

119TH CONGRESS
2D SESSION

H. R. 10184

To make reforms to the Bureau of Consumer Financial Protection, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 31, 2026

Mr. BARR (for himself, Mr. HILL of Arkansas, Mr. LUCAS, Mr. SESSIONS, Mr. HUIZENGA, Mrs. WAGNER, Mr. WILLIAMS of Texas, Mr. EMMER, Mr. LOUDERMILK, Mr. DAVIDSON, Mr. ROSE, Mr. STEIL, Mr. TIMMONS, Mr. STUTZMAN, Mr. MEUSER, Mrs. KIM, Mr. DONALDS, Mr. GARBARINO, Mr. FITZGERALD, Mr. FLOOD, Mr. LAWLER, Ms. DE LA CRUZ, Mr. NUNN of Iowa, Mrs. McCLAIN, Ms. SALAZAR, Mr. DOWNING, Mr. HARIDOPOLOS, Mr. MOORE of North Carolina, Mr. NORMAN, and Mr. OGLES) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on the Judiciary, Small Business, and Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To make reforms to the Bureau of Consumer Financial
Protection, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Consumer Financial Protection Accountability and Re-
 4 form Act of 2026”.

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

Sec. 1. Short title; table of contents.

TITLE I—REFORMING BUREAU GOVERNANCE

- Sec. 101. Bringing the Bureau into the regular appropriations process.
- Sec. 102. Consumer Financial Civil Penalty Fund.
- Sec. 103. Transparency in cost-benefit analysis.
- Sec. 104. Accountability to small businesses.
- Sec. 105. Modernizing regulatory reviews.
- Sec. 106. Bureau of Consumer Financial Protection-Inspector General Reform.

**TITLE II—RESTORING LEGAL CLARITY AND PROCEDURAL
FAIRNESS**

- Sec. 201. Rectifying undefined descriptions of abusive acts and practices.
- Sec. 202. Limitation on use of unfair, deceptive, or abusive acts or practices
authority to circumvent statutes of limitations.
- Sec. 203. Definition of substantial injury.
- Sec. 204. Restoring court authority over litigation.
- Sec. 205. Clarification to the authority of the Bureau with respect to persons
regulated by a State insurance regulator.

**TITLE III—PROMOTING INNOVATION IN CONSUMER FINANCIAL
MARKETS**

- Sec. 301. Safe harbor for small-dollar credit products.
- Sec. 302. Guidance clarity statement required.
- Sec. 303. GAO study on buy now pay later services.
- Sec. 304. Earned wage access services.

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.
- Sec. 402. Supervisory election for covered institutions.
- Sec. 403. Financial regulatory coordination and accountability.
- Sec. 404. Reforms to nonbank supervision.

TITLE V—PREVENTING REGULATION BY ENFORCEMENT

- Sec. 501. Civil Money Penalties.
- Sec. 502. Limitations on market monitoring functions.
- Sec. 503. Enforcement powers of the States.
- Sec. 504. Indexing of asset-based thresholds in regulations.

Sec. 505. Collecting and tracking complaints.

Sec. 506. Enhancements to small business loan privacy.

TITLE I—REFORMING BUREAU GOVERNANCE

SEC. 101. BRINGING THE BUREAU INTO THE REGULAR AP- PROPRIATIONS 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 sub-
section to read as follows: “BUDGET, FINAN-
CIAL 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) AN-
NUAL REPORT.—”.

1 **SEC. 102. CONSUMER FINANCIAL CIVIL PENALTY FUND.**

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

5 (1) in paragraph (2)—

6 (A) in the first sentence, by inserting “di-
7 rect” before “victims”; and

8 (B) by striking the second sentence; and

9 (2) by adding at the end the following:

10 “(3) TREATMENT OF EXCESS AMOUNTS.—With
11 respect to a civil penalty described under paragraph
12 (1), if the Bureau makes payments to all of the di-
13 rect victims of activities for which that civil penalty
14 was imposed, the Bureau shall transfer all amounts
15 that remain in the Civil Penalty Fund with respect
16 to that civil penalty to the general fund of the
17 Treasury.”.

18 **SEC. 103. TRANSPARENCY IN COST-BENEFIT ANALYSIS.**

19 Section 1022(b) of the Consumer Financial Protec-
20 tion Act of 2010 (12 U.S.C. 5512(b)) is amended by add-
21 ing at the end the following:

22 “(5) ADDITIONAL RULEMAKING REQUIRE-
23 MENTS.—

24 “(A) IN GENERAL.—Each notice of pro-
25 posed 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,

1 local, or tribal authorities cannot ade-
2 quately address the problem;

3 “(iv) an examination of whether the
4 proposed regulation is duplicative, incon-
5 sistent, or incompatible with other Federal
6 regulations and orders;

7 “(v) if the proposed regulation is
8 found to be duplicative, inconsistent, or in-
9 compatible with other Federal regulations
10 and orders, a discussion of—

11 “(I) why the proposed regulation
12 is justified;

13 “(II) how the proposed regulation
14 can coexist with the existing regula-
15 tions; and

16 “(III) how the Bureau plans to
17 reduce the regulatory burden associ-
18 ated with the duplicative, inconsistent,
19 or incompatible proposed regulation;

20 “(vi) a quantitative and qualitative as-
21 sessment of all anticipated direct and indi-
22 rect costs and benefits of the proposed reg-
23 ulation, including—

1 “(I) compliance costs for all reg-
2 ulated entities, including small busi-
3 nesses;

4 “(II) effects on economic activity,
5 efficiency, capital formation, and mar-
6 ket competition;

7 “(III) regulatory and administra-
8 tive costs of implementation;

9 “(IV) costs imposed on State,
10 local, and tribal entities;

11 “(V) effects on approval rates for
12 consumer financial products or serv-
13 ices;

14 “(VI) effects on access to con-
15 sumer financial products or services;

16 “(VII) effects on the cost of cred-
17 it to consumers and businesses;

18 “(VIII) effects on the availability,
19 variety, and terms of consumer finan-
20 cial products or services; and

21 “(IX) with respect to any effect
22 described in subclauses (I) through
23 (VIII) that the Bureau determines
24 cannot reasonably be quantified, an
25 explanation of the basis for that de-

1 termination and a qualitative assess-
2 ment of such effect;

3 “(vii) an identification of reasonable
4 alternatives to the regulation, including
5 modification of an existing regulation;

6 “(viii) an analysis of the costs and
7 benefits, both quantitative and qualitative,
8 of any alternative identified pursuant to
9 clause (vi);

10 “(ix) if quantified net benefits of the
11 proposed action do not outweigh the quan-
12 tified net benefits of the alternatives, a jus-
13 tification of the regulation;

14 “(x) if quantified benefits identified
15 pursuant to clause (v) do not outweigh the
16 quantified costs of the regulation, a jus-
17 tification of the regulation;

18 “(xi) an assessment of how the bur-
19 den imposed by the regulation will be dis-
20 tributed; including whether consumers, or
21 small businesses will be disproportionately
22 burdened; and

23 “(xii) a probability distribution of the
24 relevant outcomes of the proposed regula-

tion, 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

1 such provision pursuant to an express stat-
 2 utory requirement.

3 “(ii) EXPLANATION REQUIRED.—A
 4 notice of proposed rulemaking relying on
 5 the exclusion under this subparagraph
 6 shall identify each provision for which the
 7 Bureau asserts that the Bureau exercises
 8 no material discretion and the statutory re-
 9 quirement giving rise to that assertion.”.

10 **SEC. 104. ACCOUNTABILITY TO SMALL BUSINESSES.**

11 (a) RULEMAKING UNDER DODD-FRANK WALL
 12 STREET REFORM AND CONSUMER PROTECTION ACT.—
 13 Section 1022(b)(2)(A) of the Dodd-Frank Wall Street Re-
 14 form and Consumer Protection Act (12 U.S.C.
 15 5512(b)(2)(A)) is amended—

16 (1) in clause (i), by striking “and” at the end;

17 (2) in clause (ii), by striking the semicolon at
 18 the end and inserting “; and”; and

19 (3) by adding at the end the following:

20 “(iii) the impact of proposed rules on
 21 small entities, in accordance with section
 22 609 of title 5, United States Code;”.

23 (b) INITIAL REGULATORY FLEXIBILITY ANALYSIS.—

24 Section 603(d)(1) of title 5, United States Code, is amend-
 25 ed—

1 (1) in subparagraph (B), by striking “and” at
2 the end;

3 (2) in subparagraph (C), by striking the period
4 and inserting “; and”; and

5 (3) by adding at the end the following:

6 “(D) where the covered agency does not
7 adopt any alternatives described in paragraphs
8 (1) through (4) of subsection (c), a detailed jus-
9 tification of the covered agency’s determination
10 that the relative size and resources of small en-
11 tities should have no bearing on the rule, sup-
12 ported by factual, policy and legal reasons.”.

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

16 “(7) for a covered agency, as defined in section
17 609(d)(2), a description of the steps the agency has
18 taken to minimize any additional cost of credit for
19 small entities and, where no significant alternatives
20 for small entities was adopted, a detailed justifica-
21 tion of the covered agency’s determination that the
22 relative size and resources of small entities should
23 have no bearing on the rule, supported by factual,
24 policy and legal reasons.”.

1 **SEC. 105. MODERNIZING REGULATORY REVIEWS.**

2 (a) AMENDMENT TO THE CONSUMER FINANCIAL
3 PROTECTION ACT OF 2010.—Title X of the Dodd-Frank
4 Wall Street Reform and Consumer Protection Act (12
5 U.S.C. 5481 et seq.) is amended by inserting after section
6 1022 the following:

7 **“SEC. 1022A. ENHANCED REVIEW OF REGULATIONS.**

8 “(a) REVIEW OF MAJOR RULES OR ORDERS.—

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

12 “(2) TIMING OF REVIEW.—

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

21 “(B) RETROSPECTIVE REVIEW.—With re-
22 spect to any major rule or order in effect for
23 which compliance with such rule or order is re-
24 quired before the date of the enactment of this
25 section, the OMB Director shall conduct a re-
26 view of such rule or order not later than 8

1 years after the date of the enactment of this
2 section.

