

The Consumer Financial Protection Bureau (CFPB), Recent Developments: September 1, 2014 – September 5, 2014

CFPB Issues Bulletin Regarding Marketing of Promotional Credit Card Offers

On September 3rd, the CFPB issued [Bulletin 2014-02](#) warning credit card companies against deceptively marketing interest-rate promotions to consumers. The CFPB is concerned that consumers do not adequately understand certain types of credit card offers, such as balance transfers, deferred-interest offers, and convenience checks. The CFPB previously raised concerns about consumer understanding of such offers in its [October 2013 CARD Act Report](#). Often these promotional offers will allow consumers to transfer a balance for a fee and receive a promotional interest rate for a limited period of time. Although the offers feature a lower interest rate during the promotional period, additional purchases made by the consumers with the credit card may incur interest charges immediately or at the normal rate. In the CFPB's view, some companies' marketing materials do not disclose the terms of these promotional offers to consumers clearly enough. The Bulletin describes what the CFPB considers to be deceptive marketing practices with respect to such promotional offers and suggests how companies can clearly disclose the costs and terms associated with these offers.

According to the Bulletin, the CFPB expects credit card companies to incorporate adequate measures into their compliance management systems to address these potentially deceptive types of marketing. The CFPB recommends the following steps to ensure compliance:

- All solicitations, applications, account-opening materials, and convenience checks comply with the requirements in Regulation Z;
- All marketing materials clearly, prominently, and accurately describe the material costs, conditions, and limitations associated with the offers; and
- All marketing materials clearly, prominently, and accurately describe the effect of promotional APR offers on the grace period for new purchases.

Upcoming CFPB Consumer Advisory Board Meeting

The CFPB will hold a [Consumer Advisory Board](#) meeting with Director Richard Cordray on September 11th from 10:30 a.m. to 3:30 p.m. EDT at Gallaudet University in Washington, D.C. The meeting, which is open to the public, will address trends and themes related to technology and access to financial services. The [meeting agenda](#) has been published. Attendees [must RSVP](#) for the event.

CFPB Launching Financial Education Program for Veterans and Low-Income Consumers

On September 4th, the CFPB published a [notice in the Federal Register](#) soliciting comments on new information collection activities it is proposing in connection with its financial coaching program for veterans and low-income consumers. The financial coaching program will begin in in late 2014. It will provide "direct financial coaching services to transitioning veterans and economically vulnerable consumers nationwide." In order to evaluate the effectiveness of this program, the CFPB intends to collect data from program participants, including administrative data, interview data from evaluators, and self-reported survey data. The CFPB is requesting comments on (1) whether the information collection is necessary; (2) the accuracy of the CFPB's estimate of the burden of the information collection; (3) ways to enhance the quality, utility, and clarity of the information collected; and (4) ways to minimize the burden of the collection of information on respondents. Comments are due by November 3, 2014.

The Consumer Financial Protection Bureau (CFPB), created by the Dodd-Frank Wall Street Reform and Consumer Protection Act, implements and enforces federal consumer financial law. Greenberg Traurig monitors the CFPB's activities, including the almost daily movement on multiple industry fronts that the CFPB makes as it redefines consumer finance law. An entirely new system has been and is being created for the consumer financial services industry. Once complete, the question will be, "How does our clients' business match up?" Our GT CFPB Team regularly observes and analyzes the actions of the CFPB in order to advise clients in best practices, risk management and compliance procedures.

This *GT Alert* was prepared by **Gil Rudolph, Brett Kitt, Scott Sheehan** and **Peter Cockrell**. Questions about this information can be directed to any member of Greenberg Traurig's **Consumer Financial Protection Bureau (CFPB)** team of professionals:

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