



December 29, 2011

Interim Final Rule - Consumer Leasing (Regulation M)

The Consumer Financial Protection Bureau (CFPB) has issued an interim final rule that replaces the Federal Reserve Board's (Fed) Regulation M which implements the Consumer Leasing Act of 1976 (CLA). The interim final rule substantially duplicates the Fed's Regulation M as the CFPB's new Regulation M, 12 C.F.R. Part 1013, making only certain non-substantive, technical, formatting, and stylistic changes, and the CFPB notes that "this interim final rule does not impose any new substantive obligations on persons subject to existing Regulation M..."

To minimize any potential confusion, the CFPB is preserving the past numbering of the Fed's Regulation M. While the interim final rule generally incorporates the Fed's existing regulatory text, appendices (including model forms and clauses), and supplements, the rule has been edited as necessary to reflect technical changes and incorporate nomenclature as required by the Dodd-Frank Act.

The CLA and Regulation M require lessors, including credit unions, to provide consumers with uniform cost and other disclosures about consumer lease transactions. The statute and the regulation generally apply to consumer leases for the use of personal property in which the contractual obligation has a term of more than four months and the lessee's total contractual obligation under the lease exceeds a specified dollar threshold. From January 1, 2012 through December 31, 2012, the threshold amount is \$51,800. The CUNA eGuide resources on the existing Regulation M rules (which are substantively similar to the interim final rule) can be accessed [here](#).

CUNA is reviewing the interim final rule to determine if there are any regulatory changes that could be made to Regulation M as it relates to credit unions. To the extent that we have such recommendations which could reduce the regulatory burden on credit unions, we will include these in our comment letter.

The interim final rule is effective on December 30, 2011 and can be accessed [here](#) (and a related correction [here](#)). **Please submit comments to CUNA by January 17, 2012.** Comments are due to the CFPB by February 17, 2012 and can be filed using <http://www.regulations.gov>. If commenting directly to the CFPB, commenters should refer to Docket No. CFPB-2011-0026 or RIN 3170-AA06 on the comment letter.

For more information about this CFPB rulemaking, please contact CUNA Deputy General Counsel Mary Dunn at mdunn@cuna.com and Regulatory Counsel at dtsang@cuna.com or call (800) 356-9655 ext. 6733.