AMENDMENT IN THE NATURE OF A SUBSTITUTE TO H.R. 10184

OFFERED BY MR. BARR OF KENTUCKY

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Consumer Financial Protection Accountability and Reform Act of 2026".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—REFORMING BUREAU GOVERNANCE

SEC. 101. BRINGING THE BUREAU INTO THE REGULAR APPROPRIATIONS PROCESS.

Section 1017 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5497) is amended—

(1) in subsection (a)—

(A) by amending the heading of such subsection to read as follows: "BUDGET, FINANCIAL MANAGEMENT, AND AUDIT.—";

(B) by striking paragraphs (1), (2), and (3);

(C) by redesignating paragraphs (4) and (5) as paragraphs (1) and (2), respectively; and

(D) by striking subparagraphs (E) and (F) of paragraph (1), as so redesignated;

(2) by striking subsections (b) and (c);

(3) by redesignating subsections (d) and (e) as subsections (b) and (c), respectively; and

(4) in subsection (c), as so redesignated—

(A) by striking paragraphs (1), (2), and (3); and

(B) in paragraph (4), by striking "(4) ANNUAL REPORT.—".

SEC. 102. CONSUMER FINANCIAL CIVIL PENALTY FUND.

Subsection (b) of section 1017 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5497), as so redesignated by section 101(3), is amended—

(1) in paragraph (2)—

(A) in the first sentence, by inserting "direct" before "victims"; and

(B) by striking the second sentence; and

(2) by adding at the end the following:

"(3) TREATMENT OF EXCESS AMOUNTS.—With respect to a civil penalty described under paragraph (1), if the Bureau makes payments to all of the direct victims of activities for which that civil penalty was imposed, the Bureau shall transfer all amounts that remain in the Civil Penalty Fund with respect to that civil penalty to the general fund of the Treasury.".

SEC. 103. TRANSPARENCY IN COST-BENEFIT ANALYSIS.

Section 1022(b) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)) is amended by adding at the end the following:

"(5) ADDITIONAL RULEMAKING REQUIREMENTS.—

"(A) IN GENERAL.—Each notice of proposed rulemaking issued by the Bureau shall be published in its entirety in the Federal Register and shall include—

"(i) an identification of objectives and key performance indicators, including—

"(I) a specification of the primary objectives and intended effects of the rule, balancing the need for consumer financial protection with access to affordable consumer financial products and services; and

"(II) an identification of 1 or more key performance indicators by which the effectiveness of the rule will be assessed during the review under section 1022A;

"(ii) an identification of each provision of Federal law that provides the Bureau with statutory authority to issue the proposed regulation, including, with respect to each material requirement of the proposed regulation, the statutory provision authorizing that requirement;

"(iii) an examination of why the Bureau must undertake the proposed regulation and why the private market, State, local, or tribal authorities cannot adequately address the problem;

"(iv) an examination of whether the proposed regulation is duplicative, inconsistent, or incompatible with other Federal regulations and orders;

"(v) if the proposed regulation is found to be duplicative, inconsistent, or incompatible with other Federal regulations and orders, a discussion of—

"(I) why the proposed regulation is justified;

"(II) how the proposed regulation can coexist with the existing regulations; and

"(III) how the Bureau plans to reduce the regulatory burden associated with the duplicative, inconsistent, or incompatible proposed regulation;

"(vi) a quantitative and qualitative assessment of all anticipated direct and indirect costs and benefits of the proposed regulation, including—

"(I) compliance costs for all regulated entities, including small businesses;

"(II) effects on economic activity, efficiency, capital formation, and market competition;

"(III) regulatory and administrative costs of implementation;

"(IV) costs imposed on State, local, and tribal entities;

"(V) effects on approval rates for consumer financial products or services;

"(VI) effects on access to consumer financial products or services;

"(VII) effects on the cost of credit to consumers and businesses;

"(VIII) effects on the availability, variety, and terms of consumer financial products or services; and

"(IX) with respect to any effect described in subclauses (I) through (VIII) that the Bureau determines cannot reasonably be quantified, an explanation of the basis for that determination and a qualitative assessment of such effect;

"(vii) an identification of reasonable alternatives to the regulation, including modification of an existing regulation;

"(viii) an analysis of the costs and benefits, both quantitative and qualitative, of any alternative identified pursuant to clause (vii);

"(ix) if quantified net benefits of the proposed action do not outweigh the quantified net benefits of the alternatives, a justification of the regulation;

"(x) if quantified benefits identified pursuant to clause (vi) do not outweigh the quantified costs of the regulation, a justification of the regulation;

"(xi) an assessment of how the burden imposed by the regulation will be distributed; including whether consumers, or small businesses will be disproportionately burdened; and

"(xii) a probability distribution of the relevant outcomes of the proposed regulation, created through the use of appropriate statistical techniques.

"(B) RELEASE OF DATA AND ASSUMPTIONS RELIED UPON IN THE RULEMAKING PROCESS.—To the greatest extent possible, considering protections with respect to confidential supervisory information, trade secrets, and confidential commercial information, the Bureau shall—

"(i) preserve and make available to the Director of the Office of Management and Budget any data and assumptions the Bureau relied upon in proposing a rule; and

"(ii) make such data and assumptions publicly available.

"(C) RULEMAKINGS INVOLVING NO MATERIAL DISCRETION.—

"(i) IN GENERAL.—The requirements of subparagraph (A), other than the requirement under clause (ii) of such subparagraph to identify statutory authority, shall not apply to a provision of a proposed regulation to the extent the Bureau exercises no material discretion with respect to such provision pursuant to an express statutory requirement.

"(ii) EXPLANATION REQUIRED.—A notice of proposed rulemaking relying on the exclusion under this subparagraph shall identify each provision for which the Bureau asserts that the Bureau exercises no material discretion and the statutory requirement giving rise to that assertion.".

SEC. 104. ACCOUNTABILITY TO SMALL BUSINESSES.

(a) RULEMAKING UNDER DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT.—Section 1022(b)(2)(A) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5512(b)(2)(A)) is amended—

(1) in clause (i), by striking "and" at the end;

(2) in clause (ii), by striking the semicolon at the end and inserting "; and"; and

(3) by adding at the end the following:

"(iii) the impact of proposed rules on small entities, in accordance with section 609 of title 5, United States Code;".

(b) INITIAL REGULATORY FLEXIBILITY ANALYSIS.—Section 603(d)(1) of title 5, United States Code, is amended—

(1) in subparagraph (B), by striking "and" at the end;

(2) in subparagraph (C), by striking the period and inserting "; and"; and

(3) by adding at the end the following:

"(D) where the covered agency does not adopt any alternatives described in paragraphs (1) through (4) of subsection (c), a detailed justification of the covered agency's determination that the relative size and resources of small entities should have no bearing on the rule, supported by factual, policy and legal reasons.".

(c) FINAL REGULATORY FLEXIBILITY ANALYSIS.—Section 604(a) of title 5, United States Code, is amended by amending the second paragraph (6) to read as follows:

"(7) for a covered agency, as defined in section 609(d)(2), a description of the steps the agency has taken to minimize any additional cost of credit for small entities and, where no significant alternatives for small entities was adopted, a detailed justification of the covered agency's determination that the relative size and resources of small entities should have no bearing on the rule, supported by factual, policy and legal reasons.''.

SEC. 105. MODERNIZING REGULATORY REVIEWS.

(a) AMENDMENT TO THE CONSUMER FINANCIAL PROTECTION ACT OF 2010.—Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5481 et seq.) is amended by inserting after section 1022 the following:

''SEC. 1022A. ENHANCED REVIEW OF REGULATIONS.

''(a) REVIEW OF MAJOR RULES OR ORDERS.—

''(1) REVIEW AUTHORITY.—Notwithstanding any other provision of law, a review of major rules or orders shall be conducted by the OMB Director.

''(2) TIMING OF REVIEW.—

''(A) IN GENERAL.—With respect to any major rule or order for which compliance with such rule or order is required on or after the date of the enactment of this section, the OMB Director shall conduct a review of such rule or order not later than 8 years after the first date on which compliance with such rule or order is required.

"(B) RETROSPECTIVE REVIEW.—With respect to any major rule or order in effect for which compliance with such rule or order is required before the date of the enactment of this section, the OMB Director shall conduct a review of such rule or order not later than 8 years after the date of the enactment of this section.

"(3) SCOPE OF REVIEW.—In conducting a review under this subsection, the OMB Director shall—

"(A) evaluate the costs and benefits of the rule, including—

"(i) compliance costs for covered persons and service providers;

"(ii) the extent to which the rule achieved the objectives of the rule;

"(iii) changes in technology, the emergence of new market entrants, and other market developments since the rule was issued;

"(iv) impacts on competition, innovation, and risk-based pricing;

"(v) operational impacts on covered persons and service providers;

"(vi) any unintended consequences affecting consumer choice or access to credit; and

"(vii) whether any dollar, volume, or other thresholds appropriately tailor burdens to entity size; and

"(B) consider the purposes, objectives, and functions of the Bureau under section 1021.

"(4) PUBLIC INPUT AND AGENCY RESPONSE.—

"(A) REQUEST FOR INFORMATION.—Prior to completing the review, the OMB Director shall seek public comment for not less than 90 days on the factors described in paragraph (3).

"(B) AGENCY RESPONSE.—Not later than 120 days after the close of the comment period, the Bureau shall provide a written response to the OMB Director addressing relevant comments received.

"(C) INTERAGENCY CONSULTATION.—

"(i) IN GENERAL.—In conducting a review under this subsection, the OMB Director shall consult with—

"(I) the Board of Governors of the Federal Reserve System;

"(II) the Federal Deposit Insurance Corporation;

"(III) the Office of the Comptroller of the Currency;

"(IV) the Federal Trade Commission;

"(V) if the Bureau conducted a small business review panel for the major rule or order, the Small Business Administration; and

"(VI) any other agency that the OMB Director determines relevant to the major rule or order.

"(ii) PUBLIC ACCESS TO TOPICS DISCUSSED.—After consulting with the agencies pursuant to clause (i), the OMB Director shall publish on a public website a document which describes the topics discussed during such consultations.

"(5) OUTCOME OF REVIEW.—

"(A) IN GENERAL.—If the OMB Director determines that a major rule or order, in whole or in part, fails to demonstrate net benefits under the review required under this subsection, the Bureau shall, not later than 1 year after such determination, issue a notice of proposed rulemaking to amend or repeal the rule or order.

