

June 3, 2024

# Executive Summary of the Nonbank Registration of Orders Rule

On June 3, 2024, the Consumer Financial Protection Bureau (CFPB) issued the Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders Final Rule (Nonbank Registration of Orders Final Rule or final rule) requiring certain nonbank entities to register information about their company and certain orders, as well as submit copies of those orders, to the CFPB. The final rule applies to orders that enforce certain laws and are issued by or obtained (e.g., sought from a court) by government agencies, such as enforcement orders. The final rule is effective on September 16, 2024. It provides covered nonbank entities certain timeframes to comply with the requirements, including submission of their registrations. Registration will begin for covered nonbanks as early as October 16, 2024.

## Covered Nonbanks

The final rule applies to certain nonbanks that are “covered persons” under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). In general, covered persons participate in offering or providing consumer financial products or services. The rule does not apply to:

- An insured depository institution or insured credit union (e.g., an FDIC-insured bank);

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This is a Compliance Aid issued by the Consumer Financial Protection Bureau. The CFPB published a Policy Statement on Compliance Aids, available at <https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/policy-statement-compliance-aids/>, that explains the CFPB’s approach to Compliance Aids.

- A person who is a covered person solely due to being a “related person,” as provided in the Dodd-Frank Act (such as controlling shareholders, consultants, and independent contractors, if the person is a covered person only because the person is a “related person” and not a covered person for another reason);
- A State, including federally recognized Indian tribes;
- A natural person;
- Certain motor vehicle dealers;
- A person that qualifies as a covered person under the Dodd-Frank Act only because of conduct excluded from the CFPB’s rulemaking authority, such as certain activities related to charitable contributions.

All other covered persons are covered by the final rule and are considered covered nonbanks for purposes of this final rule.

## Covered Orders

The final rule applies to certain final, written public orders issued by agencies or courts. These orders relate to investigations, matters, or proceedings. An order is covered by the final rule if it:

- Is a final, public order issued by an agency or court;
- Identifies a covered nonbank by name as a party subject to the order;
- Was issued at least in part in any action or proceeding brought by any Federal agency, State agency, or local agency;
- Contains public provisions that impose obligations on the covered nonbank to take certain actions or to refrain from taking certain actions;
- Imposes obligations on the covered nonbank based on an alleged violation of a covered law, which includes Federal consumer financial laws, other laws enforced by the CFPB, and certain unfair, deceptive, or abusive acts or practices laws at both Federal and State levels identified in the final rule; and
- Has an effective date on or after January 1, 2017. An order is effective on the date specified in the order. If an order does not have an effective date identified, the date of issuance is the effective date. If the issuing agency or a court stays or otherwise suspends an order’s

effectiveness, the order’s effective date for purposes of the final rule is delayed until the stay or suspension is lifted.

Motor vehicle dealers that are covered nonbanks will also want to look at the products or services related to or involved in their order to determine if their orders meet an exclusion specific to those nonbanks in the final rule.

Orders subject to the final rule include “consent orders,” (i.e., orders issued with the consent of the covered nonbank subject to the order).

## Registration Requirements

The final rule’s registration requirements apply to covered orders that remain in effect on September 16, 2024, or have an effective date on or after that date. Generally, the final rule requires covered nonbanks with covered orders to register and submit information to the CFPB’s Nonbank Registry regarding themselves and the covered order. The CFPB will publish filing instructions to provide details on the information that must be submitted, including the formats required. The following is a summary of the information required for registration:

**1) Covered Nonbank Identity Information.** As specified in the CFPB’s filing instructions, a covered nonbank must submit identifying information about itself, such as its legal name and the address of its principal place of business.

**2) Administrative Information.** As specified in the CFPB’s filing instructions, a covered nonbank must submit certain additional administrative information. For example, administrative information may include information regarding a registered entity’s affiliates that are registered with respect to the same order.

**3) Covered Order Information.** To register a covered order, a covered nonbank must submit at least the following to the CFPB:

- A fully executed, accurate, and complete copy of the covered order in portable document format (PDF). Any portions of the covered order that are nonpublic should be excluded, such as by redaction, but those portions must be clearly marked on the copy submitted as not public portions.
- The applicable agency(ies) and court(s) that issued or obtained the covered order. For agency-issued orders, the covered nonbank must list the issuing agency(ies), and for

court-issued orders, the covered nonbank must list both the issuing court and the agency(ies) that initiated the action that resulted in the court's order.

