



**BILLING CODE: 4810-AM-P**

**BUREAU OF CONSUMER FINANCIAL PROTECTION**

**12 CFR Parts 1002, 1003, 1005, 1006, 1007, 1008, 1009, 1010, 1011, 1012, 1013, 1014, 1015, 1016, 1022, 1024, 1026, and 1030**

**RIN 3170-AA06**

**Finalization of Interim Final Rules (Subject to any Intervening Amendments) under Consumer Financial Protection Laws**

**AGENCY:** Bureau of Consumer Financial Protection.

**ACTION:** Final rule; official interpretations.

**SUMMARY:** Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) transferred rulemaking authority for a number of consumer financial protection laws from seven Federal agencies to the Bureau of Consumer Financial Protection (Bureau) as of July 21, 2011. In December 2011, the Bureau republished the existing regulations implementing those laws, as previously adopted by the seven predecessor agencies, as interim final rules (December 2011 IFRs) with technical and conforming changes to reflect the transfer of authority and certain other changes made by the Dodd-Frank Act. The December 2011 IFRs did not impose any new substantive obligations on persons subject to the existing regulations. This final rule adopts the December 2011 IFRs as final, subject to any intervening final rules published by the Bureau.

**DATES:** This final rule is effective [**INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER**].

**FOR FURTHER INFORMATION CONTACT:** Kristen Phinnessee, Counsel, Office of Regulations, Consumer Financial Protection Bureau, 1700 G Street, NW., Washington, DC 20552, at (202) 435-7700.

## **SUPPLEMENTARY INFORMATION:**

### **I. Background and Summary of the Final Rule**

In response to an unprecedented cycle of expansion and contraction in the mortgage market that sparked the most severe U.S. recession since the Great Depression, Congress passed the Dodd-Frank Act, which was signed into law on July 21, 2010. In the Dodd-Frank Act, Congress established the Bureau and generally consolidated the rulemaking authority for Federal consumer financial laws in the Bureau.<sup>1</sup> Title X of the Dodd-Frank Act transferred rulemaking authority for a number of consumer financial protection laws from seven Federal agencies to the Bureau as of July 21, 2011. These included the Consumer Leasing Act (CLA), the Electronic Fund Transfer Act (except with respect to section 920) (EFTA), the Equal Credit Opportunity Act (ECOA), the Fair Credit Reporting Act (except with respect to sections 615(e) and 628) (FCRA), the Fair Debt Collection Practices Act (FDCPA), Subsections (b) through (f) of section 43 of the Federal Deposit Insurance Act (FDIA), sections 502 through 509 of the Gramm-Leach-Bliley Act (except for section 505 as it applies to section 501(b)) (GLBA), the Home Mortgage Disclosure Act (HMDA), the Real Estate Settlement Procedures Act of 1974 (RESPA), the S.A.F.E. Mortgage Licensing Act of 2008 (SAFE), the Truth in Lending Act (TILA), the Truth in Savings Act (TISA), section 626 of the Omnibus Appropriations Act, 2009 (MAP and MARS), and the Interstate Land Sales Full Disclosure Act (ILSA) (together, the 14 Acts).

From December 16-27, 2011, the Bureau republished in the *Federal Register* the regulations implementing the 14 Acts as new parts of title 12 of the Code of Federal Regulations, through interim final rules, with only certain technical and conforming changes to reflect the transfer of authority and certain other changes made by the Dodd-Frank Act (the December 2011

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<sup>1</sup> See, e.g., sections 1011 and 1021 of the Dodd-Frank Act, 12 U.S.C. 5491 and 5511 (establishing and setting forth the purpose, objectives, and functions of the Bureau); section 1061 of the Dodd-Frank Act, 12 U.S.C. 5581 (consolidating certain rulemaking authority for Federal consumer financial laws in the Bureau).

IFRs). The December 2011 IFRs did not impose any new substantive obligations on persons subject to the existing regulations. The final rule adopts the December 2011 IFRs with no changes, subject to any intervening final rules published by the Bureau.

## **II. Summary of the Rulemaking Process**

On December 16, 19-22, and 27, 2011, the Bureau published in the *Federal Register* its interim final rules adopting certain regulations implementing a number of consumer financial protection laws transferred to the Bureau by title X of the Dodd-Frank Act.<sup>2</sup> The comment periods closed on various dates from February 14-27, 2012. In response to the December 2011 IFRs, the Bureau received over 100 comments from consumer groups, creditors, industry trade associations, and others. As discussed in more detail below, the Bureau has considered these comments in adopting this final rule.