"(B) EXTENSION.—The Bureau may petition the OMB Director for a single extension of the deadline described in subparagraph (A) of up to 18 months, if the rule requires an analysis under chapter 6 of title 5, United States Code.

"(C) ENFORCEMENT PENDING CORRECTIVE RULEMAKING.—Beginning on the date on which the OMB Director makes a determination described in subparagraph (A) with respect to a major rule or order and ending on the effective date of the final rule issued by the Bureau with respect to the notice of proposed rulemaking described in subparagraph (A), the Bureau may not enforce, and no other Federal or State agency may enforce under this title, any part of such major rule or order that the OMB Director determines fails to demonstrate net benefits.

"(b) REVIEW OF NON-MAJOR RULES.—

"(1) IN GENERAL.—The OMB Director shall review any non-major rules issued by the Bureau not later than 10 years after the first compliance date for each such rule.

"(2) PROCEDURES.—Not later than 1 year after the date of the enactment of this section, the OMB Director shall issue rules that establish the procedure for the review of non-major rules.

"(c) EXCLUSION OF RULES IN WHICH BUREAU EXERCISED NO MATERIAL DISCRETION.—

"(1) IN GENERAL.—Any rule or order for which the Bureau has not exercised any material discretion pursuant to a statutory requirement, as determined by the OMB Director, shall be exempt from any review described under this section.

"(2) PUBLIC INPUT.—Beginning on the date that is 1 year after the date of the enactment of this section, and every 2 years thereafter, the OMB Director shall—

"(A) seek public input on the determination described in paragraph (1); and

"(B) publish on a public website a list of rules or orders exempt from review pursuant to this subsection.

"(d) SEVERABILITY GUIDANCE.—Not later than 1 year after the date of the enactment of this section, the OMB Director shall issue guidance on how portions of rules may be considered severable between a major rule, a non-major rule, and an excluded rule described in subsection (c), for purposes determining if and how a rule will be reviewed, including whether separate analyses will be conducted for severable provisions.

"(e) POSTPONEMENT OF REVIEW OF SIGNIFICANTLY AMENDED RULES AND ORDERS.—

"(1) IN GENERAL.—The OMB Director may postpone any review under this section by not later than 3 years if the OMB Director determines that a rule or order has been significantly amended by the Bureau during the period described—

"(A) in subsection (a)(2), with respect to major rules or orders; and

"(B) in (b)(1), with respect to non-major rules.

"(2) PUBLIC COMMENT.—The OMB Director shall seek public comments in making a determination pursuant to paragraph (1).

"(f) PUBLICATION OF REVIEW CALENDAR.—Not later than 180 days after the date of the enactment of this section, and every 6 months thereafter, the OMB Director shall publish in the Federal Register and on a publicly accessible website a schedule of anticipated reviews under this section for the succeeding 2-year period.

"(g) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the authority of the Bureau to amend or repeal any rule at any time under other provisions of law.

"(h) AUTHORITY TO ISSUE IMPLEMENTING REGULATIONS.—The OMB Director is authorized to promulgate such rules and regulations as are necessary to carry out the provisions of this section.

"(i) DEFINITIONS.—In this section:

"(1) KEY PERFORMANCE INDICATOR.—The term 'key performance indicator' means an objective, measurable outcome metric identified by the Bureau for the purpose of assessing whether a rule achieves the rule's intended statutory and regulatory objectives.

"(2) MAJOR RULE.—The term 'major rule' has the meaning given that term in section 804 of title 5, United States Code.

"(3) OMB DIRECTOR.—The term 'OMB Director' means the Director of the Office of Management and Budget.".

(b) CONFORMING AMENDMENT.—Section 1022 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512) is amended by striking subsection (d).

SEC. 106. BUREAU OF CONSUMER FINANCIAL PROTECTION-INSPECTOR GENERAL REFORM.

(a) APPOINTMENT OF INSPECTOR GENERAL.—Chapter 4 of title 5, United States Code, is amended—

(1) in section 401—

(A) in paragraph (1), by inserting "the Bureau of Consumer Financial Protection," after "the Export-Import Bank of the United States,"; and

(B) in paragraph (3), by inserting "the Director of the Bureau of Consumer Financial Protection;" after "the President of the Export-Import Bank of the United States;"; and

(2) in section 415—

(A) in subsection (a)(1), by striking "and the Bureau of Consumer Financial Protection";

(B) in subsection (c), by striking "For purposes of implementing this section, the Chairman of the Board of Governors of the Federal Reserve System shall appoint the Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of

Consumer Financial Protection. The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall have all of the authorities and responsibilities provided by this Act with respect to the Bureau of Consumer Financial Protection, as if the Bureau were part of the Board of Governors of the Federal Reserve System.''; and

(C) in subsection (g)(3), by striking ''and the Bureau of Consumer Financial Protection''.

(b) REQUIREMENTS FOR THE INSPECTOR GENERAL FOR THE BUREAU OF CONSUMER FINANCIAL PROTECTION.—

(1) ESTABLISHMENT.—Section 1011 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (12 U.S.C. 5491) is amended—

(A) in subsection (b)—

(i) in the subsection heading, by striking ''AND DEPUTY DIRECTOR'' and inserting '', DEPUTY DIRECTOR, AND INSPECTOR GENERAL''; and

(ii) by inserting after paragraph (5) the following:

"(6) INSPECTOR GENERAL.—There is established the position of the Inspector General."; and

(B) in subsection (d), by striking "or Deputy Director" each place it appears and inserting ", Deputy Director, or Inspector General".

(2) HEARINGS.—Section 1016 of such Act is amended by inserting after subsection (c) the following:

"(d) ADDITIONAL REQUIREMENT FOR INSPECTOR GENERAL.—Within a reasonably short amount of time after each appearance by the Director of the Bureau before the Committee on Banking, Housing, and Urban Affairs of the Senate or the Committee on Financial Services of the House of Representatives described in subsection (a), the Inspector General of the Bureau shall appear, upon invitation, before such committee regarding the reports required under subsection (b) and the reports required under section 405 of title 5, United States Code.".

(3) PARTICIPATION IN THE COUNCIL OF INSPECTORS GENERAL ON FINANCIAL OVERSIGHT.—Section 989E(a)(1) of such Act is amended by adding at the end the following:

"(J) The Bureau of Consumer Financial Protection.".

(4) DEADLINE FOR APPOINTMENT.—Not later than 60 days after the date of the enactment of this Act, the President shall appoint an Inspector General for the Bureau of Consumer Financial Protection in accordance with section 403 of title 5, United States Code.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date on which the first Inspector General of the Bureau of Consumer Financial Protection is confirmed by the Senate.

(2) APPOINTMENT.—The President may appoint, and the Senate may confirm, an Inspector General of the Bureau of Consumer Financial Protection before the amendments made by this section take effect.

(3) TRANSITION.—The Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall, upon the date on which the first Inspector General of the Bureau of Consumer Financial Protection is confirmed by the Senate, become the Inspector General of the Board of Governors of the Federal Reserve System.

(4) SAVINGS PROVISION FOR PENDING MATTERS.—

(A) IN GENERAL.—Any audit, investigation, review, inquiry, subpoena, request for information, or report relating to the Bureau of Consumer Financial Protection that, immediately before the effective date described in paragraph (1), was pending, ongoing, issued, or being conducted by the Inspector General of the Board of Governors of the Federal Reserve System and the Bureau of Consumer Financial Protection shall continue without interruption and shall, on and after such effective date, be deemed an action of the Inspector General of the Bureau of Consumer Financial Protection.

(B) CONTINUING EFFECT.—Any subpoena, request, directive, determination, finding, recommendation, or other action described in subparagraph (A) that was validly issued or taken before the effective date described in paragraph (1) shall remain in force and effect according to its terms and need not be reissued, ratified, or otherwise renewed solely by reason of the amendments made by this section.

(C) TRANSFER OF RECORDS AND AUTHORITY.—All records, evidence, work papers, investigative materials, rights, obligations, authorities, and responsibilities relating to a matter described in subparagraph (A) shall transfer to the Inspector General of the Bureau of Consumer Financial Protection on the effective date described in paragraph (1).

TITLE II—RESTORING LEGAL CLARITY AND PROCEDURAL FAIRNESS

SEC. 201. RECTIFYING UNDEFINED DESCRIPTIONS OF ABUSIVE ACTS AND PRACTICES.

(a) RULEMAKING RELATING TO UNFAIR, DECEPTIVE OR ABUSIVE ACTS OR PRACTICES.—

(1) IN GENERAL.—Section 1031 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5531) is amended by striking subsection (b) and inserting the following:

"(b) RULEMAKING.—

"(1) IN GENERAL.—The Bureau may prescribe rules applicable to a covered person or service provider identifying as unlawful unfair, deceptive, or abusive acts or practices in connection with any transaction with a consumer for a consumer financial product or service, or the offering of a consumer financial product or service. Rules under this section may include requirements for the purpose of preventing such acts or practices.

"(2) COST BENEFIT ANALYSIS REQUIRED.—Any final rule issued by the Bureau relating to abusive, unfair, or deceptive acts or practices shall include a cost-benefit analysis.

"(3) DEFINITION OF ABUSIVE ACT OR PRACTICE.—The Bureau shall, not later than 180 days after the date of the enactment of this subsection, issue a rule that defines the term 'abusive act or practice' for the purposes of this section.".

(2) OPPORTUNITY FOR COMMENT.—The Bureau of Consumer Financial Protection shall, not later than 180 days after the date of the enactment of this subsection, allow the public to submit comments with respect to any confusion about how the Bureau of Consumer Financial Protection uses its authority with respect to unfair, deceptive, or abusive acts or practices.

(3) PROHIBITION ON TAKING CERTAIN ACTIONS BEFORE RULEMAKING.—The Bureau of Consumer Financial Protection may not, before the effective date of the final rule required under section

1031(b)(3) of the Consumer Financial Protection Act of 2010, commence any enforcement action, administrative proceeding, supervisory action, or other proceeding, or otherwise exercise the Bureau's authority under the Consumer Financial Protection Act of 2010, on the basis that an act or practice is abusive.

(b) AUTHORITY TO DECLARE AN ACT UNLAWFUL BASED ON DISCRIMINATION OR SERVICE AS GOVERNMENT CONTRACTOR.—Section 1031 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5531) is amended by adding at the end the following:

"(g) AUTHORITY TO DECLARE AN ACT UNLAWFUL BASED ON DISCRIMINATION OR SERVICE AS GOVERNMENT CONTRACTOR.—The Bureau may not interpret the authority of the Bureau relating to unfair, deceptive, or abusive acts and practices to include—

"(1) discriminatory practices; or

"(2) acts or practices by a covered person performing the acts or practices pursuant to a contract with a Federal agency (as defined under section 701(b) of title 5, United States Code).".

