

## **Advocacy Submits Comments on CFPB's Registry of Supervised Nonbanks that Use Form Contracts to Impose Terms and Conditions that Seek to Waive or Limit Consumer Legal Protections NPRM**

On February 1, 2023, the Consumer Financial Protection Bureau (CFPB) published a notice of proposed rulemaking for the Registry of Supervised Nonbanks that Use Form Contracts to Impose Terms and Conditions that Seek to Waive or Limit Consumer Legal Protections. The proposed rule would establish a CFPB system for registration of nonbanks that use covered terms or conditions that seek to waive consumer rights or other legal protections or limit the ability of consumers to enforce or exercise their rights.

On March 30, 2023, the Office of Advocacy (Advocacy) submitted comments on the proposed rule. Advocacy's comment letter states that:

- Advocacy questioned the factual basis for the CFPB's certification. Specifically, Advocacy questioned the CFPB's failure to provide information about the number of small entities that may be impacted by the proposal and its estimated costs.
- The Regulatory Flexibility Act requires the CFPB to provide information about the number of small entities that will be impacted using the appropriate SBA size standards. CFPB's 1022(b)(4) analysis proposes an exemption threshold of one million dollars, but that is not the size standard for the relevant industries. Many more small businesses may be impacted by this rule than CFPB's analysis describes.
- Advocacy encourages the CFPB to consult Census data to obtain more information about the nature of the impact to small businesses.
- 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).