



BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1006

[Docket No. CFPB-2021-0007]

RIN 3170-AA41

Debt Collection Practices (Regulation F); Withdrawal of Proposal to Delay Effective Date

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Proposed rule; withdrawal.

SUMMARY: In 2020, the Bureau of Consumer Financial Protection (Bureau) finalized two rules (together, the Debt Collection Final Rules) revising Regulation F, which implements the Fair Debt Collection Practices Act (FDCPA). As finalized, the Debt Collection Final Rules had an effective date of November 30, 2021. On April 7, 2021, the Bureau issued a proposal to delay that effective date by sixty days, until January 29, 2022. The Bureau is withdrawing that proposal for the reasons provided in this document. The Debt Collection Final Rules will take effect on November 30, 2021.

DATES: The proposed rule, published at 86 FR 20334, April 19, 2021, is withdrawn as of [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Briana McLeod, Honors Attorney, or Seth Caffrey, Courtney Jean, or Kristin McPartland, Senior Counsels, Office of Regulations, at 202–435–7700. If you require this document in an alternative electronic format, please contact CFPB_Accessibility@cfpb.gov.

SUPPLEMENTARY INFORMATION:

In October and December 2020, the Bureau issued the Debt Collection Final Rules to revise Regulation F, 12 CFR part 1006, which implements the FDCPA.¹ The Debt Collection

¹ 85 FR 76734 (Nov. 30, 2020); 86 FR 5766 (Jan. 19, 2021).

Final Rules prescribe Federal rules governing the activities of debt collectors as defined in the FDCPA. As finalized, the Debt Collection Final Rules had an effective date of November 30, 2021, one year after the first debt collection final rule was published in the *Federal Register*. In finalizing the effective date for both final rules, the Bureau determined that a one-year period from the publication date of the first final rule would provide debt collectors sufficient time to implement the provisions of both rules.²

Because of the ongoing societal disruption caused by the global COVID-19 pandemic, and to afford stakeholders additional time to review and implement the Debt Collection Final Rules, the Bureau proposed in April 2021 to extend the November 30 effective date by 60 days, to January 29, 2022.³ The Bureau requested comment on whether to extend the effective date, and if so, whether 60 days was an appropriate period for an extension.

Most industry commenters stated that, despite the pandemic, they will be prepared to comply with the Debt Collection Final Rules by November 30, 2021. Many industry commenters also stated that an extension would reduce regulatory certainty and thus increase burden on small entities. Consumer advocate commenters generally supported extending the effective date. However, these commenters generally did not focus on the effects of the COVID-19 pandemic or on whether stakeholders need additional time to review and implement the Rules. Instead, they urged the Bureau to use the extension to reconsider the Debt Collection Final Rules. However, extending the effective date to reconsider the rules is beyond the scope of the Bureau's proposal. For these reasons, the Bureau has decided to withdraw the proposal. The Debt Collection Final Rules will take effect on November 30, 2021.

The April 2021 proposal explained that the Bureau previously considered the costs, benefits, and impacts of the Debt Collection Final Rules' major provisions. It further explained

² 85 FR 76734, 76863 (Nov. 30, 2020); 86 FR 5766, 5838 (Jan. 19, 2021).

³ 86 FR 20334 (Apr. 19, 2021). The April 2021 proposal described the Bureau's legal authority for issuing both that proposal and the Debt Collection Final Rules. *Id.* at 20335.

that, compared to the baseline established by the rules, the proposed extension of the rules' effective date would generally benefit covered persons by facilitating initial compliance with the rules' requirements and delaying the start of ongoing compliance costs but that it could also delay consumers' realization of benefits arising from the protections provided by the rules. As discussed above, industry commenters generally did not agree that delaying the effective date would facilitate compliance. In addition, the Bureau indicated that it did not expect the proposed rule to have a differential 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 or on consumers in rural areas. The Bureau also stated that it did not believe that the proposed effective date extension would reduce consumer access to consumer financial products and services, as the evidence discussed in the Debt Collection Final Rules indicates that the rules themselves will have limited negative impact on access to credit. Because this document withdraws the proposal to change the effective date, any costs and benefits associated with an extension will not be realized. Further, there are no additional costs, benefits, or impacts associated with this document beyond those previously considered with respect to the Debt Collection Final Rules' major provisions. The Bureau has determined that this document will not have any new or revised information collection requirements (recordkeeping, reporting, or disclosure requirements) on covered entities or members of the public that would constitute collections of information requiring OMB approval under the Paperwork Reduction Act of 1995.⁴

Signing Authority

The Acting Director of the Bureau, David Uejio, having reviewed and approved this document, is delegating the authority to electronically sign this document to Laura Galban, a Bureau Federal Register Liaison, for purposes of publication in the *Federal Register*.

⁴ 44 U.S.C. 3501 *et seq.*

Dated: August 26, 2021.

Laura Galban,

Federal Register Liaison, Bureau of Consumer Financial Protection.

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