- The effective date of the covered order. If no express effective date is included in the order, the date of issuance is submitted. In the event of an agency- or court-issued stay or suspension of the effective date, the effective date will be delayed until the stay or suspension is lifted.
- The date of expiration, if any, of the covered order, or a statement that there is none.
- All covered laws found to have been violated or, for orders issued upon the parties' consent, alleged to have been violated.
- Any docket, case, tracking, or other similar identifying number(s) assigned to the covered order by the applicable agency(ies) or court(s).

The final rule requires covered nonbanks to submit revised filings within 90 days if any information described above changes or the covered order is amended, terminated, or abrogated.

## Written Statement

The rule imposes additional requirements on certain CFPB-supervised covered nonbanks (generally, covered nonbanks that are subject to CFPB supervision and have at least \$5 million in qualifying annual receipts). Generally, on an annual basis CFPB-supervised covered nonbanks must review and submit, as applicable, certain additional information regarding covered orders with an effective date on or after the beginning of their applicable implementation submission period. The information must include:

- The name and title of an attesting executive with respect to each of the covered orders registered, upon registration of the order and thereafter upon any change to this information.
- An annual written statement signed by the attesting executive for each covered order being registered.

The final rule requires the CFPB-supervised covered nonbank to designate an executive of the covered nonbank to complete certain tasks on its behalf. This includes: 1) describing the steps the executive has taken to review and oversee the covered nonbank's activities subject to the order during the preceding calendar year, and 2) attesting whether, to the executive's knowledge, during

the preceding calendar year the covered nonbank identified any violations or noncompliance with any applicable obligations imposed in the order's public provisions.

The final rule requires CFPB-supervised covered nonbanks to maintain records sufficient to provide reasonable support for the written statement for five years after the submission.

## Optional Alternative Registration Requirements for NMLS-Published Covered Orders

The final rule provides a limited one-time, alternative registration option for covered orders that are published on the Nationwide Multistate Licensing System (NMLS) Consumer Access [website](#). A covered nonbank may alternatively choose to file a special one-time registration for NMLS-published covered orders that were not issued or obtained, at least in part, by the CFPB. If the covered nonbank chooses to exercise this alternative option, it must submit certain required information, but then the covered nonbank has no further obligations to register any changes to or expiration of the order or to file written statements with respect to that order, if applicable.

This alternative option for one-time registration of NMLS-published covered orders is not available for any order issued or obtained at least in part by the CFPB, regardless of whether it is published on the NMLS Consumer Access website.

## Timing Requirements

The final rule provides timing requirements for covered nonbanks to complete registration of covered orders with the CFPB's Nonbank Registry. The final rule provides timing requirements for registering the covered order, but has separate timing requirements for submission of CFPB-supervised covered nonbanks' annual written statements.

## Registration of the Covered Order

To register each individual covered order, the covered nonbank submits the required information, including the covered nonbank's identifying information and covered order information, to the CFPB. The final rule provides 1) an initial implementation period and 2) ongoing registration timing requirements applied after the implementation period.

### **IMPLEMENTATION SUBMISSION PERIOD TIMING REQUIREMENTS**

Initially, the final rule provides for a phased implementation. In general, during the implementation submission period, covered nonbanks are categorized into 1) Larger Participant

CFPB-Supervised Covered Nonbanks, 2) Other CFPB-Supervised Covered Nonbanks (i.e., CFPB-supervised covered nonbanks that do not meet the definition of larger participant under the CFPB’s regulations), and 3) All Other Covered Nonbanks (i.e., generally covered nonbanks that are not supervised by the CFPB). For each category, the final rule provides a 90-day window for covered nonbanks to register all covered orders with effective dates from January 1, 2017, until the start of that implementation submission period. The table below identifies those registration submission periods based on the September 16, 2024, effective date of the final rule.

**TABLE 1: IMPLEMENTATION SUBMISSION PERIODS**

Covered Nonbank Type	Registration Submission Period	Registration Deadline
Larger Participant <sup>2</sup> CFPB-Supervised Covered Nonbanks	October 16, 2024 through January 14, 2025	January 14, 2025
Other CFPB-Supervised Covered Nonbanks	January 14, 2025 through April 14, 2025	April 14, 2025
All Other Covered Nonbanks	April 14, 2025 through July 14, 2025*	July 14, 2025*

\*The final rule requires any dates that fall on a Saturday, Sunday, or Federal holiday be converted to the next day that is not a Saturday, Sunday, or Federal holiday. These implementation submission period dates have been adjusted accordingly.

During each implementation submission period, the applicable covered nonbanks must register all covered orders that:

- Have an effective date from January 1, 2017, through the start of the covered nonbank’s submission period, and

<sup>2</sup> The CFPB has issued rules identifying the criteria for larger participants in the Automobile Financing, Student Loan Servicing, Consumer Reporting, Consumer Debt Collection, and International Money Transfer markets and has proposed a rule for the General-Use Digital Consumer Payment Application market. Those rules can be found here: <https://www.consumerfinance.gov/rules-policy/>.

