



## **Memorandum Detailing CFPB’s Proposal to Rescind Various Provisions of 2017 Final Rule Governing Payday, Vehicle Title, and Certain High-Cost Installment Loans**

February 22nd, 2019

On February 6, 2019, the Consumer Financial Protection Bureau proposed to rescind (the “2019 NPRM”) certain provisions of the November 2017 Rule governing Payday, Vehicle Title, and Certain High-Cost Installment Loans (the “2017 Final Rule”). The Bureau also proposed, in a separate NPRM, to delay the August 19, 2019 compliance date of certain portions of the 2017 Final Rule (the “Compliance Date NPRM”).

The 2017 Final Rule imposed limitations on (i) short-term consumer loans, (ii) longer-term consumer installment loans with balloon payments, and (iii) higher-rate consumer installment loans repayable by a payment authorization. The 2017 Final Rule required lenders originating short-term loans and longer-term balloon payment loans to evaluate whether each consumer has the ability to repay the loan along with current obligations and expenses. The 2017 Final Rule also curtailed repeated unsuccessful attempts to debit consumers’ accounts for short-term loans, balloon payment loans, and installment loans that involve a payment authorization and an APR over 36%.

The Compliance Date NPRM would delay the compliance date for the Mandatory Underwriting Provisions of the 2017 Final Rule by 15 months to November 19, 2020.

There are two key dates regarding the 2019 NPRM and the Compliance Date NPRM. Comments and responses to the Bureau’s 16 questions regarding the 2019 NPRM are due May 15, 2019. Comments and questions to the Bureau’s 7 questions regarding the Compliance Date NPRM are due March 18, 2019.

This memorandum contrasts the 2019 NPRM and the 2017 Final Rule. Additionally, this memorandum outlines the requirements of the Payment Provisions in further detail.

### **Memorandum**

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