

CFPB Proposes Rule to Establish Public Registry of Non-Bank Entities Subject to Consumer Financial Protection Related Orders

Alert

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The Consumer Financial Protection Bureau (CFPB) is seeking comment on a [proposed rule](#) under which the CFPB would require non-bank covered entities that are subject to certain public agency and court orders to register with the CFPB and submit a copy of such determinations. The registry would be made available to the public and other regulators by the CFPB on its website and potentially in other forms.

Under the proposed rule, non-depository entities or certain affiliates of such entities that offer or provide a consumer financial product or service and are a party to a final, public covered order will generally be required to register with the CFPB, provide a copy of the order and subsequently update the registry as necessary.

A "covered order" is proposed to be defined as a final, public order issued by an agency or court, whether or not issued upon consent, that identifies the covered non-bank by name and was issued at least in part in any action or proceeding brought by any federal, state or local agency; contains public provisions that impose obligations on the non-bank to take certain actions or to refrain from taking certain actions based on an alleged violation of a state or federal consumer financial protection law; and has an effective date on or later than January 1, 2017. Orders would be included in the registry for 10 years after the order's effective date or the order's expressly provided termination date, whichever is later.

In addition, non-bank entities subject to the CFPB's supervisory authority under the Consumer Financial Protection Act would be required to submit an annual written statement to the CFPB regarding compliance with each order listed on the registry. The entity's highest-ranking appointed senior executive officer with

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knowledge of the entity's compliance systems and controls would be required to attest to the statement. Annual certifications would be treated as confidential supervisory information of the CFPB.

The CFPB states that the purpose of the proposed information collection is multi-fold, including:

- To collect information to support CFPB functions by monitoring for risks to consumers in the offering or provision of consumer financial products or services, including developments in markets for such products and services
- To prescribe rules regarding registration requirements for non-banks
- To facilitate supervision
- To assess and detect risks to consumers
- To ensure that the entities are legitimate and able to perform their obligations to customers
- To determine when to exercise its examination authority and its enforcement powers

Comments on the CFPB's proposed rule must be submitted within 60 days after publication in the *Federal Register*, which is expected shortly.

For more information on the CFPB proposed rule, please contact [Audrey Carroll](#), [Michelle Fox](#), [Heidi Wicker](#) or the Stinson LLP contact with whom you regularly work.

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