(c) CLARIFYING THE ABUSIVE STANDARD FOR THE BUREAU OF CONSUMER FINANCIAL PROTECTION.—Section 1031 of the Consumer Financial Protection Act of

2010 (12 U.S.C. 5531) is amended by striking subsection (d) and inserting the following:

"(d) ABUSIVE.—

"(1) IN GENERAL.—The Bureau shall have no authority to declare an act or practice of a covered person or a service provider abusive in connection with the provision of a consumer financial product or service, unless the act or practice—

"(A) intentionally and materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service; or

"(B) takes unreasonable advantage of—

"(i) a lack of understanding by the consumer with respect to the possible impact, material risks, costs, or conditions of the product or service, or the likelihood of the risks, costs, or conditions of the product or service resulting in substantial injury for the consumer; and

"(ii) the reasonable reliance the consumer places on an affirmative action or representation of such covered person or service provider to induce such consumer to rely on such action or representation.

"(2) ABUSIVE ACTIONS.—

"(A) IN GENERAL.—Conduct of a covered person or service provider shall be considered abusive if—

"(i) the act or practice causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers; and

"(ii) such substantial injury is not outweighed by countervailing benefits to consumers or to competition.

"(B) PRESUMPTION.—For purposes of subparagraph (A)(i):

"(i) IN GENERAL.—If an act or practice was timely, clearly, and conspicuously disclosed to consumers, any substantial injury resulting from the act or practice is presumed to be reasonably avoidable.

"(ii) REBUTTAL.—The presumption described in clause (i) may be rebutted only upon a showing, by clear and convincing evidence, that, notwithstanding such disclosure, the consumer did not have a reasonable means of avoiding the substantial injury.

"(e) GOOD-FAITH EFFORT TO COMPLY.—

"(1) IN GENERAL.—The Bureau may not seek monetary relief from a covered person or service provider under this section unless the covered person or service provider has not established by a preponderance of the evidence that they made a good-faith effort to comply with the requirements of this section.

"(2) AUTHORITY TO SEEK LEGAL OR EQUITABLE REMEDIES.—

"(A) IN GENERAL.—The limitation described in paragraph (1) shall not restrict the authority of the Bureau to seek legal or equitable remedies, such as damages and restitution, to redress an identifiable consumer injury caused by the abusive acts or practices of such covered person.

"(B) RULE OF CONSTRUCTION.—For purposes of subparagraph (A), a civil money penalty described in section 1055(c) is not a legal or equitable remedy.".

(d) NOTICE AND OPPORTUNITY TO CURE.—Section 1031 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5531), as amended by subsection (b), is further amended by adding at the end the following:

"(h) NOTICE AND OPPORTUNITY TO CURE.—

"(1) IN GENERAL.—If a covered person self-identifies a potential unfair, deceptive, or abusive act or practice carried out by such covered person, the Bureau shall, not later than 90 days after such self-identification, provide a written notice in the form of a potential action and request for response letter or a notice and opportunity to respond and advise letter of the potential unfair, deceptive, or abusive act or practice to such covered person and inform the covered person that such person has 180 days after the date the covered person receives such notice to cure such potential unfair, deceptive, or abusive act before the Bureau may commence an administrative proceeding or civil action.

"(2) TOLLING OF STATUTE OF LIMITATIONS.—Any applicable statute of limitations that applies to conduct under which the Bureau has given notice and an opportunity to cure shall not toll until—

"(A) the covered person cures the potential abusive, unfair, or deceptive act or practice and notifies the Bureau that such act or practice has been cured;

"(B) the covered person notifies the Bureau that such covered person will not cure the act or practice; or

"(C) the 180-day period to cure ends.".

(e) ABUSIVE, UNFAIR, OR DECEPTIVE ACTS OR PRACTICES ENFORCEMENT ACTIONS.—Section 1031 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5531), as amended by subsection (e), is further amended by adding at the end the following:

"(i) VENUE FOR UNFAIR, DECEPTIVE, OR ABUSIVE ACTS OR PRACTICES ENFORCEMENT ACTIONS.—Enforcement actions brought by the Bureau under this section shall be brought in—

"(1) the United States district court located where the covered person has its headquarters location; or

"(2) the United States District Court for the District of Columbia.

"(j) ENFORCEMENT ACTIONS.—

"(1) IN GENERAL.—If the Bureau brings an enforcement action under this section, the Bureau shall state with particularity the circumstances that the Bureau alleges constitute a violation of this section.

"(2) ALTERNATIVE CLAIMS.—If the Bureau brings an enforcement action under this section—

"(A) claiming that an activity is unfair or deceptive, the Bureau may not claim in the alternative that the activity is abusive; and

"(B) claiming that an activity is abusive, the Bureau may not claim in the alternative that the activity is unfair or deceptive.".

(f) LOOK-BACK PROVISIONS.—

(1) IN GENERAL.—Subtitle B of title X of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5511 et seq.) is amended by adding at the end the following new section:

"SEC. 1029B. EXAMINATION PERIOD LIMITATIONS.

"(a) IN GENERAL.—When enforcing Federal consumer financial law, the Bureau may not seek a civil money penalty for any violating conduct that occurred prior to the most recent assignment of a rating under the Uniform Interagency Consumer Compliance Rating System of the Financial Institutions Examination Council (or any successor rating system).

"(b) RULE OF CONSTRUCTION.—This limitation described in subsection (a) may not be construed to restrict the ability of the Bureau to seek other forms of legal or equitable relief available under subparagraphs (A) through (G) of section 1055(a)(2) for any violating conduct that occurred prior to the most recent assignment of a consumer compliance rating.''.

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended by inserting after the item relating to section 1029A the following:

``Sec. 1029B. Examination period limitations.''.

SEC. 202. LIMITATION ON USE OF UNFAIR, DECEPTIVE, OR ABUSIVE ACTS OR PRACTICES AUTHORITY TO CIRCUMVENT STATUTES OF LIMITATIONS.

(a) IN GENERAL.—Section 1054 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5564) is amended by adding at the end the following:

``(h) LIMITATION ON ACTIONS BASED ON UNFAIR, DECEPTIVE, OR ABUSIVE ACTS OR PRACTICES.—

``(1) IN GENERAL.—Notwithstanding subsection (g), in any action brought by the Bureau under section 1036(a)(1)(B), or by the attorney general (or the equivalent thereof) or other regulator of a State pursuant to section 1042, alleging an unfair, deceptive, or abusive act or practice, the applicable statute of limitations shall be determined in accordance with this subsection.

``(2) CONDUCT SUBJECT TO ANOTHER FEDERAL CONSUMER FINANCIAL LAW.—If conduct alleged to constitute an unfair, deceptive, or abusive act or practice under this title is the same conduct, or arises from the same set of operative facts, as conduct that would constitute a violation of a Federal consumer financial law that provides for a statute of limitations, such action may not be brought after the expiration of the statute of limitations applicable to such Federal consumer financial law.

"(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to—

"(A) preclude the Bureau from bringing an action under section 1036(a)(1)(B), or preclude the attorney general (or the equivalent thereof) or other regulator of a State from brining an action pursuant to section 1042, based on conduct that does not constitute a violation of another Federal consumer financial law; or

"(B) alter, extend, or toll any statute of limitations applicable to a violation of any Federal consumer financial law.".

(b) APPLICATION.—Section 1054(h) of the Consumer Financial Protection Act of 2010 shall apply to actions brought on and after the date of enactment of this Act by—

(1) the Bureau of Consumer Financial Protection; or

(2) the attorney general (or the equivalent thereof) or other regulator of a State pursuant to section 1042 of the Consumer Financial Protection Act of 2010.

SEC. 203. DEFINITION OF SUBSTANTIAL INJURY.

Section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481) is amended by adding at the end the following:

"(30) SUBSTANTIAL INJURY.—The term 'substantial injury'—

"(A) means a concrete and quantifiable harm to a consumer or a class of consumers, including—

"(i) monetary harm;

"(ii) a material risk of monetary harm that the Bureau determines is likely to occur; or

"(iii) a significant adverse effect on a consumer's ability to access or use a consumer financial product or service;

"(B) does not include—

"(i) trivial, hypothetical, or merely speculative harms;

"(ii) emotional impact, reputational harm, or subjective distress absent a showing of material financial or functional impairment; or

"(iii) harms that are outweighed by countervailing benefits to consumers or competition;

"(C) shall be determined based on objective evidence, which may include—

"(i) the aggregate impact on similarly situated consumers;

"(ii) the likelihood and magnitude of harm; and

"(iii) whether the injury results from a practice that is systemic or isolated;

"(D) requires that a material risk of harm be reasonably foreseeable at the time of the act or practice that causes or is likely to cause the injury; and

"(E) may not be established solely by a technical violation of law, contractual term, or regulatory requirement absent a showing of concrete and quantifiable harm to a consumer or a class of consumers.".

SEC. 204. RESTORING COURT AUTHORITY OVER LITIGATION.

(a) COURT AUTHORITY OVER ATTORNEYS ENGAGED IN LITIGATION ACTIVITIES.—

(1) IN GENERAL.—Chapter 99 of title 28, United States Code, is amended by inserting after section 1631 the following:

"§ 1632. Preservation of State and Federal courts' primary and inherent authority to regulate and oversee attorneys engaged in litigation activities

"(a) DEFINITIONS.—In this section:

"(1) FEDERAL AGENCY.—The term 'Federal agency' means an agency as defined in section 551(1) of title 5.

"(2) LITIGATION ACTIVITIES.—The term 'litigation activities' means any actions by a licensed attorney or a law firm in connection with a legal action in a court of law on behalf of a client, including—

"(A) serving, filing, or conveying formal legal pleadings, discovery requests, or other documents pursuant to the applicable statute or rules of civil procedure;

"(B) communicating in, or at the direction of, a court of law (including in depositions or settlement conferences) or in the enforcement of a judgment; and

"(C) any other activities engaged in as part of the practice of law, under the laws of a State in which the attorney is licensed or admitted to practice, that relate to the legal action.

"(3) STATE.—The term 'State' means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the United States Virgin Islands.

