

*CFPB Developments September 8-12, 2014:***CFPB Finalizes Larger Participant Rule for Nonbank International Money Transfer Providers, Increases Thresholds for Regulations Z and M****CFPB Finalizes Rule to Oversee Larger Nonbank International Money Transfer Providers**

On September 12th, the CFPB finalized its [larger participant rule](#) for nonbank international money transfer providers. Section 1073 of the Dodd-Frank Act expanded the scope of the Electronic Fund Transfer Act to provide protections for consumers when they send funds abroad. In October 2013, the CFPB's Remittance Rule, which implements the new protections created by section 1073, went into effect for both banks and nonbanks. In finalizing the larger participant rule, which was originally proposed in January 2014, the CFPB will for the first time be able to supervise larger participants in the nonbank remittance transfer market for compliance with the CFPB's new regulations for remittance transfers.

The larger participant rule, which was finalized largely as proposed, will subject any nonbank international money transfer provider that provides more than 1 million remittance transfers annually to the CFPB's supervisory authority. The CFPB has estimated that this will subject 25 of the largest nonbank remittance transfer providers to CFPB supervision when the rule takes effect December 1, 2014.

CFPB Updates Guidance for TILA-RESPA Integrated Disclosure Rule

On September 8th, the CFPB issued an update of its [Small Entity Compliance Guide](#) for the TILA-RESPA Integrated Disclosure Rule. The Integrated Disclosure Rule, which becomes effective August 15, 2015, combines the disclosures consumers are required to receive under the Truth in Lending Act and the Real Estate Settlement Procedures Act when applying for and closing on a mortgage loan. Among other things, the updated guidance includes additional clarifying questions regarding the timing for providing the Loan Estimate, as well as new information for finding additional resources. The updated guidance materials also include a new disclosure timeline illustrating the process and timing of disclosures for a sample real estate purchase transaction.

CFPB Announces Increases in Regulations Z and M Thresholds

On September 9th, the CFPB and the Federal Reserve Board announced increases in the dollar thresholds in [Regulation Z](#) (Truth in Lending) and [Regulation M](#) (Consumer Leasing) for exempt consumer credit and lease transactions. Transactions above the thresholds are exempt from the regulations' requirements.

The thresholds are adjusted annually by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers. Effective January 1, 2015, the requirements of the Truth in Lending Act and the Consumer Leasing Act generally will apply to consumer credit transactions and consumer leases of \$54,600 or less. Note that the threshold exemption does not apply to private education loans and loans secured by real property. Such transactions remain subject to the Truth in Lending Act regardless of the loan amount.

Recent CFPB Speaking Engagements

On September 8th, CFPB Deputy Director Steven Antonakes [spoke at the American Mortgage Conference](#). Antonakes emphasized the importance of complying with the CFPB's new mortgage rules. Calling the rules a "return to traditional mortgage lending," Antonakes stated that consumers "deserve to be treated fairly during that process—not to be given the runaround or face constant surprises about their loan."

On September 9th, CFPB Director Richard Cordray [spoke before the Senate Committee on Banking, Housing and Urban Affairs](#), providing the Committee with an overview of the CFPB's recent activities and future priorities. While the CFPB is continuing to research how best to define the scope of existent statutory provisions applicable to small creditors that operate predominantly in "rural or underserved" areas, Cordray noted that the CFPB is increasing its focus on non-mortgage markets such as international money transfers. Cordray also emphasized the CFPB's focus on monitoring nonbank companies and stated that the CFPB is "well into the process of developing proposed rules in several other areas, including prepaid cards, debt collection, and payday lending." Finally, Cordray described the CFPB's system for allocating its enforcement resources as a "system of risk-based prioritization" and further stated that through its enforcement and supervision activities, the CFPB is seeking to "drive a cultural change within financial institutions that places more emphasis on compliance with the law and treating customers fairly."

On September 10th, Director Cordray [spoke at the National Association of Federal Credit Unions conference](#), providing an update on implementation of the CFPB's new mortgage origination rules. Cordray emphasized shared perspectives of credit unions and the CFPB: "In the end, we believe that credit unions see the world the same way we do: consumers who understand their options, weigh choices appropriately, and make sound decisions are good for responsible businesses and for the economy as a whole."

Finally, on September 11th, Director Cordray [spoke at the CFPB's Consumer Advisory Board meeting](#) in Washington, D.C. Cordray's comments focused on mobile banking and payments, an emerging area of consumer finance law that the CFPB is very actively studying: "We want to know more about how emerging technologies are affecting the opportunities and challenges that consumers are facing." Cordray emphasized that the CFPB intends to make sure that regulations keep up the technological developments in mobile banking and online payments: "In short, at the Consumer Bureau, we are not content just to watch technology unfold before considering and taking appropriate action as it affects consumers in the financial marketplace. We intend to move forward alongside industry, keeping an eye out to protect consumers as these new technologies develop, not simply after-the-fact."

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.

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