

CONSUMER FINANCIAL PROTECTION BUREAU

12 CFR Part 1092

[Docket No. CFPB-2025-0011]

RIN 3170-AB32

**Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders;
Proposed Rescission**

AGENCY: Consumer Financial Protection Bureau.

ACTION: Proposed rule; request for comment.

SUMMARY: The Consumer Financial Protection Bureau (Bureau or CFPB) is proposing to rescind its rule requiring certain types of nonbank covered persons subject to certain final public orders obtained or issued by a government agency in connection with the offering or provision of a consumer financial product or service to report the existence of the orders and related information to a Bureau registry.

DATES: Comments must be received on or before [INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

ADDRESSES: You may submit responsive information and other comments, identified by Docket No. CFPB-2025-0011, by any of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments. A brief summary of this document will be available at <https://www.regulations.gov/docket/CFPB-2025-0011>.
- *Email:* 2025-NPRM-OrdersRegistryRepeal@cfpb.gov. Include Docket No. CFPB-2025-0011 in the subject line of the message.

- *Mail/Hand Delivery/Courier:* Comment Intake—Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders; Proposed Rescission, c/o Legal Division Docket Manager, Consumer Financial Protection Bureau, 1700 G Street NW, Washington, DC 20552.

Instructions: The CFPB encourages the early submission of comments. All submissions should include the agency name and docket number. Additionally, where the Bureau has asked for specific comment on a topic, commentors should seek to highlight the topic to which its comment is applicable. Because paper mail is subject to delay, commenters are encouraged to submit comments electronically. In general, all comments received will be posted without change to <https://www.regulations.gov>. All submissions, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Proprietary information or sensitive personal information, such as account numbers or Social Security numbers, or names of other individuals, should not be included. Submissions will not be edited to remove any identifying or contact information.

FOR FURTHER INFORMATION CONTACT: George Karithanom, Regulatory Implementation and Guidance Program Analyst, Office of Regulations, at 202-435-7700. If you require this document in an alternative electronic format, please contact CFPB_Accessibility@cfpb.gov.

SUPPLEMENTARY INFORMATION:

I. Description of the Proposed Rule

Pursuant to its authority under sections 1022(b); 1022(c)(1)-(4), (7); and 1024(b) of the Consumer Financial Protection Act of 2010, 12 U.S.C. 5512 and 5514, the Bureau is proposing to rescind the rule and regulations adopted on July 8, 2024, via 89 FR 56028, Registry of

Nonbank Covered Persons Subject to Certain Agency and Court Orders, and codified in 12 CFR part 1092 (the “NBR Rule”). That rule requires certain types of nonbank covered persons subject to certain final public orders of a government agency to report the existence of the orders and related information and to file annual compliance reports. The Bureau is proposing to repeal the rule and is seeking comments on that proposal, including non-speculative and methodologically rigorous analysis of the purported benefits and costs that were identified when the rule was promulgated.

The Bureau is proposing to rescind the NBR Rule based upon concern that the costs the rule imposes on regulated entities, and which may in large part be passed onto consumers, are not justified by the speculative and unquantified benefits to consumers discussed in the analysis proffered in the NBR Rule. The significant regulatory burden imposed by the NBR Rule has been highlighted by numerous commenters other than the regulated entities, including the Small Business Administration’s Office of Advocacy and the Conference of State Bank Supervisors. The Bureau further believes that the NBR Rule is not necessary as a tool to effectively monitor and reduce potential risks to consumers from bad actors as Congress has authorized multiple other Federal and State agencies to enforce Federal consumer financial laws.

II. Proposed Effective Date of Final Rule

The Bureau is proposing to make this rule effective on the date that any rule finalizing this proposal is published in the *Federal Register*. The Bureau believes that, because this rule would rescind all information submission requirements under the NBR Rule, regulated entities would benefit from the rescission becoming effective immediately upon publication of a final rule and doing so would not be disruptive to their business operations.

