borrower (ethnicity, race, sex, age, and income) and on the loan (amount, purpose, type, action taken, and location). This section represented 82 percent of the total HMDA violations cited in 2025.

In 2025, the FDIC initiated 16 formal enforcement actions and 11 informal enforcement actions to address consumer compliance examination findings. During this period, the FDIC issued civil money penalty (CMP) orders totaling approximately \$150 million against institutions to address violations of the FDPA and Section 5 of the Federal Trade Commission Act for Unfair or Deceptive Acts or Practices. In addition, a total of approximately \$1.2 billion in restitution was ordered by the FDIC in 2025 through orders issued under section 8(b) of the Federal Deposit Insurance Act. Other supervised institutions provided voluntary restitution payments totaling \$4.7 million to 47,902 consumers for violations of various consumer protection laws and regulations.

## MOST FREQUENTLY CITED STATUTES AND REGULATIONS IN 2025

Statute/Regulation	Level 3 Violations		Level 2 Violations		Total Violations	
	#	%	#	%	#	%
TILA	11	1%	451	39%	462	40%
EFTA	3	<1%	133	12%	136	12%
FDPA	0	0%	131	11%	131	11%
TISA	4	<1%	70	6%	74	6%
HMDA	0	0%	72	6%	72	6%
Total 5 Most Commonly Cited Statutes	18	1%	857	74%	875	75%
All Cited Statutes in 2025	29	3%	1126	97%	1155	100%



# AN OVERVIEW OF CONSUMER COMPLAINT TRENDS

The FDIC's National Center for Consumer and Depositor Assistance, Consumer Response Unit (CRU), closed 32,128 written complaints<sup>2</sup> (including webform submissions) and telephone call<sup>3</sup> records in 2025 compared to 26,451 written complaints and telephone call records closed in 2024. This represents a 21 percent increase. In 2025, the CRU acknowledged 100 percent of written complaints within 14 days and responded to 98.9 percent of complaints within established performance goal timeframes.

Of the 28,489 written complaints closed in 2025, the CRU retained and investigated 15,405<sup>4</sup> and referred 12,975 to other federal banking regulators<sup>5</sup>. As a result of these investigations, the CRU identified 280 errors made by financial institutions, 108 federal consumer protection regulation violations, and 76 cases requiring escalation to the appropriate FDIC Regional Office for further review. Fair lending complaints decreased from 62 in 2024 to 39 in 2025, representing a 37 percent decrease.

One or more third-party providers (TPPs) were identified among 6,356 consumer complaint cases in 2025, representing nearly a 48 percent increase from 2024 when 4,282 complaints involved one or more. A TPP is a non-bank financial company that performs one or more services on behalf of banks, such as credit card servicing and processing, payment processing, and transaction error dispute resolution. A violation of a federal consumer protection regulation was identified in 34 consumer complaint cases involving a TPP in 2025.

The CRU's interactions with consumers and banks resulted in consumers receiving \$1,666,946 in total voluntary restitution and compensation in 2025, compared to \$2,044,071 received during the previous year. In addition to monetary compensation, the CRU's efforts resulted in 626 cases resulting in non-monetary compensation such as a bank updating credit reports and other bank records, ceasing collection calls or actions, forgiving debt, and granting loan modifications.

The CRU coded each complaint within its case management system with at least one product, issue, regulation, and finding for data analysis and reporting purposes. The top four banking products and topics complained about in 2025 were credit cards (5,783), checking accounts (3,106), installment loans and consumer lines of credit (CLOC) (3,014), and loans-other<sup>6</sup> (1,549). Installment loans and consumer lines of credit are combined due to the difficulty in determining the type of loan. The following graphic provides a breakdown of the top banking products and topics identified among investigated consumer complaints in 2025.

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<sup>2</sup> Of the 28,489 written complaints closed in 2025, 46 percent were referred to another federal banking regulator, or internally to another FDIC Office for review. Processing a complaint referral requires triaging the case record in the database system and the preparation of notification letters to the consumer and the appropriate federal banking regulator.

