



PART OF YOUR COMPLIANCE TEAM

JULY 2024 FREE COMPLIANCE NEWSLETTER

CFPB ISSUES INTERIM FINAL RULE AND EXTENDS COMPLIANCE DATES FOR SMALL BUSINESS RULE

Last month we already touched on this, but there is now an interim final rule officially extending the small business rule compliance dates. Essentially, everything was pushed back 290 days, the time needed to hear and settle the lawsuit. Below is the table of the new dates. If you want to read the rule, you can find it [HERE](#).

Compliance Tier	Original Compliance Date	New Compliance Date	First Filing Deadline
Tier 1 Institutions - highest volume lenders	October 1, 2024	July 18, 2025	June 1, 2026
Tier 2 Institutions - moderate volume lenders	April 1, 2025	January 16, 2026	June 1, 2027
Tier 3 Institutions - lowest volume lenders	January 1, 2026	October 18, 2026	June 1, 2027

CFPB WARNS AGAINST DECEPTION IN CONTRACT FINE PRINT

The CFPB issued a warning against the use of unlawful and unenforceable terms and conditions in contracts for consumer financial products and services. Evidently, there are companies out there putting confusing language in the “fine print” that appears to limit consumers rights. If you have been in banking compliance for more than 60 minutes, you know that’s never a good idea. Tory’s favorite compliance quote pretty much addresses this issue – “The large print giveth; the small print taketh away.”

There are a host of regulations that do not allow such practices. Both the Truth-in-Savings and Truth-in-Lending Acts require clear and conspicuous disclosures, the Military Lending Act limits many of these contract restrictions, and our old friend UDAP covers the rest. It’s likely predatory and non-bank lenders engaging in the acts and practices - but it is always a good reminder when reviewing disclosures to look for such language. If you work with third party vendors, it’s even more critical to review what the disclosures say because you are liable if you offer those products to your customers. If you want to read the full circular on unlawful and unenforceable terms and conditions, you can find it [HERE](#).

CFPB ISSUES A NOTICE OF PROPOSED RULEMAKING RELATED TO CONSUMER REPORTING OF MEDIAL INFORMATION

We’re not a big fan of spending a lot of time on proposed rules as they may never be implemented, they may pass significantly different than proposed, and there are enough actual rules to keep us busy, but we wanted to include this one. The proposal would remove an existing Regulation V exception to the Fair Credit Reporting Act’s limitation on a creditor’s use of medical debt information, and it would amend existing exceptions for use of other medical information related to credit eligibility determinations. The proposed rule would also generally prohibit consumer reporting agencies from including medical debt information in consumer reports to creditors making credit determinations. If interested, you can read the proposed rule [HERE](#).

