



January 3, 2012

CFPB Interim Final Rule –Truth In Lending, Regulation Z

Comments Sought on Regulation Z

The Consumer Financial Protection Bureau (CFPB) has issued an interim final rule that consolidates and replaces Regulation Z, which implements the Truth in Lending Act, 15 U.S.C. 1601 *et seq.* The Dodd-Frank Act transferred the authority to implement Regulation Z to the CFPB on July 21, 2011, along with a number of other regulations. (An interim final rule is generally one that an agency adopts as final but also seeks comments on the provisions of the rule.)

The interim final rule was effective on December 30, 2011 and can be accessed [here](#). Please submit comments to CUNA by January 15, 2012. Comments are due to the CFPB by February 21, 2012 and can be filed using <http://www.regulations.gov>. If commenting directly to the CFPB, commenters should reference “Docket No. CFPB-2011-0031” or “RIN 3170-AA06” on their comment letter.

CUNA’s Review to Relief Regulatory Burdens

CUNA will be reviewing Regulation Z in detail with our Consumer Protection Subcommittee and Lending Council to determine what recommendations we can make to the CFPB to relieve some of the burdens of this rule for credit unions without minimizing the legal protections of the Truth-in-Lending Act. Credit unions and Leagues are urged to provide their recommendations for improving Reg Z to CUNA by January 15, 2012 so we can be sure they are reflected in the comment letter we will submit.

For more information about this CFPB rulemaking, contact CUNA Deputy General Counsel [Mary Dunn](#).

Brief Summary of the Interim Final Rule

The interim final rule substantially duplicates the Federal Reserve Board's previous rule under the Truth-in Lending Act and will continue to be labeled, "Regulation Z," 12 C.F.R. Part 1026. The rule incorporates the substance of the Federal Reserve Board's Regulation Z, appendixes, model forms, and supplements. However, the rule has been edited to include wording and other technical revisions required by the Dodd-Frank Act. The CFPB notes that the interim final rule does not impose any new substantive requirements. The CFPB retained the current numbering system for the regulation, although Regulation Z has a new part number, 1026.

The CFPB says that the interim final rule does not impose any new substantive obligations on regulated entities. The published rule contains some specific changes, which include:

- Existing §§ 226.5a(b)(15) and 226.6(b)(2)(xiv) require card issuers to include a reference to the website of the Fed in their disclosures. The references are now to the CFPB's website. The CFPB is adding a provision that until January 1, 2013, issuers may continue to use disclosures that reference the Fed. Also, issuers using model forms may continue to reference the Fed and its web site in those forms until January 1, 2013.
- References elsewhere in the rule to the Fed have been replaced with references to the CFPB;
- Edits have been made to cross-references and addresses for filing applications and notices;
- Comments reflecting the Fed's past state law preemption determinations have been amended to clarify that the determinations remain in effect until the CFPB overturns them;
- Edits have been made to reflect the CFPB's authority to implement TILA;
- Changes have been made to existing comment 36(a)-4 to clarify the test for a person to be a loan originator (compensation or monetary gain and the arranging, negotiating or otherwise obtaining of consumer credit); and
- Revisions have been made to the definition of "private education loan" at 46(b)(5)(iii) to clarify that the definition excludes all open end credit and all loans secured by real property.