3 “(3) SCOPE OF REVIEW.—In conducting a re-
4 view under this subsection, the OMB Director
5 shall—

6 “(A) evaluate the costs and benefits of the
7 rule, including—

8 “(i) compliance costs for covered per-
9 sons and service providers;

10 “(ii) the extent to which the rule
11 achieved the objectives of the rule;

12 “(iii) changes in technology, the emer-
13 gence of new market entrants, and other
14 market developments since the rule was
15 issued;

16 “(iv) impacts on competition, innova-
17 tion, and risk-based pricing;

18 “(v) operational impacts on covered
19 persons and service providers;

20 “(vi) any unintended consequences af-
21 fecting consumer choice or access to credit;
22 and

23 “(vii) whether any dollar, volume, or
24 other thresholds appropriately tailor bur-
25 dens to entity size; and

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

3 “(4) PUBLIC INPUT AND AGENCY RESPONSE.—

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

8 “(B) AGENCY RESPONSE.—Not later than
9 120 days after the close of the comment period,
10 the Bureau shall provide a written response to
11 the OMB Director addressing relevant com-
12 ments received.

13 “(C) INTERAGENCY CONSULTATION.—

14 “(i) IN GENERAL.—In conducting a
15 review under this subsection, the OMB Di-
16 rector shall consult with—

17 “(I) the Board of Governors of
18 the Federal Reserve System;

19 “(II) the Federal Deposit Insur-
20 ance Corporation;

21 “(III) the Office of the Comp-
22 troller of the Currency;

23 “(IV) the Federal Trade Com-
24 mission;

1 “(V) if the Bureau conducted a
2 small business review panel for the
3 major rule or order, the Small Busi-
4 ness Administration; and

5 “(VI) any other agency that the
6 OMB Director determines relevant to
7 the major rule or order.

8 “(ii) PUBLIC ACCESS TO TOPICS DIS-
9 CUSSED.—After consulting with the agen-
10 cies pursuant to clause (i), the OMB Di-
11 rector shall publish on a public website a
12 document which describes the topics dis-
13 cussed during such consultations.

14 “(5) OUTCOME OF REVIEW.—If the OMB Di-
15 rector determines that a major rule or order, in
16 whole or in part, fails to demonstrate net benefits
17 under the review required under this subsection—

18 “(A) the Bureau shall, not later than 1
19 year after such determination, issue a notice of
20 proposed rulemaking to amend or repeal the
21 rule or order; or

22 “(B) the Bureau may petition the OMB
23 Director for a single extension of up to 18
24 months, if the rule requires an analysis under
25 chapter 6 of title 5, United States Code.

1 “(b) REVIEW OF NON-MAJOR RULES.—

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

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

10 “(c) EXCLUSION OF RULES IN WHICH BUREAU EX-
11 ERCISED NO MATERIAL DISCRETION.—

12 “(1) IN GENERAL.—Any rule or order for which
13 the Bureau has not exercised any material discretion
14 pursuant to a statutory requirement, as determined
15 by the OMB Director, shall be exempt from any re-
16 view described under this section.

17 “(2) PUBLIC INPUT.—Beginning on the date
18 that is 1 year after the date of the enactment of this
19 section, and every 2 years thereafter, the OMB Di-
20 rector shall—

21 “(A) seek public input on the determina-
22 tion described in paragraph (1); and

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

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

9 “(e) POSTPONEMENT OF REVIEW OF SIGNIFICANTLY
 10 AMENDED RULES AND ORDERS.—

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

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

18 “(B) in (b)(1), with respect to non-major
 19 rules.

20 “(2) PUBLIC COMMENT.—The OMB Director
 21 shall seek public comments in making a determina-
 22 tion pursuant to paragraph (1).

23 “(f) PUBLICATION OF REVIEW CALENDAR.—Not
 24 later than 180 days after the date of the enactment of
 25 this section, and every 6 months thereafter, the OMB Di-

1 rector shall publish in the Federal Register and on a pub-
2 licly accessible website a schedule of anticipated reviews
3 under this section for the succeeding 2-year period.

4 “(g) RULE OF CONSTRUCTION.—Nothing in this sec-
5 tion shall be construed to limit the authority of the Bureau
6 to amend or repeal any rule at any time under other provi-
7 sions of law.

8 “(h) AUTHORITY TO ISSUE IMPLEMENTING REGULA-
9 TIONS.—The OMB Director is authorized to promulgate
10 such rules and regulations as are necessary to carry out
11 the provisions of this section.

12 “(i) DEFINITIONS.—In this section:

13 “(1) KEY PERFORMANCE INDICATOR.—The
14 term ‘key performance indicator’ means an objective,
15 measurable outcome metric identified by the Bureau
16 for the purpose of assessing whether a rule achieves
17 the rule’s intended statutory and regulatory objec-
18 tives.

19 “(2) MAJOR RULE.—The term ‘major rule’ has
20 the meaning given that term in section 804 of title
21 5, United States Code.

22 “(3) OMB DIRECTOR.—The term ‘OMB Direc-
23 tor’ means the Director of the Office of Management
24 and Budget.”.

1 (b) CONFORMING AMENDMENT.—Section 1022 of the
 2 Consumer Financial Protection Act of 2010 (12 U.S.C.
 3 5512) is amended by striking subsection (d).

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

6 (a) APPOINTMENT OF INSPECTOR GENERAL.—Chap-
 7 ter 4 of title 5, United States Code, is amended—

8 (1) in section 401—

9 (A) in paragraph (1), by inserting “the
 10 Bureau of Consumer Financial Protection,”
 11 after “the Export-Import Bank of the United
 12 States,”; and

13 (B) in paragraph (3), by inserting “the Di-
 14 rector of the Bureau of Consumer Financial
 15 Protection;” after “the President of the Export-
 16 Import Bank of the United States;”; and

17 (2) in section 415—

18 (A) in subsection (a)(1), by striking “and
 19 the Bureau of Consumer Financial Protection”;

20 (B) in subsection (c), by striking “For
 21 purposes of implementing this section, the
 22 Chairman of the Board of Governors of the
 23 Federal Reserve System shall appoint the In-
 24 spector General of the Board of Governors of
 25 the Federal Reserve System and the Bureau of

1 Consumer Financial Protection. The Inspector
2 General of the Board of Governors of the Fed-
3 eral Reserve System and the Bureau of Con-
4 sumer Financial Protection shall have all of the
5 authorities and responsibilities provided by this
6 Act with respect to the Bureau of Consumer Fi-
7 nancial Protection, as if the Bureau were part
8 of the Board of Governors of the Federal Re-
9 serve System.”; and

10 (C) in subsection (g)(3), by striking “and
11 the Bureau of Consumer Financial Protection”.

12 (b) REQUIREMENTS FOR THE INSPECTOR GENERAL
13 FOR THE BUREAU OF CONSUMER FINANCIAL PROTEC-
14 TION.—

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

18 (A) in subsection (b)—

19 (i) in the subsection heading, by strik-
20 ing “AND DEPUTY DIRECTOR” and insert-
21 ing “, DEPUTY DIRECTOR, AND INSPEC-
22 TOR GENERAL”; and

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

1 “(6) INSPECTOR GENERAL.—There is estab-
2 lished the position of the Inspector General.”; and

3 (B) in subsection (d), by striking “or Dep-
4 uty Director” each place it appears and insert-
5 ing “, Deputy Director, or Inspector General”.

6 (2) HEARINGS.—Section 1016 of such Act is
7 amended by inserting after subsection (c) the fol-
8 lowing:

9 “(d) ADDITIONAL REQUIREMENT FOR INSPECTOR
10 GENERAL.—Within a reasonably short amount of time
11 after each appearance by the Director of the Bureau be-
12 fore the Committee on Banking, Housing, and Urban Af-
13 fairs of the Senate or the Committee on Financial Services
14 of the House of Representatives described in subsection
15 (a), the Inspector General of the Bureau shall appear,
16 upon invitation, before such committee regarding the re-
17 ports required under subsection (b) and the reports re-
18 quired under section 405 of title 5, United States Code.”.

19 (3) PARTICIPATION IN THE COUNCIL OF IN-
20 SPECTORS GENERAL ON FINANCIAL OVERSIGHT.—
21 Section 989E(a)(1) of such Act is amended by add-
22 ing at the end the following:

23 “(J) The Bureau of Consumer Financial
24 Protection.”.

1 (4) DEADLINE FOR APPOINTMENT.—Not later
2 than 60 days after the date of the enactment of this
3 Act, the President shall appoint an Inspector Gen-
4 eral for the Bureau of Consumer Financial Protec-
5 tion in accordance with section 403 of title 5, United
6 States Code.

7 (c) EFFECTIVE DATE.—

8 (1) IN GENERAL.—The amendments made by
9 this section shall take effect on the date on which
10 the first Inspector General of the Bureau of Con-
11 sumer Financial Protection is confirmed by the Sen-
12 ate.

13 (2) APPOINTMENT.—The President may ap-
14 point, and the Senate may confirm, an Inspector
15 General of the Bureau of Consumer Financial Pro-
16 tection before the amendments made by this section
17 take effect.

18 (3) TRANSITION.—The Inspector General of the
19 Board of Governors of the Federal Reserve System
20 and the Bureau of Consumer Financial Protection
21 shall, upon the date on which the first Inspector
22 General of the Bureau of Consumer Financial Pro-
23 tection is confirmed by the Senate, become the In-
24 spector General of the Board of Governors of the
25 Federal Reserve System.

1 (4) SAVINGS PROVISION FOR PENDING MAT-
2 TERS.—

3 (A) IN GENERAL.—Any audit, investiga-
4 tion, review, inquiry, subpoena, request for in-
5 formation, or report relating to the Bureau of
6 Consumer Financial Protection that, imme-
7 diately before the effective date described in
8 paragraph (1), was pending, ongoing, issued, or
9 being conducted by the Inspector General of the
10 Board of Governors of the Federal Reserve Sys-
11 tem and the Bureau of Consumer Financial
12 Protection shall continue without interruption
13 and shall, on and after such effective date, be
14 deemed an action of the Inspector General of
15 the Bureau of Consumer Financial Protection.

16 (B) CONTINUING EFFECT.—Any subpoena,
17 request, directive, determination, finding, rec-
18 ommendation, or other action described in sub-
19 paragraph (A) that was validly issued or taken
20 before the effective date described in paragraph
21 (1) shall remain in force and effect according to
22 its terms and need not be reissued, ratified, or
23 otherwise renewed solely by reason of the
24 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 finan-

1 cial product or service, or the offering of a consumer
2 financial product or service. Rules under this section
3 may include requirements for the purpose of pre-
4 venting such acts or practices.

5 “(2) COST BENEFIT ANALYSIS REQUIRED.—
6 Any final rule issued by the Bureau relating to abu-
7 sive, unfair, or deceptive acts or practices shall in-
8 clude a cost-benefit analysis.