"(b) LIMITATION ON FEDERAL AGENCY AUTHORITY.—Notwithstanding any other provision of law, a Federal agency does not have any supervisory, enforcement, or regulatory authority over litigation activities of attorneys or law firms.

"(c) NO PRIVATE RIGHT OF ACTION.—Notwithstanding any other provision of law, a person may not bring a civil action in a court of the United States seeking relief for harm arising out of alleged misconduct related to the litigation activities of an opposing attorney or law firm.".

(2) CLERICAL AMENDMENT.—The table of sections for chapter 99 of title 28, United States Code,

is amended by inserting after the item related to section 1631 the following:

"1632. Preservation of State and Federal courts' primary and inherent authority to regulate and oversee attorneys engaged in litigation activities.".

(b) CONFORMING AMENDMENTS.—

(1) FAIR DEBT COLLECTION PRACTICES ACT.—Section 803(6) of the Fair Debt Collection Practices Act (15 U.S.C. 1692a(6)) is amended—

(A) by redesignating subparagraph (F) as subparagraph (G); and

(B) by inserting after subparagraph (E) the following:

"(F) any licensed attorney or any law firm, to the extent that such attorney or firm is engaged in litigation activities (as such term is defined in section 1632 of title 28, United States Code) to collect a debt on behalf of a client; and".

(2) CONSUMER FINANCIAL PROTECTION ACT OF 2010.—Section 1027(e) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5517(e)) is amended—

(A) by redesignating paragraph (3) as paragraph (4); and

(B) by inserting after paragraph (2) the following:

"(3) RULE OF CONSTRUCTION LIMITATION WITH RESPECT TO DEBT COLLECTION.—Paragraph (2) shall not apply to a licensed attorney engaging in litigation activities to collect a debt on behalf of a client if the attorney is excluded from the term 'debt collector' under section 803 of the Fair Debt Collection Practices Act by reason of section 803(6)(F) of such Act.".

SEC. 205. CLARIFICATION TO THE AUTHORITY OF THE BUREAU WITH RESPECT TO PERSONS REGULATED BY A STATE INSURANCE REGULATOR.

Section 1027(f) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5517(f)) is amended—

(1) in paragraph (2)—

(A) by striking "DESCRIPTION OF ACTIVITIES.—Paragraph (1)" and inserting: "EXCEPTIONS.—

"(A) AUTHORITY.—Paragraph (1)"; and

(B) by inserting after subparagraph (A) (as added by this Act) the following new subparagraph:

"(B) LIMITATION.—With respect to a person regulated by a State insurance regulator—

"(i) if such person is offering or providing a consumer financial product or service, the Bureau may not enforce this title with respect to such person to the extent such person is engaged in the business of insurance; and

"(ii) if such person is subject to any enumerated consumer law or any law for which authorities are transferred under subtitle F or H, the authority of the Bureau to enforce such law with respect to such person shall be narrowly construed to the extent such person is engaged in the business of insurance."; and

(2) by adding at the end the following new paragraph:

"(4) RULE OF CONSTRUCTION.—The enforcement of this title shall be broadly construed in favor of the authority of a State insurance regulator with respect to a person regulated by a State insurance regulator.".

TITLE III—PROMOTING INNOVATION IN CONSUMER FINANCIAL MARKETS

SEC. 301. SAFE HARBOR FOR SMALL-DOLLAR CREDIT PRODUCTS.

(a) IN GENERAL.—The Truth in Lending Act (15 U.S.C. 1601 et seq.) is amended by inserting after section 114 the following:

"§ 115. Safe harbor for small-dollar credit products

"(a) IN GENERAL.—If a covered entity complies with the requirements set forth in subsections (b), (c), and (e) with respect to the offering of a small-dollar product to a consumer, such covered entity shall not be liable in connection with such offering of a small-dollar product, for—

"(1) any civil money penalties from any enforcement action brought by the Bureau, the appropriate Federal banking agency, or the National Credit Union Administration for a violation of this title; or

"(2) any damages or other monetary relief through a private right of action brought under this title.

"(b) PRODUCT STRUCTURE REQUIREMENTS.—

"(1) IN THE CASE OF AN INSTALLMENT LOAN.—If a small-dollar credit product is structured by a covered entity as an installment loan—

"(A) the repayment term shall be more than 45 days;

"(B) payments shall be fully amortized across more than one payment;

"(C) rollovers into new small-dollar credit products shall be prohibited, unless initiated by a consumer or provided as a hardship accommodation; and

"(D) the covered entity may only issue a small-dollar credit product to a consumer who has one or more small-dollar credit products open with such covered entity if, immediately after such issuance, the aggregate outstanding principal amount of all small-dollar credit products issued by such covered entity to such consumer does not exceed $3,500 (as such amount is adjusted under subsection (f).

"(2) IN THE CASE OF A LINE OF CREDIT.—If a small-dollar credit product is structured by a covered entity as a line of credit—

"(A) the repayment term for each draw shall be more than 45 days unless a single payment is used and the draw is not more than 20 percent of the total amount of a consumer's average monthly direct deposits during the preceding six months; and

"(B) payments for each draw shall be fully amortized across more than one payment, except in the case of any single-payment loans.

"(3) RULES OF CONSTRUCTION.—

"(A) IN GENERAL.—Nothing in this subsection may be construed to prohibit the Bureau, a Federal banking agency, or the National Credit Union Administration from issuing a cease-and-desist order or restitution order under this title against a covered entity.

"(B) ENFORCEMENT OF OTHER STATUTES.—Nothing in this subsection may be construed to prohibit the Bureau, a Federal banking agency, or the National Credit Union Administration from enforcing any provision of law not contained within this title against a covered entity.

"(c) UNDERWRITING REQUIREMENTS.—When considering whether to offer a small-dollar credit product to a specific consumer, a covered entity—

"(1) shall use sound underwriting processes; and

"(2) may analyze internal or external data sources, including consumer deposit account activity, to assess the creditworthiness of a consumer.

"(d) RULE OF CONSTRUCTION.—Nothing in this title may be construed to prohibit a covered entity from offering a small-dollar product that does not comply with the safe harbor requirements set forth under this section.

"(e) ADDITIONAL LIMITATIONS AND REQUIREMENTS.—

"(1) BALLOON PAYMENTS.—No payment required in association with a small-dollar credit product offered by a covered entity may be greater than double the amount of any other payment required in association with such product.

"(2) DISCLOSURES.—Each covered entity that offers a small-dollar credit product shall comply with all disclosure requirements set forth by this title.

"(3) PENALTIES.—A covered entity may not impose any prepayment penalty in connection with a small-dollar credit product.

"(4) TRANSFER OF AMOUNTS.—Amounts made available to a consumer through a small-dollar credit product offered by a covered entity shall be disbursed to the account of such consumer by such covered entity not later than 5 days after the approval of the consumer for the small-dollar credit product.

"(5) ADDITIONAL PERMISSIBLE PRODUCT FEATURES.—The Bureau may, by rule, authorize additional terms, structures, features, or other characteristics of a small-dollar credit product to qualify for the safe harbor under subsection (a), in addition to those expressly described under this section. The Bureau may not, under this paragraph, prohibit, restrict, or condition any term, structure, feature, or characteristic expressly permitted under this section, or otherwise narrow the scope of small-dollar credit products that qualify for the safe harbor by satisfying the requirements of this section.

"(f) INFLATION ADJUSTMENT.—

"(1) IN GENERAL.—Beginning on January 1, 2028, and annually thereafter, the Bureau shall increase the dollar amount specified in subsections (b)(1)(D), (b)(2)(A), and (g)(5) by the annual percentage increase, if any, in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics.

"(2) BASE PERIOD.—The increase required under paragraph (1) shall be determined using calendar year 2026 as the base period.

"(3) ROUNDING.—Any amount increased under paragraph (1) shall be rounded to the nearest $100.

"(4) PUBLICATION.—The Bureau shall publish each increased dollar amount in the Federal Register not later than 60 days before the date on which such increased amount takes effect.

"(g) DEFINITIONS.—In this section:

"(1) COVERED ENTITY.—The term 'covered entity' means—

"(A) an insured depository institution;

"(B) an insured credit union;

"(C) a third party with whom an insured depository institution has contracted for products or services related to origination, servicing, or administrative management of a small-dollar credit product; or

"(D) a third party with whom an insured credit union has contracted for products or services related to origination, servicing, or administrative management of a small-dollar credit product.

"(2) FEDERAL BANKING AGENCY DEFINITIONS.—The terms 'appropriate Federal banking agency' and 'Federal banking agency' have the meaning given those terms, respectively, in section 3 of the Federal Deposit Insurance Act.

"(3) INSURED CREDIT UNION.—The term 'insured credit union' has the meaning given the term in section 101 of the Federal Credit Union Act.

"(4) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' has the meaning given the term in section 3 of the Federal Deposit Insurance Act.

"(5) SMALL-DOLLAR CREDIT PRODUCT.—The term 'small-dollar product' means a loan or line of credit with a value of $3,500 (as such amount is adjusted under subsection (f)) or less.".

(b) CLERICAL AMENDMENT.—The table of contents for chapter 1 of the Truth in Lending Act is amended by inserting after the item relating to section 114 the following:

"115. Safe harbor for small-dollar credit products.".

SEC. 302. GUIDANCE CLARITY STATEMENT REQUIRED.

(a) IN GENERAL.—The head of each financial agency shall include a guidance clarity statement as described in subsection (b) on any guidance issued by that financial agency on and after the date of the enactment of this Act.

(b) GUIDANCE CLARITY STATEMENT.—A guidance clarity statement required under subsection (a) shall be displayed prominently on the first page of the document and shall include the following: ''This guidance does not have the force and effect of law and therefore does not establish any rights or obligations for any person and is not binding on the agency or the public. If this guidance suggests how regulated entities may comply with applicable statutes or regulations, nonconformity with this guidance may not be used to establish a violation of applicable law.''.

(c) DEFINITIONS.—In this section:

(1) FINANCIAL AGENCY.—The term ''financial agency'' means the following:

(A) The Bureau of Consumer Financial Protection.

(B) The Department of Housing and Urban Development.

(C) The Department of the Treasury.

(D) The Federal Deposit Insurance Corporation.

(E) The Federal Housing Finance Agency.

(F) The Board of Governors of the Federal Reserve System.

(G) The National Credit Union Administration.

(H) The Office of the Comptroller of the Currency.

(I) The Securities and Exchange Commission.