- For covered orders issued prior to September 16, 2024, the covered order remains effective as of September 16, 2024.

For example, assume an Other CFPB-Supervised Covered Nonbank has the following orders (that otherwise meet the definition of a covered order): 1) an order that took effect on January 1, 2016, and that expires on January 1, 2026, 2) an order that took effect on January 1, 2017, and that expires on October 30, 2025, and 3) an order that becomes effective on January 1, 2025, and that expires on January 1, 2031. During the applicable implementation submission period, the Other CFPB-Supervised Covered Nonbank:

- Would not register the first order (effective January 1, 2016) because it took effect before January 1, 2017.
- Must register the second order (effective January 1, 2017) because it took effect on or after January 1, 2017 (and prior to the start of the applicable submission period) and remained in effect as of September 16, 2024.
- Must register the third order (effective January 1, 2025) because it took effect on or after September 16, 2024, and prior to the start of the applicable submission period.

The Other CFPB-Supervised Covered Nonbank would continue to comply with the ongoing registration requirements for these covered orders until they expire or are terminated, as discussed below.

If a new order for the covered nonbank is issued and effective on or after its implementation submission period start date, the covered nonbank follows the final rule's ongoing registration timing requirements, discussed below.

#### **ONGOING REGISTRATION TIMING REQUIREMENTS**

After the start of a covered nonbank's implementation submission period, a covered nonbank must begin complying with the final rule's ongoing registration timing requirements to register new covered orders and to submit changes or updates related to previously registered covered orders.

Generally, a covered nonbank must return to the CFPB's Nonbank Registry and make a registration submission within the identified 90-day window for each of the following events:

1. Any updates or changes to the nonbank's identifying information or administrative information, within 90 days after the date of that change.

2. Any amendments to previously registered covered orders, including changes to submitted order information, within 90 days after the date the amendments are made.
3. Any new covered orders applicable to the covered nonbank (with effective dates on or after the start of the applicable implementation period), within 90 days after the effective date of the new covered order.
4. A revised filing if there is any termination or expiration (as discussed below) of a previously registered covered order, within 90 days after the effective date of that termination or expiration.

## Written Statement Submission

For submission of the required written statements, the final rule requires CFPB-supervised covered nonbanks to submit the required information annually on or before March 31 of each year. For Larger Participant CFPB-Supervised Covered Nonbanks that register by December 31, 2024, the first written statement submission is required by March 31, 2025, and will cover all applicable covered orders registered with an effective date from October 16, 2024, to December 31, 2024. For Other CFPB-Supervised Covered Nonbanks, the first written statement submission is required on March 31, 2026, and will cover all applicable covered orders registered with an effective date on or after the beginning of their implementation submission period, January 14, 2025, to December 31, 2025.

To illustrate the rule's requirements: If on or before December 31, 2026, a CFPB-supervised covered nonbank has three previously registered applicable orders (first registered prior to January 1, 2026) and two new orders (effective between January 1, 2026, and December 31, 2026, and registered, or required to be registered, by March 31, 2027), the covered nonbank would file written statements for each of those five orders on or before March 31, 2027. However, if a CFPB-supervised covered nonbank timely registers its first covered order between January 1, 2027, and March 31, 2027, and thus did not qualify as a supervised registered entity at any point during 2026, it does not need to file a written statement until March 31, 2028.

## When Do Registration Requirements End for a Covered Order?

Ongoing registration requirements apply to a covered order until it is deemed to expire under the final rule or all relevant provisions are fully terminated. A covered order may be terminated by an agency or court, or may terminate under its own terms on a date expressly provided for in the covered order. A covered order that does not expressly provide for a termination date and is not terminated earlier is deemed to expire 10 years after its effective date. If the order expressly



provides for a termination date that is longer than 10 years, the order is not deemed to expire until the expressly provided termination date.

The final rule requires the covered nonbank to file a notice with the CFPB within 90 days of the date of any modification, termination, or abrogation of the order.

If either expiration or termination occurs, or the order is modified such that it is no longer a covered order, then after a covered nonbank files a final notice with the CFPB, the covered nonbank is relieved of further registration obligations with respect to that order. Additionally, the covered nonbank need not submit further written statements regarding that order.

## Publication

The CFPB may publish certain information about registered covered nonbanks and covered orders on its website. The written statement will be treated as confidential supervisory information. The CFPB may also publish aggregations or summary reports using the information submitted to the CFPB's Nonbank Registry.