## **III. Legal Authority**

The Bureau is issuing this final rule pursuant to its authority under the 14 Acts and the Dodd-Frank Act. Effective July 21, 2011, section 1061 of the Dodd-Frank Act transferred to the Bureau the “consumer financial protection functions” previously vested in certain other Federal agencies. The term “consumer financial protection functions” is defined to include “all authority to prescribe rules or issue orders or guidelines pursuant to any Federal consumer financial law, including performing appropriate functions to promulgate and review such rules, orders, and guidelines.”<sup>3</sup> The 14 Acts are all Federal consumer financial laws.<sup>4</sup> Accordingly, effective July

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<sup>2</sup> 76 FR 78121 (Dec. 16, 2011), 76 FR 78126 (Dec. 16, 2011), 76 FR 78130 (Dec. 16, 2011), 76 FR 78465 (Dec. 19, 2011), 76 FR 78483 (Dec. 19, 2011), 76 FR 78500 (Dec. 19, 2011), 76 FR 78978 (Dec. 20, 2011), 76 FR 79025 (Dec. 21, 2011), 76 FR 79276 (Dec. 21, 2011), 76 FR 79308 (Dec. 21, 2011), 76 FR 79442 (Dec. 21, 2011), 76 FR 79486 (Dec. 21, 2011), 76 FR 79768 (Dec. 22, 2011), and 76 FR 81020 (Dec. 27, 2011).

<sup>3</sup> Public Law 111-203, section 1061(a)(1). Effective on the designated transfer date, July 21, 2011, the Bureau was also granted “all powers and duties” vested in each of the Federal agencies, relating to the consumer financial protection functions, on the day before the designated transfer date.

<sup>4</sup>Public Law 111-203, section 1002(14) (defining “Federal consumer financial law” to include the “enumerated consumer laws”); *id.* section 1002(12) (defining “enumerated consumer laws” to include the 14 Acts).

21, 2011, except with respect to persons excluded from the Bureau's rulemaking authority by section 1029 of the Dodd-Frank Act, the authority to issue regulations pursuant to the 14 Acts transferred to the Bureau.<sup>5</sup>

#### **IV. Summary of Comments to the December 2011 Interim Final Rules**

As noted above, the Bureau received over 100 comments in response to the issuance of the December 2011 IFRs. The comments generally fall into four broad categories. First, a number of comments discussed possible typographical, grammatical, or similar errors in the underlying regulations as they were originally adopted by the predecessor agencies and then restated by the Bureau. Second, a number of comments discussed the fact that, with the change in codification, existing internet links across a range of webpages to the original citations in the electronic Code of Federal Regulations would become obsolete. Third, a number of comments asked the Bureau to confirm that it is bound by existing informal advisory opinions issued by predecessor agencies. Fourth, a number of comments urged that the Bureau make various substantive changes to the regulations adopted by the December 2011 IFRs.

The Bureau has considered all of the comments received and has decided to adopt the December 2011 IFRs as final without change, subject to any intervening final rules published by the Bureau. The purpose of this notice is strictly to finalize the December 2011 IFRs; as any potential typographical errors do not change the meaning of the regulations, possible typographical, grammatical, or similar errors in the original regulations may be addressed in subsequent rulemakings. Similarly, substantive changes to the regulations adopted by the December 2011 IFRs have been, and may further be, addressed in subsequent rulemakings.

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<sup>5</sup> See also 15 U.S.C. 1691b; 12 U.S.C. 2804; 15 U.S.C. 1693b; 15 U.S.C. 1692i; 12 U.S.C. 5106-5108; 12 U.S.C. 1831t(c), 1831t(d); 15 U.S.C. 1718; 15 U.S.C. 1667f; Public Law 111-8, section 626, 123 Stat. 524, as amended by Public Law 111-24, section 511, 123 Stat. 1734; 15 U.S.C. 6804(a)(1)(A); 15 U.S.C. 1681s(e); 12 U.S.C. 2603-2605, 2607, 2609, 2617; 12 U.S.C. 2601, 2603-2605, 2607, 2609, 2617, 3353, 5511, 5512, 5532, 5581; 15 U.S.C. 1604(a); 12 U.S.C. 4308.

Further, although it is regrettable that existing internet links may have become obsolete because of the changes in codification, the Bureau believes that such issues most likely have been overcome over the approximately four years since the Bureau adopted the December 2011 IFRs by changes made to the old links. In any event, the Bureau was charged by Congress with conducting certain rulemakings, and it was necessary for the Bureau to put in place its own regulations in order to do so.