9 “(3) DEFINITION OF ABUSIVE ACT OR PRAC-
10 TICE.—The Bureau shall, not later than 180 days
11 after the date of the enactment of this subsection,
12 issue a rule that defines the term ‘abusive act or
13 practice’ for the purposes of this section.”.

14 (2) OPPORTUNITY FOR COMMENT.—The Bu-
15 reau of Consumer Financial Protection shall, not
16 later than 180 days after the date of the enactment
17 of this subsection, allow the public to submit com-
18 ments with respect to any confusion about how the
19 Bureau of Consumer Financial Protection uses its
20 authority with respect to unfair, deceptive, or abu-
21 sive acts or practices.

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

1 1031(b)(3) of the Consumer Financial Protection
2 Act of 2010, commence any enforcement action, ad-
3 ministrative proceeding, supervisory action, or other
4 proceeding, or otherwise exercise the Bureau’s au-
5 thority under the Consumer Financial Protection
6 Act of 2010, on the basis that an act or practice is
7 abusive.

8 (b) NO AUTHORITY TO DECLARE AN ACT UNLAW-
9 FUL BASED ON DISCRIMINATION.—Section 1031 of the
10 Consumer Financial Protection Act of 2010 (12 U.S.C.
11 5531) is amended by adding at the end the following:

12 “(g) NO AUTHORITY TO DECLARE AN ACT UNLAW-
13 FUL BASED ON DISCRIMINATION.—The Bureau may not
14 interpret the authority of the Bureau relating to unfair,
15 deceptive, or abusive acts and practices to include dis-
16 criminatory practices.”.

17 (c) CLARIFYING THE ABUSIVE STANDARD FOR THE
18 BUREAU OF CONSUMER FINANCIAL PROTECTION.—Sec-
19 tion 1031 of the Consumer Financial Protection Act of
20 2010 (12 U.S.C. 5531) is amended by striking subsection
21 (d) and inserting the following:

22 “(d) ABUSIVE.—

23 “(1) IN GENERAL.—The Bureau shall have no
24 authority to declare an act or practice of a covered
25 person or a service provider abusive in connection

1 with the provision of a consumer financial product
2 or service, unless the act or practice—

3 “(A) intentionally and materially interferes
4 with the ability of a consumer to understand a
5 term or condition of a consumer financial prod-
6 uct or service; or

7 “(B) takes unreasonable advantage of—

8 “(i) a lack of understanding by the
9 consumer with respect to the possible im-
10 pact, material risks, costs, or conditions of
11 the product or service, or the likelihood of
12 the risks, costs, or conditions of the prod-
13 uct or service negatively affecting the con-
14 sumer; and

15 “(ii) the reasonable reliance the con-
16 sumer places on an affirmative action or
17 representation of such covered person or
18 service provider to induce such consumer
19 to rely on such action or representation.

20 “(2) ABUSIVE ACTIONS.—

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

24 “(i) the act or practice causes or is
25 likely to cause substantial injury to con-

1 sumers which is not reasonably avoidable
2 by consumers; and

3 “(ii) such substantial injury is not
4 outweighed by countervailing benefits to
5 consumers or to competition.

6 “(B) PRESUMPTION.—For purposes of
7 subparagraph (A)(i):

8 “(i) IN GENERAL.—If an act or prac-
9 tice was timely, clearly, and conspicuously
10 disclosed to consumers, any substantial in-
11 jury resulting from the act or practice is
12 presumed to be reasonably avoidable.

13 “(ii) REBUTTAL.—The presumption
14 described in clause (i) may be rebutted
15 only upon a showing, by clear and con-
16 vincing evidence, that, notwithstanding
17 such disclosure, the consumer did not have
18 a reasonable means of avoiding the sub-
19 stantial injury.

20 “(e) GOOD-FAITH EFFORT TO COMPLY.—

21 “(1) IN GENERAL.—The Bureau may not seek
22 monetary relief from a covered person or service pro-
23 vider under this section unless the covered person or
24 service provider has not established by a preponder-

1 ance of the evidence that they made a good-faith ef-
 2 fort to comply with the requirements of this section.

3 “(2) AUTHORITY TO SEEK LEGAL OR EQUI-
 4 TABLE REMEDIES.—

5 “(A) IN GENERAL.—The limitation de-
 6 scribed in paragraph (1) shall not restrict the
 7 authority of the Bureau to seek legal or equi-
 8 table remedies, such as damages and restitu-
 9 tion, to redress an identifiable consumer injury
 10 caused by the abusive acts or practices of such
 11 covered person.

12 “(B) RULE OF CONSTRUCTION.—For pur-
 13 poses of subparagraph (A), a civil money pen-
 14 alty described in section 1055(c) is not a legal
 15 or equitable remedy.”.

16 (d) NOTICE AND OPPORTUNITY TO CURE.—Section
 17 1031 of the Consumer Financial Protection Act of 2010
 18 (12 U.S.C. 5531), as amended by subsection (b), is fur-
 19 ther amended by adding at the end the following:

20 “(h) NOTICE AND OPPORTUNITY TO CURE.—

21 “(1) IN GENERAL.—If a covered person self-
 22 identifies a potential unfair, deceptive, or abusive act
 23 or practice carried out by such covered person, the
 24 Bureau shall, not later than 90 days after such self-
 25 identification, provide a written notice in the form of

1 a potential action and request for response letter or
2 a notice and opportunity to respond and advise let-
3 ter of the potential unfair, deceptive, or abusive act
4 or practice to such covered person and inform the
5 covered person that such person has 180 days after
6 the date the covered person receives such notice to
7 cure such potential unfair, deceptive, or abusive act
8 before the Bureau may commence an administrative
9 proceeding or civil action.

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

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

18 “(B) the covered person notifies the Bu-
19 reau that such covered person will not cure the
20 act or practice; or

21 “(C) the 180-day period to cure ends.”.

22 (e) ABUSIVE, UNFAIR, OR DECEPTIVE ACTS OR
23 PRACTICES ENFORCEMENT ACTIONS.—Section 1031 of
24 the Consumer Financial Protection Act of 2010 (12

1 U.S.C. 5531), as amended by subsection (e), is further
2 amended by adding at the end the following:

3 “(i) VENUE FOR UNFAIR, DECEPTIVE, OR ABUSIVE
4 ACTS OR PRACTICES ENFORCEMENT ACTIONS.—Enforce-
5 ment actions brought by the Bureau under this section
6 shall be brought in—

7 “(1) the United States district court located
8 where the covered person has its headquarters loca-
9 tion; or

10 “(2) the United States District Court for the
11 District of Columbia.

12 “(j) ENFORCEMENT ACTIONS.—

13 “(1) IN GENERAL.—If the Bureau brings an
14 enforcement action under this section, the Bureau
15 shall state with particularity the circumstances that
16 the Bureau alleges constitute a violation of this sec-
17 tion.

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

20 “(A) claiming that an activity is unfair or
21 deceptive, the Bureau may not claim in the al-
22 ternative that the activity is abusive; and

23 “(B) claiming that an activity is abusive,
24 the Bureau may not claim in the alternative
25 that the activity is unfair or deceptive.”.

1 (f) LOOK-BACK PROVISIONS.—

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

6 **“SEC. 1029B. EXAMINATION PERIOD LIMITATIONS.**

7 “(a) IN GENERAL.—When enforcing Federal con-
8 sumer financial law, the Bureau may not seek a civil
9 money penalty for any violating conduct that occurred
10 prior to the most recent assignment of a rating under the
11 Uniform Interagency Consumer Compliance Rating Sys-
12 tem of the Financial Institutions Examination Council (or
13 any successor rating system).

14 “(b) RULE OF CONSTRUCTION.—This limitation de-
15 scribed in subsection (a) may not be construed to restrict
16 the ability of the Bureau to seek other forms of legal or
17 equitable relief available under subparagraphs (A) through
18 (G) of section 1055(a)(2) for any violating conduct that
19 occurred prior to the most recent assignment of a con-
20 sumer compliance rating.”.

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

“Sec. 1029B. Examination period limitations.”.

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

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

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

9 “(1) IN GENERAL.—Notwithstanding subsection
 10 (g), in any action brought by the Bureau under sec-
 11 tion 1036(a)(1)(B), or by the attorney general (or
 12 the equivalent thereof) or other regulator of a State
 13 pursuant to section 1042, alleging an unfair, decep-
 14 tive, or abusive act or practice, the applicable statute
 15 of limitations shall be determined in accordance with
 16 this subsection.

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

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

3 “(A) preclude the Bureau from bringing
4 an action under section 1036(a)(1)(B), or pre-
5 clude the attorney general (or the equivalent
6 thereof) or other regulator of a State from
7 bringing an action pursuant to section 1042,
8 based on conduct that does not constitute a vio-
9 lation of another Federal consumer financial
10 law; or

11 “(B) alter, extend, or toll any statute of
12 limitations applicable to a violation of any Fed-
13 eral consumer financial law.”.

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

18 (1) the Bureau of Consumer Financial Protec-
19 tion; or

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

1 **SEC. 203. DEFINITION OF SUBSTANTIAL INJURY.**

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

5 “(30) SUBSTANTIAL INJURY.—The term ‘sub-
6 stantial injury’—

7 “(A) means a concrete and quantifiable
8 harm to a consumer or a class of consumers, in-
9 cluding—

10 “(i) monetary harm;

11 “(ii) a material risk of monetary harm
12 that the Bureau determines is likely to
13 occur; or

14 “(iii) a significant adverse effect on a
15 consumer’s ability to access or use a con-
16 sumer financial product or service;

17 “(B) does not include—

18 “(i) trivial, hypothetical, or merely
19 speculative harms;

20 “(ii) emotional impact, reputational
21 harm, or subjective distress absent a show-
22 ing of material financial or functional im-
23 pairment; or

24 “(iii) harms that are outweighed by
25 countervailing benefits to consumers or
26 competition;

1 “(C) shall be determined based on objec-
 2 tive evidence, which may include—

3 “(i) the aggregate impact on similarly
 4 situated consumers;

5 “(ii) the likelihood and magnitude of
 6 harm; and

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

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

13 “(E) may not be established solely by a
 14 technical violation of law, contractual term, or
 15 regulatory requirement absent a showing of
 16 concrete and quantifiable harm to a consumer
 17 or a class of consumers.”.