The Administrative Procedure Act (APA) generally requires that a substantive rule be published “not less than 30 days before its effective date,” subject to exceptions.¹ The Bureau preliminarily finds that two of the APA’s exceptions would apply to the proposed rescission rule. First, the rule would “grant[] or recognize[] an exemption or relieve[] a restriction.”² Second, there is “good cause” for the rescission to be immediately effective upon publication, because the rescission would end all information submission requirements for regulated entities and so is not the kind of rule for which regulated entities would need additional time to conform their conduct.³

The Bureau seeks specific comment on this proposal to make the rule effective immediately upon publication in the *Federal Register*, including whether there are any considerations that would, in the alternative, support the rule being published 30 or 60 days before becoming effective.

III. Dodd-Frank Act Section 1022(b)(2) Analysis

A. Overview

In developing this proposal to rescind the NBR Rule, the Bureau has considered the potential benefits, costs, and impacts of doing so. The rescission would eliminate the requirement for nonbanks to report the existence of certain public agency and court orders obtained or issued by a government agency in connection with the offering or provision of a consumer financial product or service and related information to a Bureau registry. The Bureau is proposing to rescind the NBR Rule based upon concern that the costs the rule imposes on regulated entities, and which may in large part be passed onto consumers, are not justified by the speculative and

¹ 5 U.S.C. 553(d).

² 5 U.S.C. 553(d)(1).

³ 5 U.S.C. 553(d)(3).

unquantified benefits to consumers discussed in the analysis proffered in the NBR Rule. The Bureau further believes that the NBR Rule is not necessary as a tool to effectively monitor and reduce potential risks to consumers from bad actors as Congress has authorized multiple other Federal and State agencies to enforce Federal consumer financial laws.

The rescission of the NBR Rule would largely entail a juxtaposition of the estimated costs and purported benefits discussed in the preamble of the NBR Rule, such that the estimated costs discussed in the NBR Rule would constitute the benefits of a rescission, and the purported benefits discussed in the NBR Rule would constitute the costs of a rescission. However, even if finalized, the rescission of the NBR Rule will not fully restore the baseline that would capture the NBR Rule’s impacts. For example, some of the fixed costs of compliance discussed in the “Dodd-Frank Act Section 1022(b)(2) Analysis” section of the NBR Rule⁴ have already been expended.⁵ As such they are, perhaps to varying extents depending on each covered person’s circumstances, unrecoverable. In addition, some of the costs that were quantified in the NBR Rule, and which are in fact recoverable by nonbank covered persons subject to the NBR Rule, may become benefits under this proposed rule. However, the quantification of the resulting benefits may differ from that of the corresponding costs discussed in the NBR Rule to the extent that the wage rates or other factors considered in the Bureau’s estimations have changed.

The Bureau seeks specific comment on the extent to which the costs discussed in the NBR Rule, if reversed by the proposed rescission, would result in the benefit of reduced compliance burden to nonbank entities. Correspondingly, the Bureau seeks specific comment on the extent to which the purported benefits discussed in the NBR Rule would result in additional

⁴ 89 FR 56028, 56134-43 (July 8, 2024).

⁵ For example, as of April 15, 2025, approximately 212 unique entities have already registered orders under the NBR Rule (including entities that utilized the one-time registration option provided for in 12 CFR 1092.203).

costs to consumers as a direct result of a rescission. Because the purported benefits discussed in the NBR Rule were largely speculative and unquantified, the Bureau is specifically interested in any comments that could model such benefits in a quantitative and methodologically rigorous manner.

B. Potential Specific Impacts of the Proposed Rule

1. Insured Depository Institutions and Insured Credit Unions with \$10 Billion or Less in Total Assets, As Described in Section 1026

This proposed rule would not apply to insured depository institutions or insured credit unions. Therefore, it would have no direct impacts on any insured depository institution or insured credit union. Some insured depository institutions or insured credit unions may experience indirect effects; for example, some of these institutions may have nonbank affiliates that would be economically affected by the proposal. However, the Bureau expects that any indirect effects of the proposed rule on insured depository institutions or insured credit unions would be small enough to render them negligible. The Bureau seeks specific comment on the accuracy of this expectation.