(2) GUIDANCE.—The term ‘‘guidance’’ means a financial agency statement of general applicability, intended to have a future effect on the behavior of regulated parties, that sets forth a policy on a statutory, regulatory, or technical issue, or an interpretation of a statute or regulation, but does not include—

(A) a rule promulgated pursuant to notice and comment under section 553 of title 5, United States Code;

(B) a rule exempt from rulemaking requirements under section 553(a) of title 5, United States Code;

(C) a rule of financial agency organization, procedure, or practice;

(D) a decision of a financial agency adjudication under section 554 of title 5, United States Code, or any similar statutory provision;

(E) internal guidance directed to the issuing financial agency or other agency that is not intended to have a substantial future effect on the behavior of regulated parties; or

(F) internal executive branch legal advice or legal opinions addressed to executive branch officials.

SEC. 303. GAO STUDY ON BUY NOW PAY LATER SERVICES.

(a) IN GENERAL.—The Comptroller General of the United States shall—

(1) conduct a study on buy now pay later services, including—

(A) the nature, size, and role of the entities offering buy now pay later services;

(B) the aggregate market share of nonbank firms and of financial institutions;

(C) the disclosures provided to consumers regarding buy now pay later services, including the accessibility and readability of such disclosures;

(D) the benefits of buy now pay later services, including—

(i) the flexibility of payment options;

(ii) the potential for increased purchasing power; and

(iii) competitive product offerings;

(E) the risks of buy now pay later services, including—

(i) potential for delinquencies and prolonged debt;

(ii) the ability of consumer reporting agencies to accurately score buy now pay later transactions; and

(iii) any unintended consequences for reporting data on such services to consumer reporting agencies;

(F) the prevalence of partnerships between entities offering buy now pay later services and traditional financial institutions and e-commerce platforms;

(G) the potential for fraud in buy now pay later services;

(H) comparing the specific features, benefits, and risks of using such services to the use of other products, including—

(i) overall debt accumulation;

(ii) the average interest rate charged to consumers;

(iii) the range of interest rates charged to consumers;

(iv) the amount and type of fees charged to consumers annually;

(v) the availability and clarity of legal disclosures associated with such use;

(vi) consumer understanding of payment cycles and due dates; and

(vii) delinquency and default rates; and

(I) data regarding the prevalence and rate of on-time repayments by consumers using buy now pay later services; and

(2) not later than 1 year after the date of the enactment of this Act, submit to the relevant congressional committees a report that includes the results of the study required by paragraph (1).

(b) DEFINITIONS.—In this section:

(1) BUY NOW PAY LATER SERVICE.—

(A) IN GENERAL.—The term ''buy now pay later service'' means a service offered to a consumer at the point of sale in connection with a transaction for the purchase of goods or services that—

(i) allows the consumer to pay for such goods or services over a period of time;

(ii) provides for repayment in a specified number of substantially equal periodic installments; and

(iii) does not impose interest or a finance charge on the consumer in connection with such transaction.

(B) EXCLUSION.—The term ''buy now pay later service'' does not include—

(i) a loan or other extension of credit that is not made at the point of sale in connection with a specific transaction for the purchase of goods or services; or

(ii) financing secured by the goods purchased or leased in the transaction.

(2) RELEVANT CONGRESSIONAL COMMITTEES.—The term ''relevant congressional committees'' means—

(A) the Committee on Financial Services of the House of Representatives; and

(B) the Committee on Banking, Housing, and Urban Affairs of the Senate.

SEC. 304. EARNED WAGE ACCESS SERVICES.

(a) PROVISION OF EARNED WAGE ACCESS SERVICES.—

(1) NO-COST OPTION REQUIRED.—

(A) IN GENERAL.—If an earned wage access provider offers a consumer the option to receive earned wages in exchange for a fee, such earned wage access provider shall also offer such consumer the option to obtain the same amount of earned wages at no cost to the consumer.

(B) TRANSFER TIME PERIOD.—If a consumer elects the no-cost option described in subparagraph (A), the earned wage access provider shall initiate the transfer of earned wages to the consumer within one business day of such election.

(C) NO EFFECT ON EARNED WAGES.—A consumer's election of the no-cost option described in subparagraph (A) may not impact—

(i) the amount of earned wages disbursed to such consumer;

(ii) the frequency with which such earned wages are disbursed to such consumer; or

(iii) the consumer's eligibility to use the provider's earned wage access services.

(2) REQUIRED DISCLOSURES.—

(A) DISCLOSURES PRECEDING AGREEMENT.—Each earned wage access provider shall disclose the following before entering into an agreement with a consumer:

(i) Any limits on access to the earned wages a consumer may request from such provider, including—

(I) any limits on the amount of earned wages a consumer may request from the provider each day, pay period, or other time period;

(II) any limits on the frequency or number of disbursements of earned wages a consumer may request from the provider each day, pay period, or other time period; and

(III) any limits on the amount of earned wages a consumer may request from the provider that are based on a determination by the provider of the ratio between the amount of earned wages requested by the consumer and the total wages earned by the consumer, and how such determination is made.

(ii) Any fees that such provider may apply, and the amount of such fees.

(iii) A clear and conspicuous description of how the consumer may obtain earned wages without paying a fee or tip.

(iv) An overview of such provider's use of tips that describes—

(I) whether such provider will accept tips from the consumer and in what amounts; and

(II) whether such provider will suggest the consumer provide tips and in what amounts.

(B) DISCLOSURES PRECEDING DISBURSEMENT OF EARNED WAGES.—Each earned wage access provider shall disclose the following in a clear and conspicuous manner after approving any request from a consumer for access to earned wages but before disbursing such earned wages to such consumer:

(i) The account number such provider has assigned to the consumer, if applicable.

(ii) The amount of earned wages that will be provided to the consumer by such provider.

(iii) The total amount of any fees applied by such provider for such transaction.

(iv) A list of any tips the consumer has chosen to provide for such transaction.

(v) The amount that such provider expects to receive as payment after disbursing the earned wages, the date on which such provider expects to receive such amount or a description of when such provider expects to receive such amount, and the manner in which such provider expects to receive such amount.

(C) ADDITIONAL DISCLOSURES RELATING TO FEES AND TIPS.—Each earned wage access provider who, during a calendar year, has disbursed earned wages and received a fee or tip from a consumer shall provide the consumer ongoing access to the following disclosures:

(i) The total amount of fees and tips that the consumer has already paid in the then-current pay period.

(ii) The total amount of fees and tips that the consumer has already paid in the calendar year-to-date.

(D) ADDITIONAL DISCLOSURES RELATING TO TIPS.—If an earned wage access provider solicits, charges, or receives a tip from a consumer, such provider—

(i) shall clearly and conspicuously disclose to the consumer, before the provider commences the transaction to which the tip is related, that such tip—

(I) is voluntary;

(II) is not a requirement for receiving earned wage access services; and

(III) will not impact—

(aa) the amount of such earned wages;

(bb) the frequency with which such earned wages are disbursed to such consumer; or

(cc) the consumer's eligibility to use the provider's earned wage access services;

(ii) may not state that such tip will benefit—

(I) any specific individual; or

(II) any group of individuals other than the provider itself; and

(iii) may describe, in general terms, the benefits or services offered by such provider to consumers.

(E) CHANGES TO TERMS.—Each earned wage access provider shall notify each consumer with which such earned wage access provider has entered an agreement to offer earned wage access services of any material changes to the terms and conditions of service used by such provider not less than—

(i) 30 days before such material changes take effect; or

(ii) a shorter amount of time before such material changes take effect, if the consumer has consented to such shorter amount of time.

(3) CONSUMER ATTESTATION BEFORE RECEIVING EARNED WAGES.—Each earned wage access provider shall require a consumer, prior to the first disbursement of earned wages during each applicable pay period, to attest that the consumer has not requested disbursement of the same earned wages

from another earned wage access provider during that pay period.

(4) CANCELLATION OF SERVICES.—If an earned wage access provider makes earned wage access services available to a consumer on a recurring basis, such earned wage access provider—

(A) shall allow such consumer to discontinue such services if such consumer provides notice to such earned wage access provider that such consumer desires to discontinue such services; and

(B) may not impose any financial penalty or cancellation charge on such consumer as a result of any discontinuation of services.

(5) DISPUTE PROCESS REQUIRED.—Each earned wage access provider shall develop and implement policies and procedures to respond to questions and complaints from consumers relating to—

(A) unauthorized disbursement of earned wages;

(B) disbursement of earned wages in an incorrect amount;

(C) disbursed earned wages that were not received;

(D) payment of disbursed earned wages that was not received or was made in an incorrect amount; and

(E) fees or tips that were not authorized or were made in an incorrect amount.

(6) COMPELLING PAYMENT FOR DISBURSED EARNED WAGES.—

(A) IN GENERAL.—An earned wage access provider may not seek payment for earned wages disbursed by such provider to a consumer, including such disbursed earned wages, or any related fees or tips, by—

(i) filing a civil suit against the consumer;

(ii) initiating arbitration proceedings against the consumer;

(iii) using the services of a debt collector (as such term is defined in section 803 of the Fair Debt Collection Practices Act) to collect amounts from the consumer; or

(iv) selling expected payment to a third-party debt buyer for purposes of debt collection from the consumer.

(B) EXCEPTION.—Subparagraph (A) shall not apply if an earned wage access provider is seeking payment for earned wages disbursed to a consumer based on information provided by the consumer that the consumer knew was false.

(7) REIMBURSEMENT REQUIRED.—If an earned wage access provider seeks payment of disbursed earned wages, a fee, or a tip directly from a deposit account of a consumer, on a date earlier than, or in an amount different from, what was disclosed at the time of authorization and such attempt triggers an overdraft fee or non-sufficient funds fee from the consumer's financial institution (as defined in section 509 of the Gramm-Leach-Bliley Act (15 U.S.C. 6809)), the earned wage access provider shall reimburse such consumer for such fee.

(8) ADDITIONAL LIMITATIONS.—An earned wage access provider may not—

(A) share any fees or tips that were received from or charged to a consumer for earned wage access services with the employer of such consumer;

(B) accept payment of disbursed earned wages, fees, or tips from a consumer through a credit card of the consumer, unless such credit card is provided to the consumer as a part of the earned wage access service;

(C) require a consumer to pay a late fee, deferral fee, interest, or any other penalty or charge as a result of a failure by the consumer to pay disbursed earned wages, fees, or tips requested or applied by such provider; or

(D) furnish information to a consumer reporting agency (as defined in section 603 of the Fair Credit Reporting Act (15 U.S.C. 1681a)) about a consumer's earned wage access services activities.