Lastly, with regard to the treatment of informal advisory opinions issued by predecessor agencies, the Bureau had addressed the issue prior to the December 2011 IFRs. Section 1063(i) of the Dodd-Frank Act required the Bureau to identify the rules and orders that would be transferred to the Bureau from each transferor agency. On July 21, 2011, the Bureau published in the *Federal Register* the identification of enforceable rules and orders.<sup>6</sup> In this notice, the Bureau published a list of rules that will be enforceable by the Bureau and also noted that it “will give due consideration to the application of other written guidance, interpretations, and policy statements issued prior to July 21, 2011, by a transferor agency in light of all relevant factors . . . .”<sup>7</sup>

## **V. Dodd Frank Act Section 1022(b) Analysis**

In developing the final rule, the Bureau has considered potential benefits, costs, and impacts.<sup>8</sup> In addition, the Bureau has consulted, or offered to consult with, the prudential regulators, the Securities and Exchange Commission, the Department of Housing and Urban

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<sup>6</sup> 76 FR 43569 (July 21, 2011).

<sup>7</sup> *Id.*, at 43570.

<sup>8</sup>Section 1022(b)(2)(A) of the Dodd-Frank Act requires the Bureau to consider the potential benefits and costs of regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products or services; the impact on depository institutions and credit unions with \$10 billion or less in total assets as described in section 1026 of the Dodd-Frank Act; and the impact on consumers in rural areas. Section 1022(b)(2)(B) requires that the Bureau “consult with the appropriate prudential regulators or other Federal agencies prior to proposing a rule and during the comment process regarding consistency with prudential, market, or systemic objectives administered by such agencies.”

Development, the Federal Housing Finance Agency, the Federal Trade Commission, and the Department of the Treasury, including regarding consistency with any prudential, market, or systemic objectives administered by such agencies.

This rule adopts the December 2011 IFRs with no changes, subject to any intervening final rules published by the Bureau. The rule will not impose any new substantive obligations on consumers or covered persons and is not expected to have any impact on consumers' access to consumer financial products and services. As a general matter, the final rule does not impose additional reporting, disclosure, or other requirements beyond those previously in existence.

The Bureau has chosen to evaluate the benefits, costs and impacts of the final rule against the current state of the world, which takes into account the current regulatory regime. The Bureau is not aware of any significant benefits or costs to consumers or covered persons associated with the final rule relative to the baseline. Because the final rule adopts no changes to any of the subject regulations, which are already in place as a consequence of the December 2011 IFRs, there is no practical impact on consumers or covered persons.

The final rules will have no unique impact on depository institutions or credit unions with \$10 billion or less in assets as described in section 1026(a) of the Dodd-Frank Act. Also, the final rules will have no unique impact on rural consumers.

## **VI. Regulatory Flexibility Act**

The Regulatory Flexibility Act (RFA), as amended by the Small Business Regulatory Enforcement Fairness Act of 1996, requires each agency to consider the potential impact of its regulations on small entities, including small businesses, small governmental units, and small not-for-profit organizations.<sup>9</sup> The RFA generally requires an agency to conduct an initial regulatory flexibility analysis (IRFA) and a final regulatory flexibility analysis (FRFA) of any

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<sup>9</sup> 5 U.S.C. 601-612.

rule subject to notice-and-comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.<sup>10</sup> The Bureau also is subject to certain additional procedures under the RFA involving the convening of a panel to consult with small business representatives prior to proposing a rule for which an IRFA is required.<sup>11</sup>

The IRFA and FRFA requirements described above apply only where a notice of proposed rulemaking is required,<sup>12</sup> and the panel requirement applies only when a rulemaking requires an IRFA.<sup>13</sup> The Bureau concluded that a notice of proposed rulemaking was not required for the December 2011 IFRs. This final rule adopts the December 2011 IFRs as final, except to the extent they have been amended in subsequent rulemakings. Therefore, a FRFA is not required.

**VII. Paperwork Reduction Act**

According to the Paperwork Reduction Act of 1995 (PRA) (44 U.S.C. 3501, et seq.) the Bureau may not conduct or sponsor and, notwithstanding any other provision of law, a respondent is not required to respond to an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. This rule contains no new or revised information collection requirements. The Bureau’s OMB control numbers for the information collections in the respective existing regulations are as follows:

| <b>Regulation</b> | <b>OMB Control #</b> |
|-------------------|----------------------|
| Regulation B      | 3170-0013            |
| Regulation C      | 3170-0008            |
| Regulation E      | 3170-0014            |
| Regulation F      | 3170-0056            |

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<sup>10</sup> 5 U.S.C. 603, 604.

<sup>11</sup> 5 U.S.C. 609.

<sup>12</sup> 5 U.S.C. 603(a), 604(a); 5 U.S.C. 553(b).