18 **SEC. 204. RESTORING COURT AUTHORITY OVER LITIGA-**
 19 **TION.**

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

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

1 **“§ 1632. Preservation of State and Federal courts’ pri-**
2 **mary and inherent authority to regulate**
3 **and oversee attorneys engaged in litiga-**
4 **tion activities**

5 “(a) DEFINITIONS.—In this section:

6 “(1) FEDERAL AGENCY.—The term ‘Federal
7 agency’ means an agency as defined in section
8 551(1) of title 5.

9 “(2) LITIGATION ACTIVITIES.—The term ‘litiga-
10 tion activities’ means any actions by a licensed attor-
11 ney or a law firm in connection with a legal action
12 in a court of law on behalf of a client, including—

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

17 “(B) communicating in, or at the direction
18 of, a court of law (including in depositions or
19 settlement conferences) or in the enforcement of
20 a judgment; and

21 “(C) any other activities engaged in as
22 part of the practice of law, under the laws of
23 a State in which the attorney is licensed or ad-
24 mitted to practice, that relate to the legal ac-
25 tion.

1 “(3) STATE.—The term ‘State’ means the 50
 2 States, the District of Columbia, the Commonwealth
 3 of Puerto Rico, the Commonwealth of the Northern
 4 Mariana Islands, American Samoa, Guam, and the
 5 United States Virgin Islands.

6 “(b) LIMITATION ON FEDERAL AGENCY AUTHOR-
 7 ITY.—Notwithstanding any other provision of law, a Fed-
 8 eral agency does not have any supervisory, enforcement,
 9 or regulatory authority over litigation activities of attor-
 10 neys or law firms.

11 “(c) NO PRIVATE RIGHT OF ACTION.—Notwith-
 12 standing any other provision of law, a person may not
 13 bring a civil action in a court of the United States seeking
 14 relief for harm arising out of alleged misconduct related
 15 to the litigation activities of an opposing attorney or law
 16 firm.”.

17 (2) CLERICAL AMENDMENT.—The table of sec-
 18 tions for chapter 99 of title 28, United States Code,
 19 is amended by inserting after the item related to
 20 section 1631 the following:

“1632. Preservation of State and Federal courts’ primary and inherent author-
 ity to regulate and oversee attorneys engaged in litigation ac-
 tivities.”.

21 (b) CONFORMING AMENDMENTS.—

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

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

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

5 “(F) any licensed attorney or any law firm,
6 to the extent that such attorney or firm is en-
7 gaged in litigation activities (as such term is
8 defined in section 1632 of title 28, United
9 States Code) to collect a debt on behalf of a cli-
10 ent; and”.

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

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

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

19 “(3) RULE OF CONSTRUCTION LIMITATION
20 WITH RESPECT TO DEBT COLLECTION.—Paragraph
21 (2) shall not apply to a licensed attorney engaging
22 in litigation activities to collect a debt on behalf of
23 a client if the attorney is excluded from the term
24 ‘debt collector’ under section 803 of the Fair Debt

1 Collection Practices Act by reason of section
2 803(6)(F) of such Act.”.

3 **SEC. 205. CLARIFICATION TO THE AUTHORITY OF THE BU-**
4 **REAU WITH RESPECT TO PERSONS REGU-**
5 **LATED BY A STATE INSURANCE REGULATOR.**

6 Section 1027(f) of the Consumer Financial Protec-
7 tion Act of 2010 (12 U.S.C. 5517(f)) is amended—

8 (1) in paragraph (2)—

9 (A) by striking “DESCRIPTION OF ACTIVI-
10 TIES.—Paragraph (1)” and inserting: “EXCEP-
11 TIONS.—

12 “(A) AUTHORITY.—Paragraph (1)”; and

13 (B) by inserting after subparagraph (A)
14 (as added by this Act) the following new sub-
15 paragraph:

16 “(B) LIMITATION.—With respect to a per-
17 son regulated by a State insurance regulator—

18 “(i) if such person is offering or pro-
19 viding a consumer financial product or
20 service, the Bureau may not enforce this
21 title with respect to such person to the ex-
22 tent such person is engaged in the business
23 of insurance; and

24 “(ii) if such person is subject to any
25 enumerated consumer law or any law for

1 which authorities are transferred under
 2 subtitle F or H, the authority of the Bu-
 3 reau to enforce such law with respect to
 4 such person shall be narrowly construed to
 5 the extent such person is engaged in the
 6 business of insurance.”; and

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

9 “(4) RULE OF CONSTRUCTION.—The enforce-
 10 ment of this title shall be broadly construed in favor
 11 of the authority of a State insurance regulator with
 12 respect to a person regulated by a State insurance
 13 regulator.”.

14 **TITLE III—PROMOTING INNOVA-**
 15 **TION IN CONSUMER FINAN-**
 16 **CIAL MARKETS**

17 **SEC. 301. SAFE HARBOR FOR SMALL-DOLLAR CREDIT**
 18 **PRODUCTS.**

19 (a) IN GENERAL.—The Truth in Lending Act (15
 20 U.S.C. 1601 et seq.) is amended by inserting after section
 21 114 the following:

22 **“§ 115. Safe harbor for small-dollar credit products**

23 “(a) IN GENERAL.—If a covered entity complies with
 24 the requirements set forth in subsections (b), (c), and (e)
 25 with respect to the offering of a small-dollar product to

1 a consumer, such covered entity shall not be liable in con-
2 nection with such offering of a small-dollar product, for—

3 “(1) any civil money penalties from any en-
4 forcement action brought by the Bureau, the appro-
5 priate Federal banking agency, or the National
6 Credit Union Administration for a violation of this
7 title; or

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

11 “(b) PRODUCT STRUCTURE REQUIREMENTS.—

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

15 “(A) the repayment term shall be more
16 than 45 days;

17 “(B) payments shall be fully amortized
18 across more than one payment;

19 “(C) rollovers into new small-dollar credit
20 products shall be prohibited, unless initiated by
21 a consumer; and

22 “(D) the covered entity may not issue any
23 small-dollar credit product to a consumer if
24 such consumer has a small-dollar credit product
25 open with such covered entity at the time such

1 consumer applies for a small-dollar credit prod-
2 uct.

3 “(2) IN THE CASE OF A LINE OF CREDIT.—If
4 a small-dollar credit product is structured by a cov-
5 ered entity as a line of credit—

6 “(A) the repayment term for each draw
7 shall be more than 45 days unless a single pay-
8 ment is used and the draw is not more than 10
9 percent of the lesser of \$3,500 (as such amount
10 is adjusted under subsection (f)) or 20 percent
11 of the total amount of a consumer’s average
12 monthly direct deposits during the preceding six
13 months; and

14 “(B) payments for each draw shall be fully
15 amortized across more than one payment, ex-
16 cept in the case of any single-payment loans.

17 “(3) RULES OF CONSTRUCTION.—

18 “(A) IN GENERAL.—Nothing in this sub-
19 section may be construed to prohibit the Bu-
20 reau, a Federal banking agency, or the National
21 Credit Union Administration from issuing a
22 cease-and-desist order or restitution order
23 under this title against a covered entity.

24 “(B) ENFORCEMENT OF OTHER STAT-
25 UTES.—Nothing in this subsection may be con-

1 strued to prohibit the Bureau, a Federal bank-
2 ing agency, or the National Credit Union Ad-
3 ministration from enforcing any provision of
4 law not contained within this title against a
5 covered entity.

6 “(c) UNDERWRITING REQUIREMENTS.—When con-
7 sidering whether to offer a small-dollar credit product to
8 a specific consumer, a covered entity—

9 “(1) shall use sound underwriting processes;
10 and

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

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

18 “(e) ADDITIONAL LIMITATIONS AND REQUIRE-
19 MENTS.—

20 “(1) BALLOON PAYMENTS.—No payment re-
21 quired in association with a small-dollar credit prod-
22 uct offered by a covered entity may be greater than
23 double the amount of any other payment required in
24 association with such product.

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

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

7 “(4) TRANSFER OF AMOUNTS.—Amounts made
8 available to a consumer through a small-dollar credit
9 product offered by a covered entity shall be dis-
10 bursed to the account of such consumer by such cov-
11 ered entity not later than 5 days after the approval
12 of the consumer for the small-dollar credit product.

13 “(f) INFLATION ADJUSTMENT.—

14 “(1) IN GENERAL.—Beginning on January 1,
15 2028, and annually thereafter, the Bureau shall in-
16 crease the dollar amount specified in subsections
17 (b)(2)(A) and (g)(5) by the annual percentage in-
18 crease, if any, in the Consumer Price Index for All
19 Urban Consumers published by the Bureau of Labor
20 Statistics.

21 “(2) BASE PERIOD.—The increase required
22 under paragraph (1) shall be determined using cal-
23 endar year 2026 as the base period.

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

1 “(4) PUBLICATION.—The Bureau shall publish
2 each increased dollar amount in the Federal Reg-
3 ister not later than 60 days before the date on which
4 such increased amount takes effect.

5 “(g) DEFINITIONS.—In this section:

6 “(1) COVERED ENTITY.—The term ‘covered en-
7 tity’ means—

8 “(A) an insured depository institution;

9 “(B) an insured credit union;

10 “(C) a third party with whom an insured
11 depository institution has contracted for prod-
12 ucts or services related to origination, servicing,
13 or administrative management of a small-dollar
14 credit product; or

15 “(D) a third party with whom an insured
16 credit union has contracted for products or
17 services related to origination, servicing, or ad-
18 ministrative management of a small-dollar cred-
19 it product.

20 “(2) FEDERAL BANKING AGENCY DEFINI-
21 TIONS.—The terms ‘appropriate Federal banking
22 agency’ and ‘Federal banking agency’ have the
23 meaning given those terms, respectively, in section 3
24 of the Federal Deposit Insurance Act.

1 “(3) INSURED CREDIT UNION.—The term ‘in-
 2 sured credit union’ has the meaning given the term
 3 in section 101 of the Federal Credit Union Act.

4 “(4) INSURED DEPOSITORY INSTITUTION.—The
 5 term ‘insured depository institution’ has the mean-
 6 ing given the term in section 3 of the Federal De-
 7 posit Insurance Act.

8 “(5) SMALL-DOLLAR CREDIT PRODUCT.—The
 9 term ‘small-dollar product’ means a loan or line of
 10 credit with a value of \$3,500 (as such amount is ad-
 11 justed under subsection (f)) or less.”.

12 (b) CLERICAL AMENDMENT.—The table of contents
 13 for chapter 1 of the Truth in Lending Act is amended
 14 by inserting after the item relating to section 114 the fol-
 15 lowing:

“115. Safe harbor for small-dollar credit products.”.