(9) DISCLOSURE TO EMPLOYER.—An earned wage access provider may disclose to an employer with which such provider has a contract relating to earned wage access services the date and amount of a consumer's earned wage access transactions associated with the earned wage access services. Subject to applicable privacy laws, a provider may disclose information necessary to perform under a contract with an employer relating to additional products or services.

(10) NON-DISCRIMINATION.—

(A) IN GENERAL.—It shall be unlawful for any earned wage access provider to discriminate against any consumer on the basis of race, color, religion, national origin, sex (including on the basis of pregnancy, childbirth, or related medical conditions), marital status, or age when offering earned wage access services.

(B) DEFINITIONS.—In this paragraph—

(i) the terms ‘‘race’’, ‘‘color’’, ‘‘religion’’, ‘‘national origin’’, ‘‘sex’’, ‘‘marital status’’, and ‘‘age’’ have the same meanings, respectively, as used in section 701 of the Equal Credit Opportunity Act (15 U.S.C. 1691) and rules issued thereunder; and

(ii) the terms ‘‘pregnancy’’, ‘‘childbirth’’, and ‘‘related medical conditions’’ have the same meanings, respectively, as used in section 701(k) of the Civil Rights Act of 1964 (42 U.S.C. 2000e(k)).

(11) CONSUMER DATA PROTECTIONS.—Each earned wage access provider shall be deemed a ‘‘financial institution’’ for purposes of subtitle A of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.).

(12) DEFAULT TIP AMOUNT.—

(A) IN GENERAL.—An earned wage access provider may not set any default tip amount greater than $0 in connection with earned wage access services.

(B) SELECTION OF $0 TIP.—If a consumer selects a tip amount of $0, the earned wage access provider may not require the consumer to confirm, reconfirm, or otherwise take any additional action with respect to such tip selection as a condition of completing the transaction.

(C) RULE OF CONSTRUCTION.—Nothing in this paragraph may be construed to prohibit the provider from requiring the consumer to confirm the final transaction on a completion screen.

(13) EARNED WAGE ACCESS PROVIDER ATTESTATION.—Before each requested disbursement of earned wages for a consumer, an earned wage access provider shall verify and attest to the consumer that the amount to be disbursed, together with any prior disbursements during the applicable pay period, does not exceed the amount of earned wages actually earned and available to the consumer for that applicable pay period.

(b) RELATION TO STATE LAWS.—

(1) PRESERVATION OF STATE LAW.—Except as provided in paragraph (2), nothing in this Act may be construed as annulling, altering, affecting, or exempting any person from complying with any State law, except to the extent that a State law is inconsistent with the provisions of this Act, and then only to the extent of the inconsistency.

(2) PREEMPTION.—No State or political subdivision thereof may impose, maintain, or enforce any laws, constitutions, statutes, regulations, orders, or interpretations with respect to earned wage access services that comply with this Act that—

(A) treat such services as credit, a loan, debt, or a substantially similar product or service;

(B) treat a provider of such services as a creditor, lender, or provider of a substantially similar product or service; or

(C) prevent or significantly interfere with the offering or provision of earned wage access services that comply with this Act.

(3) SAVINGS CLAUSE.—Nothing in this Act may be construed to preempt, displace, or limit the authority of a State or political subdivision thereof to

enforce laws of general applicability, including laws relating to fraud, deceit, unfair or deceptive acts or practices, contracts, property, or taxation.

(c) RULEMAKING.—Not later than 180 days after the date of enactment of this Act, the Bureau shall issue such rules as are necessary to carry out this Act.

(d) RULE OF CONSTRUCTION.—Earned wage access services provided in compliance with this Act, and any fees or tips received in connection with such services, may not be considered credit, a loan, debt, an obligation, liability, or consumer credit, and a person providing such services shall not be considered a creditor or lender, and such fees or tips shall not be considered interest or a finance charge, under Federal law.

(e) CONFORMING AMENDMENTS.—

(1) CONSUMER FINANCIAL PROTECTION ACT OF 2010.—Section 1002 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5481) is amended—

(A) in paragraph (12)—

(i) in subparagraph (Q), by striking ‘‘and’’ at the end;

(ii) in subparagraph (R), by striking the period at the end and inserting ‘‘; and’’; and

(iii) by adding at the end the following:

"(S) the Earned Wage Access Consumer Protection Act."; and

(B) in paragraph (15)(A)—

(i) by redesignating clauses (x) and (xi) as clauses (xi) and (xii), respectively; and

(ii) by inserting after clause (ix) the following:

"(x) providing earned wage access services, as defined in section 2 of the Earned Wage Access Consumer Protection Act;".

(2) TRUTH IN LENDING ACT.—Section 103 of the Truth in Lending Act (15 U.S.C. 1602) is amended—

(A) in subsection (f), by striking "defer its payment" and inserting "defer its payment, but does not include earned wage access services as defined in the Earned Wage Access Consumer Protection Act"; and

(B) in subsection (g), by adding at the end the following: "The term creditor does not include earned wage access providers as such term is defined in the Earned Wage Access Consumer Protection Act.''.

(f) DEFINITIONS.—In this section:

(1) BUREAU.—The term ''Bureau'' means the Bureau of Consumer Financial Protection.

(2) CONSUMER.—The term ''consumer'' means a natural person.

(3) EARNED WAGES.—

(A) IN GENERAL.—The term ''earned wages'' means salary, wages, compensation, or other income that a consumer or an employer has represented and that an earned wage access provider has reasonably determined have been earned or have accrued to the benefit of the consumer in exchange for the services provided by the consumer, but that have not yet been paid to the consumer by an employer.

(B) SERVICES PROVIDED.—Services provided by the consumer include any services provided—

(i) on an hourly, project-based, piecework, salaried, or other basis; or

(ii) when the consumer is acting as a contractor of the employer.

(4) EARNED WAGE ACCESS PROVIDER.—

(A) IN GENERAL.—The term ''earned wage access provider'' means a person who provides earned wage access services to consumers.

(B) EXCLUSIONS.—The term ''earned wage access provider'' does not include—

(i) a person who is not obligated to provide access to earned wages as part of an earned wage access service;

(ii) an employer that offers a portion of salary, wages, or compensation earned by a consumer directly to such consumer prior to a normally scheduled pay date or as such wages are accrued, irrespective of any scheduled periodic pay cycle;

(iii) a financial institution (as defined in section 509 of the Gramm-Leach-Bliley Act) that permits a consumer to access amounts associated with an electronic fund transfer from the consumer's employer or a payroll services vendor of the employer for which the financial institution has received information but which has not yet settled; or

(iv) a payroll service vendor in its capacity as a facilitator of wage payments to a consumer by an employer, exclusive of any earned wage access services that such vendor may provide.

(5) EARNED WAGE ACCESS SERVICES.—The term ‘‘earned wage access services’’ means the delivery of earned wages to a consumer based on—

(A) employment, income, or attendance data obtained directly or indirectly from the employer of such consumer or a payroll service vendor, or other vendors, contracted by the employer of such consumer; or

(B) representations made by the consumer and the reasonable determination of the earned wages of such consumer by an earned wage access provider, based on information made available or accessible to the provider by the consumer.

(6) EMPLOYER.—The term ‘‘employer’’—

(A) means a person who employs a consumer, or any other person who is contractually obligated to pay a consumer salary, wages, compensation, or other income in exchange for services provided to the person or on the person's behalf; and

(B) does not include—

(i) a customer of a person; or

(ii) a person whose obligation to pay salary, wages, compensation, or other income to a consumer is not based on the services provided for or on behalf of that person.

(7) FEE.—The term ''fee'' means—

(A) a fee for delivery, or expedited delivery, of proceeds to a consumer; or

(B) a subscription, participation, or membership fee for earned wage access services or a group of services that includes earned wage access services.

(8) PAYROLL SERVICE VENDOR.—The term ''payroll service vendor'' means a vendor contracted directly or indirectly by an employer to facilitate payment of employee wages in accordance with Federal, State, and local law, including the Fair Labor Standards Act of 1938, or to provide or verify employment, income, or attendance data.

(9) TIP.—The term ''tip'' means any gratuity, donation, or other voluntary payment that is—

(A) made by a consumer to an earned wage access provider;

(B) provided gratuitously and without any consequence for nonpayment;

(C) not subject to negotiation; and

(D) in an amount determined by the consumer.

(10) STATE.—The term "State" means each of the several States, the District of Columbia, and any territory of the United States.

TITLE IV—PROMOTING EFFECTIVE, PREDICTABLE SUPERVISION

SEC. 401. ASSET THRESHOLDS FOR SUPERVISION OF BANKS, SAVINGS ASSOCIATIONS, AND CREDIT UNIONS BY THE BUREAU OF CONSUMER FINANCIAL PROTECTION.

(a) IN GENERAL.—Section 1025(a) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5515(a)) is amended—

(1) by striking "This" and inserting the following:

"(1) THRESHOLDS.—This";

(2) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively (and adjusting the margins of such subparagraphs accordingly);

(3) by striking "$10,000,000,000" each place it appears and inserting "$30,000,000,000"; and

(4) by adding at the end the following:

"(2) PERIODIC ADJUSTMENTS TO THRESHOLDS.—

"(A) IN GENERAL.—By April 1, 2031, and the 1st day of each subsequent 5-year period, the Bureau shall—

"(i) increase the thresholds described in paragraph (1) by the ratio, if greater than 1, of the annual value of the current-dollar United States gross domestic product, published by the Department of Commerce, for the calendar year preceding the year in which the adjustment is calculated under this subsection, to the published value of such index for the calendar year preceding April 1, 2026; and

"(ii) publish such increase in the Federal Register.

"(B) ROUNDING.—The amount of an increase calculated under subparagraph (A) shall be rounded to the nearest $1,000,000,000.

"(C) EFFECTIVE DATE.—Any increase determined under this paragraph shall take effect on January 1 of the year immediately succeeding the calendar year in which the increase is determined.''.

(b) CONFORMING AMENDMENTS.—Section 1026 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5516) is amended by amending subsection (a) to read as follows:

"(a) SCOPE OF COVERAGE.—This section shall apply to any covered person that is an insured depository institution or an insured credit union not described in section 1025(a).''.

SEC. 402. SUPERVISORY ELECTION FOR COVERED INSTITUTIONS.