<sup>13</sup> 5 U.S.C. 609(b).

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|-----------------------|---|
| Regulations G & H     | Regulation G: 3170-0005<br>Regulation H: Not applicable <sup>14</sup> |
| Regulation I          | 3170-0062   |
| Regulations J, K, & L | 3170-0012   |
| Regulation M          | 3170-0006   |
| Regulation N          | 3170-0009   |
| Regulation O          | 3170-0007   |
| Regulation P          | 3170-0010   |
| Regulation V          | 3170-0002   |
| Regulation X          | 3170-0016   |
| Regulation Z          | 3170-0015   |
| Regulation DD         | 3170-0004   |

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<sup>14</sup> Regulation H contains no information collections requiring approval under the PRA.

## **List of Subjects**

### **12 CFR Part 1002**

Aged, Banking, Banks, Civil rights, Consumer protection, Credit, Credit unions, Discrimination, Fair lending, Marital status discrimination, National banks, National origin discrimination, Penalties, Race discrimination, Religious discrimination, Reporting and recordkeeping requirements, Savings associations, Sex discrimination.

### **12 CFR Part 1003**

Banking, Banks, Credit unions, Mortgages, National banks, Savings associations, Reporting and recordkeeping requirements.

### **12 CFR Part 1005**

Automated teller machines, Banking, Banks, Consumer protection, Credit unions, Electronic fund transfers, National banks, Remittance transfers, Reporting and recordkeeping requirements, Savings associations.

### **12 CFR Part 1006**

Administrative practice and procedure, Consumer protection, Credit, Intergovernmental relations.

### **12 CFR Parts 1007 and 1008**

Accounting, Administrative practice and procedure, Advertising, Agriculture, Bank deposit insurance, Banking, Banks, Confidential business information, Conflict of interests, Consumer protection, Credit unions, Crime, Currency, Exports, Foreign banking, Grant programs—housing and community development, Holding companies, Insurance, Investments, Loan programs—housing and community development, Licensing, Mortgages, National banks,

Penalties, Registration, Reporting and recordkeeping requirements, Rural areas, Savings associations, Securities, Surety bonds.

### **12 CFR Part 1009**

Credit unions, Depository institutions, Federal Deposit Insurance Act, Federal Trade Commission Act, Federal deposit insurance.

### **12 CFR Parts 1010, 1011, and 1012**

Adjudicatory proceedings, Advertising disclaimers, Certification of substantially equivalent state law, Filing assistance, Land registration, Reporting requirements, Purchasers' revocation rights, Unlawful sales practices.

### **12 CFR Part 1013**

Advertising, Consumer leasing, Reporting and recordkeeping requirements, Truth in lending.

### **12 CFR Parts 1014 and 1015**

Advertising, Business practices related to mortgage loans, Communications, Consumer protection, Credit, Mortgages, Telemarketing, Trade practices.

### **12 CFR Part 1016**

Banking, Banks, Consumer protection, Credit, Credit unions, Foreign banking, Holding companies, National banks, Privacy, Reporting and recordkeeping requirements, Savings associations, Trade practices.

### **12 CFR Part 1022**

Banking, Banks, Consumer protection, Credit unions, Fair Credit Reporting Act, Holding companies, National banks, Privacy, Reporting and recordkeeping requirements, Savings associations, State member banks.

## **12 CFR Part 1024**

Condominiums, Consumer protection, Housing, Insurance, Mortgagees, Mortgages, Mortgage servicing, Reporting and recordkeeping requirements.

## **12 CFR Part 1026**

Advertising, Appraisal, Appraiser, Banking, Banks, Consumer protection, Credit, Credit unions, Mortgages, National banks, Reporting and recordkeeping requirements, Savings associations, Truth in lending.

## **12 CFR Part 1030**

Advertising, Banking, Banks, Consumer protection, National banks, Reporting and recordkeeping requirements, Savings associations, Truth in savings.

## **Authority and Issuance**

For the foregoing reasons, the Bureau adopts as final the December 2011 IFRs, excluding the listed related amendments, as follows:

- A. 76 FR 79442 (Dec. 21, 2011), as amended by 78 FR 7216 (Jan. 31, 2013), and 78 FR 60382 (Oct. 1, 2013);
- B. 76 FR 78465 (Dec. 19, 2011), as amended by 77 FR 8721 (Feb. 15, 2012), 77 FR 76839 (Dec. 31, 2012), 78 FR 79285 (Dec. 30, 2013), 79 FR 77854 (Dec. 29, 2014), 80 FR 66128 (Oct. 28, 2015), 80 FR 69567 (Nov. 10, 2015), and 80 FR 79673 (Dec. 23, 2015);
- C. 76 FR 81020 (Dec. 27, 2011), as amended by 77 FR 6194 (Feb. 7, 2012), 77 FR 40459 (July 10, 2012), 77 FR 50244 (Aug. 20, 2012), 78 FR 6025 (Jan. 29, 2013), 78

