

## CFPB Observer: Recent Developments from April 13-17, 2015

### CFPB Enforcement Action Against Refund Anticipation Loan Company

On April 14, the CFPB announced a joint enforcement action with the Navajo Nation against a tax-refund anticipation loan company and the company's owners. The loan company's owners also operated several tax-preparation franchises. According to the complaint, the tax-preparation franchises referred their tax preparation clients, who were largely citizens of the Navajo Nation, to the refund anticipation loan company. The complaint alleges that the defendants engaged in unfair, deceptive, or abusive acts or practices in violation of the Consumer Financial Protection Act by, among other things, steering their tax preparation clients to higher-cost loan products, understating the loans' annual percentage rates, and failing to disclose the availability of consumers' tax refunds. Under the terms of the proposed consent order, the defendants would be required to provide roughly \$438,000 in total consumer redress and to pay \$438,000 in civil penalties.

### CFPB Issues Guidance on Housing Counselor Requirement

On April 15, the CFPB issued a [final interpretive rule](#) regarding a requirement under the Real Estate Settlement Procedures Act regarding housing counselor information. Section 1024.20 of implementing Regulation X requires lenders to provide each loan applicant with a written list of homeownership counseling organizations that provide relevant services in the loan applicant's neighborhood. Lenders may comply with this requirement by either (1) using a tool developed and maintained by the CFPB on its website, or (2) using data made available by the CFPB, provided that the data are used in accordance with the attendant instructions. The interpretive rule restates guidance that the CFPB previously issued in 2013. In addition, this new interpretive rule provides guidance for lenders that opt to develop their own lists of housing counselors instead of utilizing the [CFPB's online tool](#).

### CFPB Finalizes Rule on Credit Card Agreement Submission Process

On April 15, the CFPB [finalized a rule](#) aimed at improving the manner in which credit card companies submit consumer credit card agreements to the CFPB. The Credit Card Accountability, Responsibility, and Disclosure (CARD) Act of 2009 requires credit card issuers to post consumer credit card agreements on their websites and also submit them to the CFPB. The CFPB then publishes them in a public database on its website. The final rule suspends for one year the requirement for card issuers to submit agreements to the CFPB on a quarterly basis. During the interim time period, the CFPB intends to streamline and automate the electronic submission system. Credit card issuers must resume submitting credit card agreements on a quarterly basis starting April 30, 2016.

### CFPB to Hold First Research Conference on Consumer Finance

The CFPB will hold its first research conference May 7-8 in Washington, D.C. The goal of the conference is to “connect the core community of researchers and policymakers with the best research being conducted across the wide range of disciplines and approaches that can inform the topic of consumer finance.” The event is open to the public, but [registration is required](#).

**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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