16 **SEC. 302. GUIDANCE CLARITY STATEMENT REQUIRED.**

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

21 (b) GUIDANCE CLARITY STATEMENT.—A guidance
 22 clarity statement required under subsection (a) shall be
 23 displayed prominently on the first page of the document
 24 and shall include the following: “This guidance does not
 25 have the force and effect of law and therefore does not

1 establish any rights or obligations for any person and is
2 not binding on the agency or the public. If this guidance
3 suggests how regulated entities may comply with applica-
4 ble statutes or regulations, noncompliance with this guid-
5 ance does not conclusively establish a violation of applica-
6 ble law.”.

7 (c) DEFINITIONS.—In this section:

8 (1) FINANCIAL AGENCY.—The term “financial
9 agency” means the following:

10 (A) The Bureau of Consumer Financial
11 Protection.

12 (B) The Department of Housing and
13 Urban Development.

14 (C) The Department of the Treasury.

15 (D) The Federal Deposit Insurance Cor-
16 poration.

17 (E) The Federal Housing Finance Agency.

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

20 (G) The National Credit Union Adminis-
21 tration.

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

24 (I) The Securities and Exchange Commis-
25 sion.

1 (2) GUIDANCE.—The term “guidance” means a
2 financial agency statement of general applicability,
3 intended to have a future effect on the behavior of
4 regulated parties, that sets forth a policy on a statu-
5 tory, regulatory, or technical issue, or an interpreta-
6 tion of a statute or regulation, but does not in-
7 clude—

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

11 (B) a rule exempt from rulemaking re-
12 quirements under section 553(a) of title 5,
13 United States Code;

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

16 (D) a decision of a financial agency adju-
17 dication under section 554 of title 5, United
18 States Code, or any similar statutory provision;

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

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

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

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

4 (1) conduct a study on buy now pay later serv-
5 ices, including—

6 (A) the nature, size, and role of the enti-
7 ties offering buy now pay later services;

8 (B) the market share held by the primary
9 nonbank firms and financial institutions offer-
10 ing buy now pay later services;

11 (C) the disclosures provided to consumers
12 regarding buy now pay later services, including
13 the accessibility and readability of such disclo-
14 sures;

15 (D) the benefits of buy now pay later serv-
16 ices, including—

17 (i) the flexibility of payment options;

18 (ii) the potential for increased pur-
19 chasing power; and

20 (iii) competitive product offerings;

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

23 (i) potential for delinquencies and pro-
24 longed debt;

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

4 (iii) any unintended consequences for
5 reporting data on such services to con-
6 sumer reporting agencies;

7 (F) the prevalence of partnerships between
8 entities offering buy now pay later services and
9 traditional financial institutions and e-com-
10 merce platforms;

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

13 (H) comparing the specific features, bene-
14 fits, and risks of using such services to the use
15 of other products, including—

16 (i) overall debt accumulation;

17 (ii) the average interest rate charged
18 to consumers;

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

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

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

1 (vi) consumer understanding of pay-
2 ment cycles and due dates; and

3 (vii) delinquency and default rates;
4 and

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

8 (2) not later than 1 year after the date of the
9 enactment of this Act, submit to the relevant con-
10 gressional committees a report that includes the re-
11 sults of the study required by paragraph (1).

12 (b) DEFINITIONS.—In this section:

13 (1) BUY NOW PAY LATER SERVICE.—

14 (A) IN GENERAL.—The term “buy now
15 pay later service” means a service offered to a
16 consumer at the point of sale in connection with
17 a transaction for the purchase of goods or serv-
18 ices that—

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

22 (ii) provides for repayment in a speci-
23 fied number of substantially equal periodic
24 installments; and

1 (iii) does not impose interest or a fi-
 2 nance charge on the consumer in connec-
 3 tion with such transaction.

4 (B) EXCLUSION.—The term “buy now pay
 5 later service” does not include—

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

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

12 (2) RELEVANT CONGRESSIONAL COMMIT-
 13 TEES.—The term “relevant congressional commit-
 14 tees” means—

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

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

19 **SEC. 304. EARNED WAGE ACCESS SERVICES.**

20 (a) PROVISION OF EARNED WAGE ACCESS SERV-
 21 ICES.—

22 (1) NO-COST OPTION REQUIRED.—

23 (A) IN GENERAL.—If an earned wage ac-
 24 cess provider offers a consumer the option to
 25 receive earned wages in exchange for a fee, such

1 earned wage access provider shall also offer
2 such consumer the option to obtain the same
3 amount of earned wages at no cost to the con-
4 sumer.

5 (B) TRANSFER TIME PERIOD.—If a con-
6 sumer elects the no-cost option described in
7 subparagraph (A), the earned wage access pro-
8 vider shall initiate the transfer of earned wages
9 to the consumer within one business day of
10 such election.

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

14 (i) the amount of earned wages dis-
15 bursed to such consumer;

16 (ii) the frequency with which such
17 earned wages are disbursed to such con-
18 sumer; or

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

21 (2) REQUIRED DISCLOSURES.—

22 (A) DISCLOSURES PRECEDING AGREE-
23 MENT.—Each earned wage access provider shall
24 disclose the following before entering into an
25 agreement with a consumer:

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

4 (I) any limits on the amount of
5 earned wages a consumer may request
6 from the provider each day, pay pe-
7 riod, or other time period;

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

13 (III) any limits on the amount of
14 earned wages a consumer may request
15 from the provider that are based on a
16 determination by the provider of the
17 ratio between the amount of earned
18 wages requested by the consumer and
19 the total wages earned by the con-
20 sumer, and how such determination is
21 made.

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

1 (iii) A clear and conspicuous descrip-
2 tion of how the consumer may obtain
3 earned wages without paying a fee or tip.

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

6 (I) whether such provider will ac-
7 cept tips from the consumer and in
8 what amounts; and

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

12 (B) DISCLOSURES PRECEDING DISBURSE-
13 MENT OF EARNED WAGES.—Each earned wage
14 access provider shall disclose the following in a
15 clear and conspicuous manner after approving
16 any request from a consumer for access to
17 earned wages but before disbursing such earned
18 wages to such consumer:

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

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

24 (iii) The total amount of any fees ap-
25 plied by such provider for such transaction.

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

3 (v) The amount that such provider ex-
4 pects to receive as payment after dis-
5 bursing the earned wages, the date on
6 which such provider expects to receive such
7 amount or a description of when such pro-
8 vider expects to receive such amount, and
9 the manner in which such provider expects
10 to receive such amount.

11 (C) ADDITIONAL DISCLOSURES RELATING
12 TO FEES AND TIPS.—Each earned wage access
13 provider who, during a calendar year, has dis-
14 bursed earned wages and received a fee or tip
15 from a consumer shall provide the consumer on-
16 going access to the following disclosures:

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

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

23 (D) ADDITIONAL DISCLOSURES RELATING
24 TO TIPS.—If an earned wage access provider so-

1 licits, charges, or receives a tip from a con-
2 sumer, such provider—

3 (i) shall clearly and conspicuously dis-
4 close to the consumer, before the provider
5 commences the transaction to which the tip
6 is related, that such tip—

7 (I) is voluntary;

8 (II) is not a requirement for re-
9 ceiving earned wage access services;
10 and

11 (III) will not impact—

12 (aa) the amount of such
13 earned wages;

14 (bb) the frequency with
15 which such earned wages are dis-
16 bursed to such consumer; or

17 (cc) the consumer's eligi-
18 bility to use the provider's earned
19 wage access services;

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

22 (I) any specific individual; or

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

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

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

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

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

17 (3) CONSUMER ATTESTATION BEFORE RECEIV-
18 ING EARNED WAGES.—Each earned wage access pro-
19 vider shall require a consumer, prior to the first dis-
20bursement of earned wages during each applicable
21 pay period, to attest that the consumer has not re-
22quested disbursement of the same earned wages
23 from another earned wage access provider during
24 that pay period.

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

5 (A) shall allow such consumer to dis-
6 continue such services if such consumer pro-
7 vides notice to such earned wage access pro-
8 vider that such consumer desires to discontinue
9 such services; and

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

13 (5) DISPUTE PROCESS REQUIRED.—Each
14 earned wage access provider shall develop and imple-
15 ment policies and procedures to respond to questions
16 and complaints from consumers relating to—

17 (A) unauthorized disbursement of earned
18 wages;

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

21 (C) disbursed earned wages that were not
22 received;

23 (D) payment of disbursed earned wages
24 that was not received or was made in an incor-
25 rect amount; and

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

3 (6) COMPELLING PAYMENT FOR DISBURSED
4 EARNED WAGES.—

5 (A) IN GENERAL.—An earned wage access
6 provider may not seek payment for earned
7 wages disbursed by such provider to a con-
8 sumer, including such disbursed earned wages,
9 or any related fees or tips, by—

10 (i) filing a civil suit against the con-
11 sumer;

12 (ii) initiating arbitration proceedings
13 against the consumer;

14 (iii) using the services of a debt col-
15 lector (as such term is defined in section
16 803 of the Fair Debt Collection Practices
17 Act) to collect amounts from the consumer;
18 or

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

22 (B) EXCEPTION.—Subparagraph (A) shall
23 not apply if an earned wage access provider is
24 seeking payment for earned wages disbursed to
25 a consumer based on information provided by

1 the consumer that the consumer knew was
2 false.

3 (7) REIMBURSEMENT REQUIRED.—If an earned
4 wage access provider seeks payment of disbursed
5 earned wages, a fee, or a tip directly from a deposit
6 account of a consumer, on a date earlier than, or in
7 an amount different from, what was disclosed at the
8 time of authorization and such attempt triggers an
9 overdraft fee or non-sufficient funds fee from the
10 consumer’s financial institution (as defined in sec-
11 tion 509 of the Gramm-Leach-Bliley Act (15 U.S.C.
12 6809)), the earned wage access provider shall reim-
13 burse such consumer for such fee.

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

16 (A) share any fees or tips that were re-
17 ceived from or charged to a consumer for
18 earned wage access services with the employer
19 of such consumer;

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

1 (C) require a consumer to pay a late fee,
2 deferral fee, interest, or any other penalty or
3 charge as a result of a failure by the consumer
4 to pay disbursed earned wages, fees, or tips re-
5 quested or applied by such provider; or

6 (D) furnish information to a consumer re-
7 porting agency (as defined in section 603 of the
8 Fair Credit Reporting Act (15 U.S.C. 1681a))
9 about a consumer's earned wage access services
10 activities.