(a) IN GENERAL.—Section 1025 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5515) is amended by adding at the end the following:

"(f) SUPERVISORY ELECTION FOR COVERED INSTITUTIONS.—

"(1) ELECTION TO REMAIN UNDER PRUDENTIAL SUPERVISION.—

"(A) IN GENERAL.—Notwithstanding subsection (a), an insured depository institution or insured credit union described in such subsection may elect to be subject to the requirements under section 1026 instead of this section by notifying the Bureau and the appropriate prudential regulator of such election.

"(B) TIMING AND EFFECTIVE DATE OF ELECTION.—

"(i) IN GENERAL.—An election under subparagraph (A) shall take effect on—

"(I) January 1 of the calendar year immediately following the calendar year in which the election is made, if the election is made on or before October 31 of such calendar year; and

"(II) January 1 of the second calendar year following the calendar year in which the election is made, if the election is made after October 31 of such calendar year.

"(ii) DURATION.—Subject to paragraph (4), an election that takes effect under this paragraph shall remain in effect unless terminated in accordance with paragraph (2).

"(C) AUTOMATIC ELECTION FOR CERTAIN INSTITUTIONS.—A covered person who becomes an insured depository institution or insured credit union described under subsection (a) after the date of enactment of this subsection shall be deemed to have made the election described in subparagraph (A).

"(2) PETITION FOR BUREAU SUPERVISION.—

"(A) IN GENERAL.—With respect to an insured depository institution or insured credit union that has made the election under paragraph (1), the Bureau may petition the appropriate prudential regulator for the insured depository institution or insured credit union to terminate such election if the Bureau determines, and notifies the appropriate prudential regulator in writing, that—

"(i) the insured depository institution or insured credit union presents heightened risks of substantial injury to consumers; and

"(ii) the appropriate prudential regulator has failed to adequately assess or address the insured depository institution's or insured credit union's compliance with Federal consumer financial law.

"(B) RESPONSE TO PETITION.—Not later than 60 days after receiving a petition under subparagraph (A), the appropriate prudential regulator shall—

"(i) approve the petition; or

"(ii) deny the petition in writing and include with such denial a detailed explanation of the reasons for such denial.

"(C) APPEAL OF DENIAL.—If the appropriate prudential regulator denies a petition under subparagraph (B)(ii), the Bureau may appeal such denial to the Financial Stability Oversight Council, which may, upon a vote of not fewer than two-thirds of the voting members then serving, approve the petition.

"(D) EFFECT OF APPROVAL OF PETITION.—If a petition submitted by the Bureau under this paragraph with respect to an insured depository institution or insured credit union is approved, the election made or deemed to have been made under paragraph (1) shall terminate on the date specified in the approval, which shall be not earlier than 30 days after the date of such approval.

"(3) BACKUP ENFORCEMENT AUTHORITY OF THE BUREAU.—With respect to an insured depository institution or insured credit union that has made the election under paragraph (1), if the Bureau has referred a material violation of a Federal consumer financial law to the prudential regulator under section 1026(d)(2)(A) and the prudential regulator does not, before the end of the 120-day period beginning on the date of such referral, initiate an enforcement action with respect to such material violation, the Bureau may take an enforcement action against the insured depository institution or insured credit union with respect to such material violation.

"(4) EXCLUSION FOR GSIBS.—This subsection shall not apply to any affiliate of a global systemically important BHC, as such term is defined under section 217.402 of title 12, Code of Federal Regulations.".

(b) SUPERVISION OF DEPOSITORY INSTITUTIONS.—Section 1025(b)(1)(C) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5515(b)(1)(C)) is amended by striking "detecting and assessing associated risks to consumers and to markets for consumer financial products and services" and inserting "detecting and assessing associated risks of substantial injury to consumers".

SEC. 403. FINANCIAL REGULATORY COORDINATION AND ACCOUNTABILITY.

(a) ENHANCED INTERAGENCY COORDINATION IN RULEMAKING.—

(1) IN GENERAL.—Section 1022(b) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5512(b)) is amended—

(A) in paragraph (2), by amending subparagraph (B) to read as follows:

''(B) the Bureau shall consult with the appropriate prudential regulators and State financial regulators and appropriate Tribal regulatory authorities, subject to paragraph (5), or other Federal agencies prior to issuing a notice of proposed rulemaking; and''; and

(B) by adding at the end the following:

''(5) SOLICITATION OF COMMENTS FROM PRUDENTIAL REGULATORS AND STATE REGULATORS.—

''(A) IN GENERAL.—Prior to issuing a notice of proposed rulemaking that impacts insured depository institutions or insured credit unions, the Bureau shall provide the proposed rule to, and accept written comments from—

''(i) each prudential regulator;

"(ii) the Conference of State Bank Supervisors, or a comparable organization representing State banking regulators;

"(iii) the National Association of State Credit Union Supervisors, or a comparable organization representing State credit union supervisors;

"(iv) each organization representing State financial regulators that license providers of consumer financial products or services; and

"(v) appropriate Tribal regulatory authorities, or an organization representing such authorities.

"(B) COMMENTS.—With respect to a proposed rule received under subparagraph (A)—

"(i) each prudential regulator shall provide written comments to the Bureau on such proposed rule, including on the potential impact of the proposed rule on the safety and soundness of insured depository institutions and insured credit unions;

"(ii) the entities described in clauses (ii) through (v) of subparagraph (A) are encouraged to provide written comments to the Bureau, to the extent the proposed rule impacts them or the institutions they represent.

"(C) PUBLICATION OF COMMENTS.—The Bureau shall publish in the rulemaking docket all written comments received pursuant to subparagraph (B) concurrently with the issuance of the notice of proposed rulemaking.

"(D) RESPONSE TO INTERAGENCY COMMENTS.—Each notice of proposed rulemaking issued by the Bureau shall include a detailed, written response to any substantive issues raised in comments submitted pursuant to subparagraph (B), including—

"(i) a description of any changes made to the proposed rule in response to such comments; and

"(ii) an explanation of the Bureau's reasons for not adopting any recommendation made by an entity described in clauses (ii) through (v) of subparagraph (A).

"(E) MINIMUM COMMENT PERIOD.—The Bureau may not issue a notice of proposed rulemaking until the expiration of a period of not fewer than 60 days after providing the proposed rule to regulators pursuant to subparagraph (A).

"(F) COORDINATION WITH SMALL BUSINESS REVIEW.—Nothing in this paragraph shall be construed to require the Bureau to complete the consultation or comment process required under this paragraph before commencing or conducting any process required under section 609(b) of title 5, United States Code. To the maximum extent practicable, the Bureau shall conduct the processes required under this paragraph and such section 609(b) concurrently.".

(b) FORMALIZED COORDINATION FOR ENFORCEMENT ACTIONS.—

(1) IN GENERAL.—Subtitle E of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5561 et seq.) is amended by adding at the end the following:

"SEC. 1059. INTERAGENCY COORDINATION ON BUREAU ENFORCEMENT ACTIONS AGAINST DEPOSITORIES.

"(a) IN GENERAL.—Prior to initiating any civil action, administrative proceeding, or entering into any consent order against an insured depository institution or an insured credit union, the Bureau shall—

"(1) provide advance written notice of the contemplated action to—

"(A) the appropriate prudential regulator; and

"(B) any relevant State regulator; and

"(2) provide such regulators with a reasonable opportunity to provide the Bureau with views and recommendations on such contemplated action; and

"(3) consider such views and recommendations in good faith before undertaking such contemplated action.

"(b) AVOIDANCE OF DUPLICATION AND CONFLICT.—The Bureau shall, to the maximum extent practicable—

"(1) avoid duplicative enforcement actions;

"(2) avoid remedies that conflict with actions taken by a prudential regulator or State regulator; and

"(3) coordinate the timing and scope of any action described in subsection (a) to minimize regulatory burden.".

(2) CLERICAL AMENDMENT.—The table of contents in section 1(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act is amended by inserting after the item relating to section 1058 the following:

"Sec. 1059. Interagency coordination on Bureau enforcement actions against depositories.".

(c) RULE OF APPLICATION.—Section 1059 of the Consumer Financial Protection Act of 2010 shall apply to a civil action or administrative proceeding that is initiated, or a consent order that is entered into, on or after the date of enactment of this Act.

SEC. 404. REFORMS TO NONBANK SUPERVISION.

Section 1024 of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5514) is amended—

(1) by striking "risks to consumers" each place such term appears and inserting "substantial injury to consumers";

(2) in subsection (a)—

(A) in paragraph (1)(C), by inserting "of at least 90 days" after "reasonable opportunity";

(B) in paragraph (2), by adding at the end the following: "With respect to a rule issued by the Bureau after the date of enactment of the Consumer Financial Protection Accountability and Reform Act of 2026 to define covered persons subject to this section, the Bureau shall provide a public notice and comment period of at least 90 days with respect to the rulemaking."; and

(C) in paragraph (3)(A), by inserting before the period the following: ''or to a small business concern (as defined in section 3 of the Small Business Act)'';

(3) in subsection (b)(2), by striking ''risks posed to consumers'' and inserting ''risk of substantial injury to consumers''; and

(4) by adding at the end the following:

''(f) LIMITATION ON SUPERVISORY AUTHORITY.—With respect to a covered person that is described in subsection (a)(1), or a service provider thereto, the Bureau's authority under this section to require reports from, conduct examinations of, obtain information from, or otherwise supervise such covered person or service provider shall be limited to activities, operations, records, personnel, systems, and matters directly related to the offering or provision of the applicable consumer financial product or service described in subparagraph (A), (B), (C), (D), or (E) of subsection (a)(1) with respect to such covered person.

''(g) MARKET DEFINED.—In this section, and other than in the context of a geographic market, the term 'market' means consumer financial products or services that—

''(1) share the same primary consumer purpose; and

"(2) are reasonably interchangeable by consumers.".

TITLE V—PREVENTING REGULATION BY ENFORCEMENT

SEC. 501. CIVIL MONEY PENALTIES.

(a) IN GENERAL.—Section 1055(c) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5565(c)), is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), in the heading, by striking "SECOND TIER" and inserting "FIRST TIER";

(B) in subparagraph (C)—

(i) in the heading, by striking "THIRD TIER" and inserting "SECOND TIER"; and

(ii) by striking "$1,000,000" and inserting "$50,120";

(C) by striking subparagraph (A); and

(D) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(2) in paragraph (3)—

(A) in subparagraph (D), by striking "and" at the end;

(B) by redesignating subparagraph (E) as subparagraph (F); and

(C) by inserting after subparagraph (D) the following:

"(E) whether the person charged self-reported the violation; and".

