

Attorney General Raoul Announces \$10 Million Multistate Settlement With ACI Worldwide For Unauthorized Withdrawals From Mortgage Holders

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CHICAGO - Attorney General Kwame Raoul announced that Illinois, along with 49 other attorneys general, has reached a bipartisan settlement with a subsidiary of payment

processor ACI Worldwide Corporation (ACI) concerning a testing error that led to the attempted unauthorized withdrawal of \$2.3 billion from the accounts of 477,000 mortgage holders.

Under the settlement, ACI has agreed to take steps to avoid future incidents and pay a \$10 million fine. Illinois will receive \$519,501.61 from the settlement.

“The settlement with ACI not only imposes a significant fine but also holds the financial company accountable so that consumers are protected in the future from erroneous charges,” Raoul said. “My office’s Consumer Protection Division will continue to protect consumers and hold accountable bad actors that do not responsibly handle Illinois residents’ hard-earned money.”

The settlement resolves allegations ACI erroneously attempted to collect \$2.3 billion in mortgage payments from homeowners on behalf of Nationstar Mortgage, known publicly as Mr. Cooper. Mr. Cooper customers used ACI’s Speedpay product to pay their monthly mortgage payments through the Automated Clearing House (ACH) system. During a test of the Speedpay platform on April 23, 2021, live Mr. Cooper consumer data was submitted into the ACH system by mistake. As a result, ACI attempted to withdraw mortgage payments from hundreds of thousands of Mr. Cooper customers.

While the majority of attempted withdrawals ultimately did not go through or were reversed, 1.4 million transactions totaling \$2.3 billion were processed, impacting 477,000 Mr. Cooper customers. Some Mr. Cooper customers incurred overdraft or insufficient-fund fees. Affected consumers received restitution as part of a separate class action settlement.

In addition to the \$10 million payment to the states, the settlement requires ACI to take steps to avoid any future incidents, including by using artificially-created data rather than real consumer data when testing systems or software, and segregating any testing or development work from its consumer payment systems.

In addition to the settlement finalized by Raoul and the attorneys general, the Illinois Department of Financial and Professional Regulation and state regulatory agencies nationwide secured a \$10 million fine as part of a separate agreement with ACI. The agencies’ investigation determined that the April 2021 incident was possible due to significant defects in ACI’s privacy and data security procedures, and technical infrastructure related to the Speedpay platform.

Joining Attorney General Raoul in this settlement are the attorneys general of Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, the District of

Columbia, Florida, Georgia, Hawaii, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin and Wyoming.