



December 30, 2011

CFPB Interim Final Rule – Equal Credit Opportunity Act, Regulation B

Comments Sought on Regulation B

The Consumer Financial Protection Bureau (CFPB) has issued an interim final rule that consolidates and replaces Regulation B, which implements the Equal Credit Opportunity Act, 15 U.S.C. 1691. The Dodd-Frank Act transferred the authority to implement Regulation B 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 is 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-2011-0019” or “RIN 3170-AA06” on their comment letter.

CUNA’s Review to Relief Regulatory Burdens

CUNA will be reviewing Reg B 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 ECO Act. Credit unions and Leagues are urged to provide their recommendations for improving Reg B to CUNA by January 15 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 at Mdunn@cuna.coop.

Brief Summary of the Interim Final Rule

The interim final rule substantially duplicates the Federal Reserve Board’s previous rule under the ECO Act will continue to be labeled, “Regulation B,” 12 C.F.R. Part 202. The rule incorporates the substance of the Federal Reserve Board’s Regulation B, 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 also noted that there will be upcoming proposed changes required by the Dodd-Frank Act, to implement small business loan data collection requirements and consumers' right to a copy of an appraisal. CUNA will urge the CFPB to minimize any new requirements under Reg B for credit unions.

The CFPB said it may also increase the duration of Regulation B's record-keeping requirements in recognition of the fact that Dodd-Frank expands the statute of limitations under Reg B from two to five years (this is generally the deadline for filing civil actions under Reg B, such as when a borrower or potential borrower files suit against a lender under Reg B.) CUNA will be urging the CFPB to refrain from extending the recordkeeping requirements.

Additionally, the CFPB indicated that Appendix A, which lists agencies that enforce Regulation B, is unchanged as it relates to nonbank creditors (this term does not refer to credit unions but would include payday lenders.) That is because the agency is still without a director and as a result, is not authorized to oversee entities such as payday lenders that were not already regulated prior to the passage of the Dodd-Frank Act. The interim rule's Appendix A has been revised to focus on the Federal agencies that should be identified in adverse action notices provided when credit is denied, so consumers will know where to pursue complaints or questions.