

LEGAL UPDATES

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CFPB Floats Rescission of NBR Rule

Service

Consumer Financial
Services

The Consumer Financial Protection Bureau (CFPB) continues to redefine its priorities, and among the many policies targeted for change, the “Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders” (hereafter the NBR Rule), adopted in July 2024, appears to be near the top of the list. On May 13, 2025, the CFPB proposed rescinding the rule in its entirety.

Industry

Financial Services &
Capital Markets

The NBR Rule requires nonbank companies—such as installment lenders, payday lenders, mortgage companies, debt collectors, etc.—to report to the CFPB if a government agency or court had issued a final public order against them in connection with consumer financial products or services and, for supervised entities, to file annual compliance reports about those orders. Notably, certain depository institutions like commercial banks and credit unions were exempted from these requirements. The public comment window on the proposed rescission closed June 13, 2025.

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The rule carried with it some obvious issues of concern for the consumer financial services industry. One major drawback frequently noted in public comments was the heavy compliance burden the rule placed on companies, the cost of which was likely to be passed on to consumers. Given the speculative and unquantified benefits the CFPB would derive from the rule’s implementation, the costs of implementation were likely out of alignment with any potential benefit. This cost-benefit analysis was even more skewed when one considers the perceived redundant nature of the rule; other federal and state agencies already have the authority to enforce consumer financial laws and publish them in accordance with their rules. These factors were highlighted by the CFPB itself in its proposed rescission. The CFPB proposes that the rescission would become effective immediately upon publication of the final rule.

What this means to you

Nonbank financial companies that offer consumer financial products or services would no longer have to report these agency or court orders to the CFPB registry, reducing greatly associated compliance burdens. With the public comment window now closed, we expect the CFPB will act quickly to relieve companies of the compliance obligations the NBR Rule imposed.

Contact us

If you have questions regarding the NBR Rule and its proposed rescission, please contact Marci Kawski or your Husch Blackwell attorney.