- FR 18221 (Mar. 26, 2013), 78 FR 30662 (May 22, 2013), 78 FR 49365 (Aug. 14, 2013), and 79 FR 55970 (Sept. 18, 2014);
- D. 76 FR 78121 (Dec. 16, 2011);
- E. 76 FR 78483 (Dec. 19, 2011);
- F. 76 FR 78126 (Dec. 16, 2011);
- G. 76 FR 79486 (Dec. 21, 2011), as amended by 77 FR 26154 (May 3, 2012);
- H. 76 FR 78500 (Dec. 19, 2011), as amended by 76 FR 81789 (Dec. 29, 2011), 77 FR 69735 (Nov. 21, 2012), 78 FR 70193 (Nov. 25, 2013), 79 FR 56482 (Sept. 22, 2014), and 80 FR 73945 (Nov. 27, 2015);
- I. 76 FR 78130 (Dec. 16, 2011);
- J. 76 FR 79025 (Dec. 21, 2011), as amended by 79 FR 64057 (Oct. 28, 2014);
- K. 76 FR 79308 (Dec. 21, 2011), as amended by 77 FR 67744 (Nov. 14, 2012);
- L. 76 FR 78978 (Dec. 20, 2011), as amended by 78 FR 6856 (Jan. 31, 2013), 78 FR 10696 (Feb. 14, 2013), 78 FR 44686 (July 24, 2013), 78 FR 60382 (Oct. 1, 2013), 78 FR 62993 (Oct. 23, 2013), 78 FR 68343 (Nov. 14, 2013), 78 FR 79730 (Dec. 31, 2013), 80 FR 8767 (Feb. 19, 2015), 80 FR 22091 (Apr. 21, 2015), 80 FR 43911 (July 24, 2015), 80 FR 80228 (Dec. 24, 2015), and 81 FR 7032 (Feb. 10, 2016);
- M. 76 FR 79768 (Dec. 22, 2011), as amended by 77 FR 69736 (Nov. 21, 2012), 77 FR 69738 (Nov. 21, 2012), 77 FR 70105 (Nov. 23, 2012), 78 FR 4726 (Jan. 22, 2013), 78 FR 6408 (Jan. 30, 2013), 78 FR 6856 (Jan. 31, 2013), 78 FR 10368 (Feb. 13, 2013), 78 FR 10902 (Feb. 14, 2013), 78 FR 11280 (Feb. 15, 2013), 78 FR 18795 (Mar. 28, 2013), 78 FR 25818 (May 3, 2013), 78 FR 30739 (May 23, 2013), 78 FR 32547 (May 31, 2013), 78 FR 35430 (June 12, 2013), 78 FR 44686 (July 24, 2013), 78 FR 45842

(July 30, 2013), 78 FR 60382 (Oct. 1, 2013), 78 FR 62993 (Oct. 23, 2013), 78 FR 70194 (Nov. 25, 2013), 78 FR 76033 (Dec. 16, 2013), 78 FR 78520 (Dec. 26, 2013), 78 FR 79286 (Dec. 30, 2013), 78 FR 79730 (Dec. 31, 2013), 79 FR 41631 (July 17, 2014), 79 FR 48015 (Aug. 15, 2014), 79 FR 56483 (Sept. 22, 2014), 79 FR 65300 (Nov. 3, 2014), 79 FR 77855 (Dec. 29, 2014), 79 FR 78296 (Dec. 30, 2014), 80 FR 8767 (Feb. 19, 2015), 80 FR 21153 (Apr. 17, 2015), 80 FR 22091 (Apr. 21, 2015), 80 FR 32658 (June 9, 2015), 80 FR 43911 (July 24, 2015), 80 FR 56895 (Sept. 21, 2015), 80 FR 59944 (Oct. 2, 2015), 80 FR 73943 (Nov. 27, 2015), 80 FR 73947 (Nov. 27, 2015), 80 FR 79674 (Dec. 23, 2015), 80 FR 80228 (Dec. 24, 2015), 81 FR 7032 (Feb. 10, 2016), and 81 FR 16074 (Mar. 25, 2016); and  
N. 76 FR 79276 (Dec. 21, 2011).

Dated: April 12, 2016.

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**Richard Cordray,**

*Director, Bureau of Consumer Financial Protection.*

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