

Client Alert

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CFPB Finalizes Rule Suspending Quarterly Submission of Credit Card Agreements

By Rick Fischer, Obrea Poindexter, Jeremy Mandell, and James Nguyen

On April 15, 2015, the Consumer Financial Protection Bureau (“CFPB”) announced a final rule (“Final Rule”) that suspends for one year the requirement under the Truth in Lending Act and implemented by Regulation Z that credit card issuers submit their card agreements to the CFPB on a quarterly basis. The Final Rule adopts the February 2015 proposed rule and took effect immediately upon its April 17, 2015, publication in the *Federal Register*.

During the suspension period, the CFPB will work to develop a “streamlined and automated electronic submission system” that will enable issuers to upload agreements directly to the CFPB’s online repository.

TEMPORARY SUSPENSION PERIOD AND RESUMPTION OF QUARTERLY SUBMISSIONS

New Section 1026.58(g) of Regulation Z suspends the Section 1026.58(c) requirement for card issuers to make quarterly submissions of agreements to the CFPB through the first business day on or after January 31, 2016.¹ According to the commentary adopted under the Final Rule, issuers will be required to resume quarterly submissions the first business day on or after April 30, 2016.²

POSTING OF AGREEMENTS ON AN ISSUER’S WEB SITE

Notwithstanding the Final Rule, issuers still must post credit card agreements on their Web sites. In addition, the CFPB says that during the suspension period it intends to manually compile credit card agreements from issuer Web sites and make them available to consumers on the CFPB’s Web site.

STREAMLINED AND AUTOMATED ELECTRONIC SUBMISSION SYSTEM

The press release issued with the Final Rule states that, during the suspension period, the CFPB “will work to develop a more streamlined and automated electronic submission system” that is “easier for issuers to use than the current manual submission system” and that enables “faster posting of new and revised agreements” to the CFPB’s Web site.

Industry commenters have urged the CFPB to “consult with financial institutions before finalizing new technical specifications for the submission of credit card agreements.” The CFPB has responded that it will not release the technical specifications through the notice-and-comment process, but that it will “consult” with financial institutions.

¹ 80 Fed. Reg. 21,153, 21,158 (Apr. 17, 2015) (to be codified at 12 C.F.R. § 1026.58(g)(1)).

² *Id.* (to be codified at 12 C.F.R. pt. 1026, Supp. I, cmt. 58(g)-2).

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