2. Impact of the Proposed Rule on Access to Consumer Financial Products and Services and on Consumers in Rural Areas

The proposed rescission of the NBR Rule would not impose new costs on covered nonbanks and may cause some nonbanks to experience a transitory increase in profitability as a result of reduced compliance burden associated with the NBR Rule. Some of this increase in profitability may be directed by nonbanks to investments in the research and development of new products. Accordingly, the access of consumers, including consumers in rural areas, to consumer financial products and services could be improved as a result of the proposed rescission

of the NBR Rule. The Bureau seeks specific comment on the character and extent of this potential improvement in access to consumers.

IV. Necessity of Regulation

Executive Order 12866 states that “Federal agencies should promulgate only such regulations as are required by law, are necessary to interpret the law, or are made necessary by compelling public need, such as material failures of private markets...” The Bureau seeks specific comment regarding whether there is any data, and in particular methodologically rigorous research, to indicate the existence of a market failure that would justify the retention of the NBR Rule.

V. Regulatory Flexibility Act Analysis

a. Overview

The Regulatory Flexibility Act (RFA) generally requires an agency to conduct an initial regulatory flexibility analysis (IRFA) and a final regulatory flexibility analysis (FRFA) of any rule subject to notice-and-comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.⁶ The Bureau also is subject to certain additional procedures under the RFA involving the convening of a panel to consult with small business representatives before proposing a rule for which an IRFA is required.⁷

An IRFA is not required for this proposed rule because, for the reasons explained below, the proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities.

b. Impact of Proposed Rule on Small Entities

⁶ 5 U.S.C. 601 *et seq.*

⁷ 5 U.S.C. 609.

The proposed rule would rescind all the provisions of the NBR Rule. As a result and as a matter of principle, the potential economic impact on small entities, as defined by the RFA, would involve the reversal of any of the benefits and costs the provisions of the NBR Rule provide to small entities.⁸ If finalized, the proposed rule would result in symmetrical (i.e., similar in magnitude to the costs and benefits of the NBR Rule) impacts to small entities. The “Regulatory Flexibility Act Analysis” section of the NBR Rule⁹ considered the impacts of the NBR Rule and found that the rule would not have a significant economic impact on a substantial number of small entities. Similarly, the Bureau believes that the proposed rescission of the NBR Rule would not have a significant economic impact on a substantial number of small entities.

Accordingly, the Acting Director hereby certifies that this proposed rule, if adopted, would not have a significant economic impact on a substantial number of small entities. Thus, neither an IRFA nor a small business review panel is required for this proposal. The Bureau requests comment on the analysis above.

List of Subjects in 12 CFR Part 1092

Administrative practice and procedure, Consumer protection, Credit, Intergovernmental relations, Law enforcement, Nonbank registration, Registration, Reporting and recordkeeping requirements, Trade practices.

Authority and Issuance

⁸ For purposes of assessing the impacts of the proposed rule on small entities, “small entities” is defined in the RFA to include small businesses, small not-for-profit organizations, and small government jurisdictions. 5 U.S.C. 601(6). A “small business” is determined by application of Small Business Administration regulations and reference to the North American Industry Classification System (NAICS) classifications and size standards. 5 U.S.C. 601(3). A “small organization” is any “not-for-profit enterprise which is independently owned and operated and is not dominant in its field.” 5 U.S.C. 601(4). A “small governmental jurisdiction” is the government of a city, county, town, township, village, school district, or special district with a population of less than 50,000. 5 U.S.C. 601(5).

⁹ 89 FR 56028, 56143-49 (July 8, 2024).

As discussed above, the Bureau proposes to amend 12 CFR chapter X by removing part 1092, as set forth below:

PART 1092—NONBANK REGISTRATION

1. Part 1092 is removed and reserved.

Russell Vought,

Acting Director, Consumer Financial Protection Bureau.