11 (9) DISCLOSURE TO EMPLOYER.—An earned
12 wage access provider may disclose to an employer
13 with which such provider has a contract relating to
14 earned wage access services the date and amount of
15 a consumer's earned wage access transactions asso-
16 ciated with the earned wage access services. Subject
17 to applicable privacy laws, a provider may disclose
18 information necessary to perform under a contract
19 with an employer relating to additional products or
20 services.

21 (10) NON-DISCRIMINATION.—

22 (A) IN GENERAL.—It shall be unlawful for
23 any earned wage access provider to discriminate
24 against any consumer on the basis of race,
25 color, religion, national origin, sex (including on

1 the basis of pregnancy, childbirth, or related
2 medical conditions), marital status, or age when
3 offering earned wage access services.

4 (B) DEFINITIONS.—In this paragraph—

5 (i) the terms “race”, “color”, “reli-
6 gion”, “national origin”, “sex”, “marital
7 status”, and “age” have the same mean-
8 ings, respectively, as used in section 701 of
9 the Equal Credit Opportunity Act (15
10 U.S.C. 1691) and rules issued thereunder;
11 and

12 (ii) the terms “pregnancy”, “child-
13 birth”, and “related medical conditions”
14 have the same meanings, respectively, as
15 used in section 701(k) of the Civil Rights
16 Act of 1964 (42 U.S.C. 2000e(k)).

17 (11) CONSUMER DATA PROTECTIONS.—Each
18 earned wage access provider shall be deemed a “fi-
19 nancial institution” for purposes of subtitle A of title
20 V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801
21 et seq.).

22 (12) DEFAULT TIP AMOUNT.—

23 (A) IN GENERAL.—An earned wage access
24 provider may not set any default tip amount

1 greater than \$0 in connection with earned wage
2 access services.

3 (B) SELECTION OF \$0 TIP.—If a consumer
4 selects a tip amount of \$0, the earned wage ac-
5 cess provider may not require the consumer to
6 confirm, reconfirm, or otherwise take any addi-
7 tional action with respect to such tip selection
8 as a condition of completing the transaction.

9 (C) RULE OF CONSTRUCTION.—Nothing in
10 this paragraph may be construed to prohibit the
11 provider from requiring the consumer to con-
12 firm the final transaction on a completion
13 screen.

14 (13) EARNED WAGE ACCESS PROVIDER ATTES-
15 TATION.—Before each requested disbursement of
16 earned wages for a consumer, an earned wage access
17 provider shall verify and attest to the consumer that
18 the amount to be disbursed, together with any prior
19 disbursements during the applicable pay period, does
20 not exceed the amount of earned wages actually
21 earned and available to the consumer for that appli-
22 cable pay period.

23 (b) RELATION TO STATE LAWS.—

24 (1) PRESERVATION OF STATE LAW.—Except as
25 provided in paragraph (2), nothing in this Act may

1 be construed as annulling, altering, affecting, or ex-
2 empting any person from complying with any State
3 law, except to the extent that a State law is incon-
4 sistent with the provisions of this Act, and then only
5 to the extent of the inconsistency.

6 (2) PREEMPTION.—No State or political sub-
7 division thereof may impose, maintain, or enforce
8 any laws, constitutions, statutes, regulations, orders,
9 or interpretations with respect to earned wage access
10 services that comply with this Act that—

11 (A) treat such services as credit, a loan,
12 debt, or a substantially similar product or serv-
13 ice;

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

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

20 (3) SAVINGS CLAUSE.—Nothing in this Act may
21 be construed to preempt, displace, or limit the au-
22 thority of a State or political subdivision thereof to
23 enforce laws of general applicability, including laws
24 relating to fraud, deceit, unfair or deceptive acts or
25 practices, contracts, property, or taxation.

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

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

12 (e) CONFORMING AMENDMENTS.—

13 (1) CONSUMER FINANCIAL PROTECTION ACT OF
14 2010.—Section 1002 of the Consumer Financial Pro-
15 tection Act of 2010 (12 U.S.C. 5481) is amended—

16 (A) in paragraph (12)—

17 (i) in subparagraph (Q), by striking
18 “and” at the end;

19 (ii) in subparagraph (R), by striking
20 the period at the end and inserting “;
21 and”; and

22 (iii) by adding at the end the fol-
23 lowing:

24 “(S) the Earned Wage Access Consumer
25 Protection Act.”; and

1 (B) in paragraph (15)(A)—

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

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

7 “(x) providing earned wage access
8 services, as defined in section 2 of the
9 Earned Wage Access Consumer Protection
10 Act;”.

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

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

19 (B) in subsection (g), by adding at the end
20 the following: “The term creditor does not in-
21 clude earned wage access providers as such
22 term is defined in the Earned Wage Access
23 Consumer Protection Act.”.

24 (f) DEFINITIONS.—In this section:

1 (1) BUREAU.—The term “Bureau” means the
2 Bureau of Consumer Financial Protection.

3 (2) CONSUMER.—The term “consumer” means
4 a natural person.

5 (3) EARNED WAGES.—

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

15 (B) SERVICES PROVIDED.—Services pro-
16 vided by the consumer include any services pro-
17 vided—

18 (i) on an hourly, project-based, piece-
19 work, salaried, or other basis; or

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

22 (4) EARNED WAGE ACCESS PROVIDER.—

23 (A) IN GENERAL.—The term “earned wage
24 access provider” means a person who provides
25 earned wage access services to consumers.

1 (B) EXCLUSIONS.—The term “earned
2 wage access provider” does not include—

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

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

12 (iii) a financial institution (as defined
13 in section 509 of the Gramm-Leach-Bliley
14 Act) that permits a consumer to access
15 amounts associated with an electronic fund
16 transfer from the consumer’s employer or
17 a payroll services vendor of the employer
18 for which the financial institution has re-
19 ceived information but which has not yet
20 settled; or

21 (iv) a payroll service vendor in its ca-
22 pacity as a facilitator of wage payments to
23 a consumer by an employer, exclusive of
24 any earned wage access services that such
25 vendor may provide.

1 (5) EARNED WAGE ACCESS SERVICES.—The
2 term “earned wage access services” means the deliv-
3 ery of earned wages to a consumer based on—

4 (A) employment, income, or attendance
5 data obtained directly or indirectly from the
6 employer of such consumer or a payroll service
7 vendor, or other vendors, contracted by the em-
8 ployer of such consumer; or

9 (B) representations made by the consumer
10 and the reasonable determination of the earned
11 wages of such consumer by an earned wage ac-
12 cess provider, based on information made avail-
13 able or accessible to the provider by the con-
14 sumer.

15 (6) EMPLOYER.—The term “employer”—

16 (A) means a person who employs a con-
17 sumer, or any other person who is contractually
18 obligated to pay a consumer salary, wages, com-
19 pensation, or other income in exchange for serv-
20 ices provided to the person or on the person’s
21 behalf; and

22 (B) does not include—

23 (i) a customer of a person; or

24 (ii) a person whose obligation to pay
25 salary, wages, compensation, or other in-

1 come to a consumer is not based on the
2 services provided for or on behalf of that
3 person.

4 (7) FEE.—The term “fee” means—

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

7 (B) a subscription, participation, or mem-
8 bership fee for earned wage access services or
9 a group of services that includes earned wage
10 access services.

11 (8) PAYROLL SERVICE VENDOR.—The term
12 “payroll service vendor” means a vendor contracted
13 directly or indirectly by an employer to facilitate
14 payment of employee wages in accordance with Fed-
15 eral, State, and local law, including the Fair Labor
16 Standards Act of 1938, or to provide or verify em-
17 ployment, income, or attendance data.

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

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

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

24 (C) not subject to negotiation; and

1 (D) in an amount determined by the con-
 2 sumer.

3 (10) STATE.—The term “State” means each of
 4 the several States, the District of Columbia, and any
 5 territory of the United States.

6 **TITLE IV—PROMOTING EFFEC-**
 7 **TIVE, PREDICTABLE SUPER-**
 8 **VISION**

9 **SEC. 401. ASSET THRESHOLDS FOR SUPERVISION OF**
 10 **BANKS, SAVINGS ASSOCIATIONS, AND CREDIT**
 11 **UNIONS BY THE BUREAU OF CONSUMER FI-**
 12 **NANCIAL PROTECTION.**

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

16 (1) by striking “This” and inserting the fol-
 17 lowing:

18 “(1) THRESHOLDS.—This”;

19 (2) by redesignating paragraphs (1) and (2) as
 20 subparagraphs (A) and (B), respectively (and ad-
 21 justing the margins of such subparagraphs accord-
 22 ingly);

23 (3) by striking “\$10,000,000,000” each place it
 24 appears and inserting “\$30,000,000,000”; and

25 (4) by adding at the end the following:

1 “(2) PERIODIC ADJUSTMENTS TO THRESH-
2 OLDS.—

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

6 “(i) increase the thresholds described
7 in paragraph (1) by the ratio, if greater
8 than 1, of the annual value of the current-
9 dollar United States gross domestic prod-
10 uct, published by the Department of Com-
11 merce, for the calendar year preceding the
12 year in which the adjustment is calculated
13 under this subsection, to the published
14 value of such index for the calendar year
15 preceding April 1, 2026; and

16 “(ii) publish such increase in the Fed-
17 eral Register.

18 “(B) ROUNDING.—The amount of an in-
19 crease calculated under subparagraph (A) shall
20 be rounded to the nearest \$1,000,000,000.

21 “(C) EFFECTIVE DATE.—Any increase de-
22 termined under this paragraph shall take effect
23 on January 1 of the year immediately suc-
24 ceeding the calendar year in which the increase
25 is determined.”.

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

5 “(a) SCOPE OF COVERAGE.—This section shall apply
 6 to any covered person that is an insured depository insti-
 7 tution or an insured credit union not described in section
 8 1025(a).”.

9 **SEC. 402. SUPERVISORY ELECTION FOR COVERED INSTITU-**
 10 **TIONS.**

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

14 “(f) SUPERVISORY ELECTION FOR COVERED INSTI-
 15 TUTIONS.—

16 “(1) ELECTION TO REMAIN UNDER PRUDEN-
 17 TIAL SUPERVISION.—

18 “(A) IN GENERAL.—Notwithstanding sub-
 19 section (a), an insured depository institution or
 20 insured credit union described in such sub-
 21 section may elect to be subject to the require-
 22 ments under section 1026 instead of this sec-
 23 tion by notifying the Bureau and the appro-
 24 priate prudential regulator of such election.

1 “(B) AUTOMATIC ELECTION FOR CERTAIN
2 INSTITUTIONS.—A covered person who becomes
3 an insured depository institution or insured
4 credit union described under subsection (a)
5 after the date of enactment of this subsection
6 shall be deemed to have made the election de-
7 scribed in subparagraph (A).