(b) RULEMAKING.—The Bureau of Consumer Financial Protection shall, not later than 180 day after the date of the enactment of this section, issue a rule that—

(1) implements the amendments made by this section; and

(2) establishes policies and procedures relating to how the Bureau of Consumer Financial Protection will reduce civil monetary penalties based on the presence of mitigation factors described in section 1055(c)(3) of the Consumer Financial Protection Act of 2010, as amended by subsection (a)(2).

(c) CIVIL MONEY PENALTY MATRIX.—Section 1055(c) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5565(c)) is amended by adding at the end the following:

"(6) CIVIL MONEY PENALTY MATRIX.—The Bureau may, by rule, establish and periodically revise a civil money penalty matrix or schedule to promote consistency and predictability in the assessment of civil money penalties under this subsection. Any such matrix or schedule may take into account the factors described in paragraph (3) and may not authorize a penalty in excess of the applicable maximum amount specified in paragraph (2).''.

SEC. 502. LIMITATIONS ON MARKET MONITORING FUNCTIONS.

The Consumer Financial Protection Act of 2010 (12 U.S.C. 5481 et seq.) is amended—

(1) in section 1022(c)(4)(C), by adding at the end the following: ''The Bureau may not use its authorities under this paragraph, or any information obtained pursuant to this paragraph, to initiate or in connection with any enforcement investigation or enforcement action, or to initiate or in connection with any supervisory examination. Information obtained from a covered person or service provider pursuant to this paragraph may not be made public by the Bureau.''; and

(2) in section 1026(b), by striking '', and to assess and detect risks to consumers and consumer financial markets''.

SEC. 503. ENFORCEMENT POWERS OF THE STATES.

Section 1042 of the Consumer Financial Protection Act (12 U.S.C. 5552) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking "Except as provided in paragraph (2)" and inserting "Except as provided in paragraphs (2) and (4)"; and

(B) by adding at the end the following:

"(4) PROHIBITION ON ENFORCEMENT.—An attorney general (or the equivalent thereof) of any State may not bring a civil action in the name of such State in any district court of the United States in that State or in State court that is located in that State and that has jurisdiction over the defendant, to enforce provisions of this title or regulations issued under this title, if the Bureau has provided written notice to the attorney general (or the equivalent thereof) that the Bureau has brought or intends to bring an action to enforce this title or regulations issued under this title against the same entity for violations arising from the same conduct or fact pattern.

"(5) APPLICATION OF LIMITATIONS.—If an attorney general (or the equivalent thereof) of any State brings a civil action in the name of such State in any district court of the United States in that State or in State court that is located in that State and that has jurisdiction over the defendant, to enforce provisions of this title or regulations issued under this title such attorney general (or the equivalent thereof) shall be subject to the same limitations on authorities as are applied to the Bureau under section 1027 and section 1029.'';

(2) in subsection (b)(2)—

(A) by redesignating subparagraphs (A), (B), and (C) as subparagraphs (B), (C), and (D), respectively; and

(B) by striking ''the Bureau may—'' and inserting ''the Bureau may—''

''(A) notify the attorney general (or the equivalent thereof) that the Bureau has brought or intends to bring an action to enforce this title or regulations issued under this title against the same entity for violations arising from the same conduct or fact pattern;''; and

(3) by adding at the end the following:

''(e) RULE OF CONSTRUCTION.—Nothing in this section may be construed to permit a State to enforce to provisions of any Federal consumer financial laws other than the provisions of this title or regulations issued under this title.''.

SEC. 504. INDEXING OF ASSET-BASED THRESHOLDS IN REGULATIONS.

(a) IN GENERAL.—Section 1022 of the Consumer Financial Protection Act (12 U.S.C. 5512) is amended by adding at the end the following:

"(e) PERIODIC ADJUSTMENT FOR ASSET-BASED THRESHOLDS IN REGULATIONS.—

"(1) IN GENERAL.—For each asset-based threshold established by regulation and contained in a regulation issued by the Bureau under a Federal consumer financial law, the Bureau shall, by rule, adjust such threshold every 5 years by the ratio, if greater than 1, of the annual value of the current-dollar United States gross domestic product, published by the Department of Commerce, for the calendar year preceding the year in which the adjustment is calculated under this subsection, to the published value of such index for the calendar year preceding April 1, 2026.

"(2) ROUNDING.—Each threshold adjustment made pursuant to paragraph (1) shall be rounded—

"(A) to the nearest $1,000,000, for thresholds equal to or greater than $1,000,000,000;

"(B) to the nearest $100,000, for thresholds equal to or greater than $100,000,000 but less than $1,000,000,000; and

"(C) to the nearest $10,000, for thresholds less than $100,000,000.

"(3) ASSET-BASED THRESHOLD DEFINED.—In this subsection, the term 'asset-based threshold' means any threshold, expressed as a dollar amount of total assets of a covered person, that determines the applicability of a regulation issued by the Bureau.".

(b) INITIAL IDENTIFICATION OF THRESHOLDS.—Not later than 1 year after the date of enactment of this Act, the Bureau of Consumer Financial Protection shall—

(1) identify each asset-based threshold described in section 1022(e) of the Consumer Financial Protection Act; and

(2) publish in the Federal Register a list of all such thresholds, including the original amount of each such threshold, the date on which such threshold was established, and the regulation in which such threshold appears.

(c) INITIAL INDEXING OF THRESHOLDS.—As soon as practicable after publishing the thresholds described in subsection (b), the Bureau shall, by rule, and subject to the rounding requirements in section 1022(e)(2) of the Consumer Financial Protection Act, adjust each such threshold to reflect the percentage change in the Consumer Price Index for All Urban Consumers, or any successor index, published by the Bureau of Labor Statistics, between—

(1) the date on which the threshold was originally established in regulation; and

(2) the date on which the Bureau publishes the list required under subsection (b).

SEC. 505. COLLECTING AND TRACKING COMPLAINTS.

Section 1013(b)(3) of the Consumer Financial Protection Act of 2010 (12 U.S.C. 5493(b)(3)) is amended by adding at the end the following:

"(E) CONSUMER ATTESTATION.—

"(i) IN GENERAL.—The Director shall require, using such verification mechanisms as the Director determines appropriate, each person who submits a complaint to the unit established under this paragraph to attest, under penalty of perjury, that—

"(I) the information and documentation provided in the complaint is true and accurate to the best of the consumer's knowledge;

"(II) the complaint is being submitted directly by—

"(aa) the consumer; or

"(bb) a representative authorized to act on the behalf of the consumer who provides sufficient proof of identification and a written document signed by the consumer that permits the third party to act on the behalf of the consumer specifically as it relates to submitting a complaint to the Bureau; and

"(III) the consumer directly informed the covered person who is required to respond to complaints under subsection (b) and (c) of section 1034 to which the complaint relates of the issue about which the consumer is submitting the complaint not less than 60 days before submitting the complaint to the Bureau.

"(ii) NOTIFICATION REQUIREMENT.—If the Director finds, when carrying out clause (i), that a complaint submitted in the name of a consumer was not submitted by such consumer or by a representative authorized to act on the behalf of such consumer, the Director shall to the degree practicable—

“(I) inform the consumer in whose name the complaint was filed that such complaint was submitted in their name, without their authorization; and

“(II) provide to the covered person who is required to respond to complaints under subsection (b) and (c) of section 1034 to whom the complaint relates the name of the person who submitted the complaint without the authorization of the consumer.

“(iii) SUFFICIENT PROOF OF IDENTIFICATION DEFINED.—The term ‘sufficient proof of identification’ means information or documentation that identifies a protected consumer and a protected consumer’s representative and includes—

“(I) a social security number or a copy of a social security card issued by the Social Security Administration;

"(II) a certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate; or

"(III) a copy of a driver's license, an identification card issued by the motor vehicle administration.

"(F) CLOSURE OF DUPLICATIVE, FRIVOLOUS OR UNAUTHORIZED COMPLAINTS.——

"(i) IN GENERAL.—A covered person who is required to respond to complaints under subsection (b) and (c) of section 1034 that receives a consumer complaint from the unit established under this paragraph may, upon reasonable determination, close such complaint without further action if—

"(I) the complaint, as determined by such covered person—

"(aa) is duplicative of a previously submitted and resolved complaint submitted by the same consumer relating to the same issue;

"(bb) is frivolous or lacking a basis in fact;

"(cc) was not submitted by the consumer or an individual authorized to act on the behalf of the consumer; or

"(dd) was submitted for a fraudulent or misleading purpose;

"(II) such covered person was not directly informed by the consumer of the issue about which the consumer submitted the complaint not less than 60 days before the consumer submitted the complaint; or

"(III) such covered person was directly informed by the consumer of the issue about which the consumer submitted the complaint and such covered person responded to such consumer in a manner that remedied the issue raised by the consumer; or

"(ii) RECORDING.—If a covered person who is required to respond to complaints under subsection (b) and (c) of section 1034 closes a complaint under clause (i), such covered person shall notify the unit established under this paragraph of such closure and the reason for such closure and such unit shall record such information in the database established under this paragraph.

"(G) CONFIDENTIALITY.—

"(i) IN GENERAL.—Notwithstanding any other provision of law, the Bureau shall ensure that narrative content included in complaints submitted by consumers to the unit established under this paragraph and narrative content included in responses from covered persons who are required to respond to complaints under subsection (b) and (c) of section 1034 who receive complaints from the unit established under this paragraph remain confidential and are not published or made publicly viewable.

"(ii) AGGREGATION OF DATA.—The Bureau may publish aggregated data about complaints received from consumers and analyses of trends in such complaints if such data and analyses do not include personally identifiable information or specific narrative content that could reasonably be linked to an individual consumer or covered person who is required to respond to complaints under subsection (b) and (c) of section 1034.''.

SEC. 506. ENHANCEMENTS TO SMALL BUSINESS LOAN PRIVACY.

Section 704B(e)(4) of the Equal Credit Opportunity Act (15 U.S.C. 1691c–2(e)(4)) is amended—

(1) by striking ''The Bureau may,'' and inserting:

''(A) IN GENERAL.—The Bureau may,''; and

(2) by adding at the end the following:

''(B) RULEMAKING REQUIREMENT.—The Bureau shall, before deleting or modifying data under this paragraph, issue, through advance notice and comment, a rule that includes a description of what modifications and deletions the Bureau intends to make to the data and how such modifications and deletions will advance a privacy interest.''.