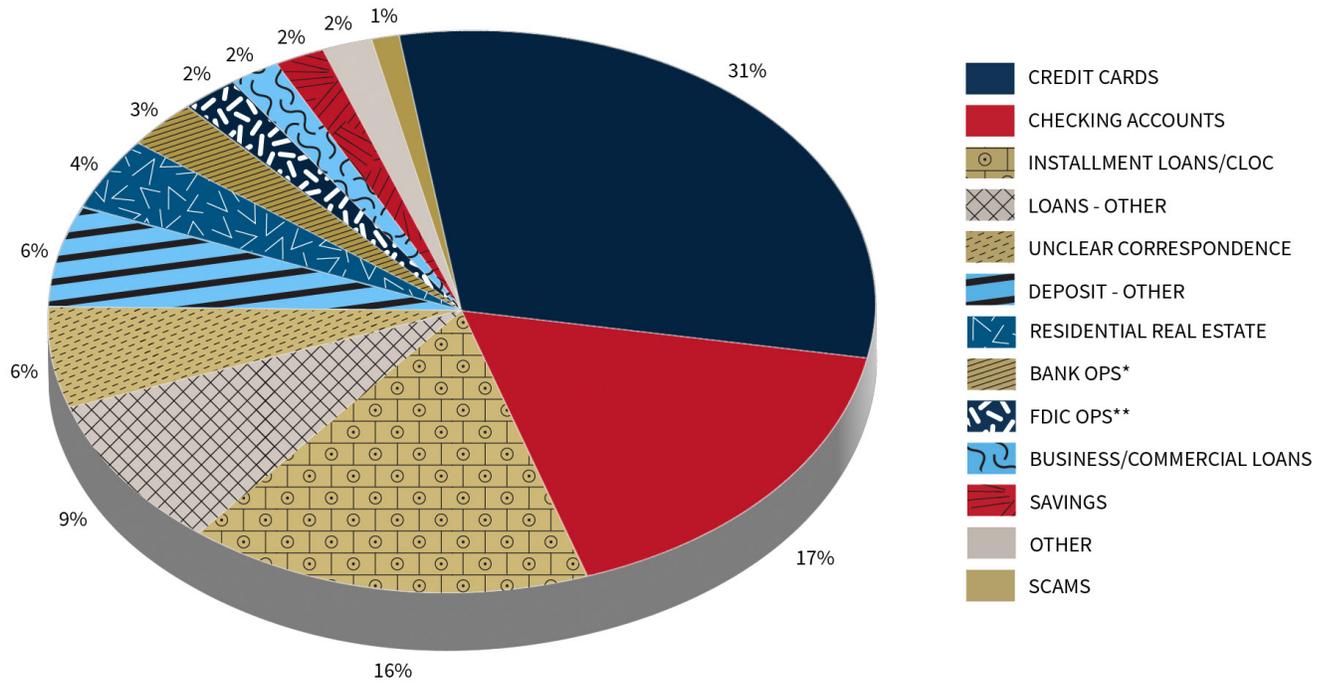
<sup>3</sup> Telephone inquiries totaled 3,639.

<sup>4</sup> A portion of the complaints investigated dealt with credit reporting issues that were sent to the bank for a direct response to the consumer.

<sup>5</sup> An additional 109 complaints were referred internally to other FDIC Divisions and Offices for handling, as deemed appropriate.

<sup>6</sup> This product represents cases where the type of loan could not be determined based on provided documentation. A portion of the cases dealt with credit reporting issues that were sent to the bank for a direct response to the consumer.

## 2025 BANK PRODUCTS BREAKDOWN



\* FDIC Ops is defined as a concern or inquiry about the FDIC's operations or services.

\*\* Bank Ops is defined as concerns or inquiries about a bank's operations or product/service options.

The CRU also classified consumer complaints with the relevant banking product or topic, with the top issues being credit reporting (6,543), discrepancy transaction error (1,580), unable to provide requested service\* (886), disclosures (816), and collection practices (773). The top 16 issues of 2025 are noted below:

### MOST COMMON ISSUES IN CONSUMER COMPLAINTS AND INQUIRIES INVOLVING AN FDIC-SUPERVISED INSTITUTION

Credit Reporting	35%
Discrepancy Transaction Error	8%
Unable to Provide Requested Service*	5%
Disclosures	4%
Collection Practices	4%
Billing Disputes and Error Resolution	3%
Account Opened Without Knowledge	3%
Account Block	3%
Account Closure	3%
Fees and Finance Charges	2%
Funds Availability/Hold Notifications/Release of Funds	2%
Customer Identification Program	1%
Contractual Terms not subject to Disclosure requirements	1%
Crediting of payments	1%
Adverse Action Notice	1%
Interest Rates	1%

\* Includes service disruption issues and other service-related concerns when customers cannot immediately access their accounts.

The following table provides a five-year analysis of the top four banking products and top three corresponding issues among consumer complaints investigated by the CRU.

MOST COMMON PRODUCT COMPLAINTS REVIEWED BY THE CRU IN 2025	% OF PRODUCTS COMPARED TO TOTAL VOLUME					MOST COMMON ISSUES (2025) (% OF PRODUCT TOTALS)
	2021	2022	2023	2024	2025	
Credit Cards	23%	30%	30%	29%	31%	1. Credit Reporting Errors (59%) 2. Billing Disputes and Error Resolution (8%) 3. Collection Practices (8%)
Checking Accounts	23%	22%	23%	19%	17%	1. Discrepancy Transaction Error (36%) 2. Account Closure (15%) 3. Account Block (12%)
Installment Loans/ Consumer Lines of Credit (CLOC)*	15%	14%	13%	12%	16%	1. Credit Reporting Errors (54%) 2. Disclosures (9%) 3. Collection Practices (6%)
Loan - Other**	0%	0%	0%	1%	9%	1. Credit Reporting Errors (88%) 2. Collection Practices (6%) 3. Account Opened Without Knowledge (3%)

\* Installment loans and consumer lines of credit are combined due to the difficulty in determining the type of loan.

\*\* This product represents cases where the type of loan could not be determined based on provided documentation.