8 “(2) PETITION FOR BUREAU SUPERVISION.—

9 “(A) IN GENERAL.—With respect to an in-
10 sured depository institution or insured credit
11 union that has made the election under para-
12 graph (1), the Bureau may petition the appro-
13 priate prudential regulator for the insured de-
14 pository institution or insured credit union to
15 terminate such election if the Bureau deter-
16 mines, and notifies the appropriate prudential
17 regulator in writing, that—

18 “(i) the insured depository institution
19 or insured credit union presents heightened
20 risks of substantial injury to consumers;
21 and

22 “(ii) the appropriate prudential regu-
23 lator has failed to adequately assess or ad-
24 dress compliance with Federal consumer fi-
25 nancial law.

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

5 “(i) approve the petition; or

6 “(ii) deny the petition in writing and
7 include with such denial a detailed expla-
8 nation of the reasons for such denial.

9 “(C) APPEAL OF DENIAL.—If the appro-
10 priate prudential regulator denies a petition
11 under subparagraph (B)(ii), the Bureau may
12 appeal such denial to the Financial Stability
13 Oversight Council, which may, upon a vote of
14 not fewer than two-thirds of the voting mem-
15 bers then serving, approve the petition.

16 “(3) BACKUP ENFORCEMENT AUTHORITY OF
17 THE BUREAU.—With respect to an insured deposi-
18 tory institution or insured credit union that has
19 made the election under paragraph (1), if the Bu-
20 reau has referred a material violation of a Federal
21 consumer financial law to the prudential regulator
22 under section 1026(d)(2)(A) and the prudential reg-
23 ulator does not, before the end of the 120-day period
24 beginning on the date of such referral, take an en-
25 forcement action with respect to such material viola-

1 tion, the Bureau may take an enforcement action
 2 against the insured depository institution or insured
 3 credit union with respect to such material violation.

4 “(4) EXCLUSION FOR GSIBS.—This subsection
 5 shall not apply to any affiliate of a global system-
 6 ically important BHC, as such term is defined under
 7 section 217.402 of title 12, Code of Federal Regula-
 8 tions.”.

9 (b) SUPERVISION OF DEPOSITORY INSTITUTIONS.—
 10 Section 1025(b)(1)(C) of the Consumer Financial Protec-
 11 tion Act of 2010 (12 U.S.C. 5515(b)(1)(C)) is amended
 12 by striking “detecting and assessing associated risks to
 13 consumers and to markets for consumer financial products
 14 and services” and inserting “detecting and assessing asso-
 15 ciated risks of substantial injury to consumers”.

16 **SEC. 403. FINANCIAL REGULATORY COORDINATION AND**
 17 **ACCOUNTABILITY.**

18 (a) ENHANCED INTERAGENCY COORDINATION IN
 19 RULEMAKING.—

20 (1) IN GENERAL.—Section 1022(b) of the Con-
 21 sumer Financial Protection Act of 2010 (12 U.S.C.
 22 5512(b)) is amended—

23 (A) in paragraph (2), by amending sub-
 24 paragraph (B) to read as follows:

1 “(B) the Bureau shall consult with the ap-
2 propriate prudential regulators and State finan-
3 cial regulators and appropriate Tribal regu-
4 latory authorities, subject to paragraph (5), or
5 other Federal agencies prior to proposing a
6 rule; and”; and

7 (B) by adding at the end the following:

8 “(5) SOLICITATION OF COMMENTS FROM PRU-
9 DENTIAL REGULATORS AND STATE REGULATORS.—

10 “(A) IN GENERAL.—Prior to issuing a no-
11 tice of proposed rulemaking that impacts in-
12 sured depository institutions and insured credit
13 unions, the Bureau shall provide the proposed
14 rule to, and accept written comments from—

15 “(i) each prudential regulator;

16 “(ii) the Conference of State Bank
17 Supervisors, or a comparable organization
18 representing State banking regulators;

19 “(iii) the National Association of
20 State Credit Union Supervisors, or a com-
21 parable organization representing State
22 credit union supervisors;

23 “(iv) each organization representing
24 State financial regulators that license pro-

1 viders of consumer financial products or
2 services; and

3 “(v) appropriate Tribal regulatory au-
4 thorities, or an organization representing
5 such authorities.

6 “(B) COMMENTS.—With respect to a pro-
7 posed rule received under subparagraph (A)—

8 “(i) each prudential regulator shall
9 provide written comments to the Bureau
10 on such proposed rule, including on the po-
11 tential impact of the proposed rule on the
12 safety and soundness of insured depository
13 institutions and insured credit unions;

14 “(ii) the entities described in clauses
15 (ii) through (v) of subparagraph (A) are
16 encouraged to provide written comments to
17 the Bureau, to the extent the proposed rule
18 impacts them or the institutions they rep-
19 resent.

20 “(C) PUBLICATION OF COMMENTS.—The
21 Bureau shall publish in the rulemaking docket
22 all written comments received pursuant to sub-
23 paragraph (B) concurrently with the issuance of
24 the notice of proposed rulemaking.

1 “(D) RESPONSE TO INTERAGENCY COM-
2 MENTS.—Each notice of proposed rulemaking
3 issued by the Bureau shall include a detailed,
4 written response to any substantive issues
5 raised in comments submitted pursuant to sub-
6 paragraph (B), including—

7 “(i) a description of any changes
8 made to the proposed rule in response to
9 such comments; and

10 “(ii) an explanation of the Bureau’s
11 reasons for not adopting any recommenda-
12 tion made by an entity described in clauses
13 (ii) through (v) of subparagraph (A).

14 “(E) MINIMUM COMMENT PERIOD.—The
15 Bureau may not issue a notice of proposed rule-
16 making until the expiration of a period of not
17 fewer than 60 days after providing the proposed
18 rule to regulators pursuant to subparagraph
19 (A).

20 “(F) COORDINATION WITH SMALL BUSI-
21 NESS REVIEW.—Nothing in this paragraph shall
22 be construed to require the Bureau to complete
23 the consultation or comment process required
24 under this paragraph before commencing or
25 conducting any process required under section

1 609(b) of title 5, United States Code. To the
 2 maximum extent practicable, the Bureau shall
 3 conduct the processes required under this para-
 4 graph and such section 609(b) concurrently.”.

5 (b) FORMALIZED COORDINATION FOR ENFORCE-
 6 MENT ACTIONS.—

7 (1) IN GENERAL.—Subtitle E of the Consumer
 8 Financial Protection Act of 2010 (12 U.S.C. 5561
 9 et seq.) is amended by adding at the end the fol-
 10 lowing:

11 **“SEC. 1059. INTERAGENCY COORDINATION ON BUREAU EN-**
 12 **FORCEMENT ACTIONS AGAINST DEPOSI-**
 13 **TORIES.**

14 “(a) IN GENERAL.—Prior to initiating any civil ac-
 15 tion, administrative proceeding, or entering into any con-
 16 sent order against an insured depository institution or an
 17 insured credit union, the Bureau shall—

18 “(1) provide advance written notice of the con-
 19 templated action to—

20 “(A) the appropriate prudential regulator;
 21 and

22 “(B) any relevant State regulator; and

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

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

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

6 “(1) avoid duplicative enforcement actions;

7 “(2) avoid remedies that conflict with actions
8 taken by a prudential regulator or State regulator;
9 and

10 “(3) coordinate the timing and scope of any ac-
11 tion described in subsection (a) to minimize regu-
12 latory 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.

1 **SEC. 404. REFORMS TO NONBANK SUPERVISION.**

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

4 (1) by striking “risks to consumers” each place
5 such term appears and inserting “substantial injury
6 to consumers”;

7 (2) in subsection (a)—

8 (A) in paragraph (1)(C), by inserting “of
9 at least 90 days” after “reasonable oppor-
10 tunity”;

11 (B) in paragraph (2), by adding at the end
12 the following: “With respect to a rule issued by
13 the Bureau after the date of enactment of the
14 Consumer Financial Protection Accountability
15 and Reform Act of 2026 to define covered per-
16 sons subject to this section, the Bureau shall
17 provide a public notice and comment period of
18 at least 90 days with respect to the rule-
19 making.”; and

20 (C) in paragraph (3)(A), by inserting be-
21 fore the period the following: “or to a small
22 business concern (as defined in section 3 of the
23 Small Business Act)”;

24 (3) in subsection (b)(2), by striking “risks
25 posed to consumers” and inserting “risk of substan-
26 tial injury to consumers”; and

1 (4) by adding at the end the following:

2 “(f) LIMITATION ON SUPERVISORY AUTHORITY.—

3 With respect to a covered person that is described in sub-
4 section (a)(1), or a service provider thereto, the Bureau’s
5 authority under this section to require reports from, con-
6 duct examinations of, obtain information from, or other-
7 wise supervise such covered person or service provider
8 shall be limited to activities, operations, records, per-
9 sonnel, systems, and matters directly related to the offer-
10 ing or provision of the applicable consumer financial prod-
11 uct or service described in subparagraph (A), (B), (C),
12 (D), or (E) of subsection (a)(1) with respect to such cov-
13 ered person.

14 “(g) MARKET DEFINED.—In this section, and other
15 than in the context of a geographic market, the term ‘mar-
16 ket’ means consumer financial products or services that—

17 “(1) share the same primary consumer purpose;

18 and

19 “(2) are reasonably interchangeable by con-
20 sumers.”.

1 **TITLE V—PREVENTING**
2 **REGULATION BY ENFORCEMENT**

3 **SEC. 501. CIVIL MONEY PENALTIES.**

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

7 (1) in paragraph (2)—

8 (A) in subparagraph (B), in the heading,
9 by striking “SECOND TIER” and inserting
10 “FIRST TIER”;

11 (B) in subparagraph (C)—

12 (i) in the heading, by striking “THIRD
13 TIER” and inserting “SECOND TIER”; and

14 (ii) by striking “\$1,000,000” and in-
15 serting “\$50,120”;

16 (C) by striking subparagraph (A); and

17 (D) by redesignating subparagraphs (B)
18 and (C) as subparagraphs (A) and (B), respec-
19 tively; and

20 (2) in paragraph (3)—

21 (A) in subparagraph (D), by striking
22 “and” at the end;

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

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

3 “(E) whether the person charged self-re-
4 ported the violation; and”.

