

## **Advocacy Submits Comments on CFPB's Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders NPRM**

On January 30, 2023, the Consumer Financial Protection Bureau (CFPB) published a notice of proposed rulemaking for the Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders. The proposed rule has three provisions. The first proposed provision would require nonbank covered persons that are subject to agency and court orders to register and submit copies of the orders to the CFPB. The provision includes consent and stipulated orders and judgments. The second proposed provision would require nonbank covered persons to prepare and submit an annual written statement, signed by a designated individual, regarding compliance with each covered public order. The third proposed provision describes the registration information the CFPB would make publicly available.

On March 28, 2023, the Office of Advocacy (Advocacy) submitted comments on the Consumer's notice of proposed rulemaking on the Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders. Advocacy's comment letter states that:

- Advocacy questioned the factual basis for the CFPB's certification. Specifically, Advocacy questioned the CFPB's inability to provide information about the number of small entities that may be impacted by the proposal and the estimated costs of the proposal.
- The proposed rule includes all orders, including consent and stipulated orders. A consent order is a settlement agreement approved by a court. Parties enter into settlement agreements for various reasons. It does not necessarily mean that a person or company acknowledges fault. Advocacy encouraged the CFPB not to require consent orders and other stipulated orders to be included in the registry.
- Advocacy also expressed concerns about requiring an order to be a covered order for ten years after its effective date. Advocacy encouraged the CFPB to limit the effective term to the effective term of the covered order.
- Advocacy questioned whether this action is needed. Trade groups have indicated that most of the information that the CFPB is attempting to collect is collected by Conference of State Bank Supervisors' National Multistate Licensing System (NLMS).
- Advocacy encouraged the CFPB to provide guidance to assist small entities in complying with the requirements of the rulemaking.

A complete copy of [Advocacy's letter to the FTC](#) is available. For more information, please contact Jennifer A. Smith, Assistant Chief Counsel, at [Jennifer.Smith@sba.gov](mailto:Jennifer.Smith@sba.gov).