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

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

10 (2) establishes policies and procedures relating
11 to how the Bureau of Consumer Financial Protec-
12 tion will reduce civil monetary penalties based on the
13 presence of mitigation factors described in section
14 1055(c)(3) of the Consumer Financial Protection
15 Act of 2010, as amended by subsection (a)(2).

16 (c) CIVIL MONEY PENALTY MATRIX.—Section
17 1055(c) of the Consumer Financial Protection Act of 2010
18 (12 U.S.C. 5565(c)) is amended by adding at the end the
19 following:

20 “(6) CIVIL MONEY PENALTY MATRIX.—The Bu-
21 reau may, by rule, establish and periodically revise
22 a civil money penalty matrix or schedule to promote
23 consistency and predictability in the assessment of
24 civil money penalties under this subsection. Any
25 such matrix or schedule may take into account the

1 factors described in paragraph (3) and may not au-
2 thorize a penalty in excess of the applicable max-
3 imum amount specified in paragraph (2).”.

4 **SEC. 502. LIMITATIONS ON MARKET MONITORING FUNC-**
5 **TIONS.**

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

8 (1) in section 1022(c)(4)(C), by adding at the
9 end the following: “The Bureau may not use its au-
10 thorities under this paragraph, or any information
11 obtained pursuant to this paragraph, to initiate or in
12 connection with any enforcement investigation or en-
13 forcement action, or to initiate or in connection with
14 any supervisory examination. Information obtained
15 from a covered person or service provider pursuant
16 to this paragraph may not be made public by the
17 Bureau.”; and

18 (2) in section 1026(b), by striking “, and to as-
19 sess and detect risks to consumers and consumer fi-
20 nancial markets”.

21 **SEC. 503. ENFORCEMENT POWERS OF THE STATES.**

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

24 (1) in subsection (a)—

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

5 (B) by adding at the end the following:

6 “(4) PROHIBITION ON ENFORCEMENT.—An at-
7 torney general (or the equivalent thereof) of any
8 State may not bring a civil action in the name of
9 such State in any district court of the United States
10 in that State or in State court that is located in that
11 State and that has jurisdiction over the defendant,
12 to enforce provisions of this title or regulations
13 issued under this title, if the Bureau has provided
14 written notice to the attorney general (or the equiva-
15 lent thereof) that the Bureau has brought or intends
16 to bring an action to enforce this title or regulations
17 issued under this title against the same entity for
18 violations arising from the same conduct or fact pat-
19 tern.

20 “(5) APPLICATION OF LIMITATIONS.—If an at-
21 torney general (or the equivalent thereof) of any
22 State brings a civil action in the name of such State
23 in any district court of the United States in that
24 State or in State court that is located in that State
25 and that has jurisdiction over the defendant, to en-

1 force provisions of this title or regulations issued
2 under this title such attorney general (or the equiva-
3 lent thereof) shall be subject to the same limitations
4 on authorities as are applied to the Bureau under
5 section 1027 and section 1029.”;

6 (2) in subsection (b)(2)—

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

10 (B) by striking “the Bureau may—” and
11 inserting “the Bureau may—”

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

18 (3) by adding at the end the following:

19 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
20 tion may be construed to permit a State to enforce to pro-
21 visions of any Federal consumer financial laws other than
22 the provisions of this title or regulations issued under this
23 title.”.

1 **SEC. 504. INDEXING OF ASSET-BASED THRESHOLDS IN REG-**
2 **ULATIONS.**

3 (a) IN GENERAL.—Section 1022 of the Consumer Fi-
4 nancial Protection Act (12 U.S.C. 5512) is amended by
5 adding at the end the following:

6 “(e) PERIODIC ADJUSTMENT FOR ASSET-BASED
7 THRESHOLDS IN REGULATIONS.—

8 “(1) IN GENERAL.—For each asset-based
9 threshold established by regulation and contained in
10 a regulation issued by the Bureau under a Federal
11 consumer financial law, the Bureau shall, by rule,
12 adjust such threshold every 5 years by the ratio, if
13 greater than 1, of the annual value of the current-
14 dollar United States gross domestic product, pub-
15 lished by the Department of Commerce, for the cal-
16 endar year preceding the year in which the adjust-
17 ment is calculated under this subsection, to the pub-
18 lished value of such index for the calendar year pre-
19 ceding April 1, 2026.

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

22 “(A) to the nearest \$1,000,000, for thresh-
23 olds equal to or greater than \$1,000,000,000;

24 “(B) to the nearest \$100,000, for thresh-
25 olds equal to or greater than \$100,000,000 but
26 less than \$1,000,000,000; and

1 “(C) to the nearest \$10,000, for thresholds
2 less than \$100,000,000.

3 “(3) ASSET-BASED THRESHOLD DEFINED.—In
4 this subsection, the term ‘asset-based threshold’
5 means any threshold, expressed as a dollar amount
6 of total assets of a covered person, that determines
7 the applicability of a regulation issued by the Bu-
8 reau.”.

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

12 (1) identify each asset-based threshold de-
13 scribed in section 1022(e) of the Consumer Finan-
14 cial Protection Act; and

15 (2) publish in the Federal Register a list of all
16 such thresholds, including the original amount of
17 each such threshold, the date on which such thresh-
18 old was established, and the regulation in which
19 such threshold appears.

20 (c) INITIAL INDEXING OF THRESHOLDS.—As soon as
21 practicable after publishing the thresholds described in
22 subsection (b), the Bureau shall, by rule, and subject to
23 the rounding requirements in section 1022(e)(2) of the
24 Consumer Financial Protection Act, adjust each such
25 threshold to reflect the percentage change in the Con-

sumer 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—

1 “(aa) the consumer; or

2 “(bb) a representative au-
3 thorized to act on the behalf of
4 the consumer who provides suffi-
5 cient proof of identification and a
6 written document signed by the
7 consumer that permits the third
8 party to act on the behalf of the
9 consumer specifically as it relates
10 to submitting a complaint to the
11 Bureau; and

12 “(III) the consumer directly in-
13 formed the covered person who is re-
14 quired to respond to complaints under
15 subsection (b) and (c) of section 1034
16 to which the complaint relates of the
17 issue about which the consumer is
18 submitting the complaint not less
19 than 60 days before submitting the
20 complaint to the Bureau.

21 “(ii) NOTIFICATION REQUIREMENT.—

22 If the Director finds, when carrying out
23 clause (i), that a complaint submitted in
24 the name of a consumer was not submitted
25 by such consumer or by a representative

1 authorized to act on the behalf of such
2 consumer, the Director shall to the degree
3 practicable—

4 “(I) inform the consumer in
5 whose name the complaint was filed
6 that such complaint was submitted in
7 their name, without their authoriza-
8 tion; and

9 “(II) provide to the covered per-
10 son who is required to respond to
11 complaints under subsection (b) and
12 (c) of section 1034 to whom the com-
13 plaint relates the name of the person
14 who submitted the complaint without
15 the authorization of the consumer.

16 “(iii) SUFFICIENT PROOF OF IDENTI-
17 FICATION DEFINED.—The term ‘sufficient
18 proof of identification’ means information
19 or documentation that identifies a pro-
20 tected consumer and a protected con-
21 sumer’s representative and includes—

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

1 “(II) a certified or official copy
2 of a birth certificate issued by the en-
3 tity authorized to issue the birth cer-
4 tificate; or

5 “(III) a copy of a driver’s license,
6 an identification card issued by the
7 motor vehicle administration.

8 “(F) CLOSURE OF DUPLICATIVE, FRIVO-
9 LOUS OR UNAUTHORIZED COMPLAINTS.—

10 “(i) IN GENERAL.—A covered person
11 who is required to respond to complaints
12 under subsection (b) and (c) of section
13 1034 that receives a consumer complaint
14 from the unit established under this para-
15 graph may, upon reasonable determination,
16 close such complaint without further action
17 if—

18 “(I) the complaint, as determined
19 by such covered person—

20 “(aa) is duplicative of a pre-
21 viously submitted and resolved
22 complaint submitted by the same
23 consumer relating to the same
24 issue;

1 “(bb) is frivolous or lacking
2 a basis in fact;

3 “(cc) was not submitted by
4 the consumer or an individual
5 authorized to act on the behalf of
6 the consumer; or

7 “(dd) was submitted for a
8 fraudulent or misleading purpose;

9 “(II) such covered person was
10 not directly informed by the consumer
11 of the issue about which the consumer
12 submitted the complaint not less than
13 60 days before the consumer sub-
14 mitted the complaint; or

15 “(III) such covered person was
16 directly informed by the consumer of
17 the issue about which the consumer
18 submitted the complaint and such cov-
19 ered person responded to such con-
20 sumer in a manner that remedied the
21 issue raised by the consumer; or

22 “(ii) RECORDING.—If a covered per-
23 son who is required to respond to com-
24 plaints under subsection (b) and (c) of sec-
25 tion 1034 closes a complaint under clause

1 (i), such covered person shall notify the
2 unit established under this paragraph of
3 such closure and the reason for such clo-
4 sure and such unit shall record such infor-
5 mation in the database established under
6 this paragraph.

7 “(G) CONFIDENTIALITY.—

8 “(i) IN GENERAL.—Notwithstanding
9 any other provision of law, the Bureau
10 shall ensure that narrative content in-
11 cluded in complaints submitted by con-
12 sumers to the unit established under this
13 paragraph and narrative content included
14 in responses from covered persons who are
15 required to respond to complaints under
16 subsection (b) and (c) of section 1034 who
17 receive complaints from the unit estab-
18 lished under this paragraph remain con-
19 fidential and are not published or made
20 publicly viewable.

21 “(ii) AGGREGATION OF DATA.—The
22 Bureau may publish aggregated data about
23 complaints received from consumers and
24 analyses of trends in such complaints if
25 such data and analyses do not include per-

1 sonally identifiable information or specific
2 narrative content that could reasonably be
3 linked to an individual consumer or cov-
4 ered person who is required to respond to
5 complaints under subsection (b) and (c) of
6 section 1034.”.

7 **SEC. 506. ENHANCEMENTS TO SMALL BUSINESS LOAN PRI-**
8 **VACY.**

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

11 (1) by striking “The Bureau may,” and insert-
12 ing:

13 “(A) IN GENERAL.—The Bureau may,”;
14 and

15 (2) by adding at the end the following:

16 “(B) RULEMAKING REQUIREMENT.—The
17 Bureau shall, before deleting or modifying data
18 under this paragraph, issue, through advance
19 notice and comment, a rule that includes a de-
20 scription of what modifications and deletions
21 the Bureau intends to make to the data and
22 how such modifications and deletions will ad-
23 vance a privacy interest.”.

○