

1053(c)(2) of the Dodd-Frank Act (12 U.S.C. 5563(c)(2)), a temporary cease-and-desist order shall remain effective and enforceable until:

(1) The effective date of a final order issued upon the conclusion of the adjudication proceeding.

(2) With respect to a temporary cease-and-desist order issued pursuant to § 1081.501(b) only, the Bureau determines by examination or otherwise that the books and records are accurate and reflect the financial condition of the respondent, and the Director or his or her designee issues an order terminating, limiting, or suspending the temporary cease-and-desist order.

Russell Vought,

Acting Director, Consumer Financial Protection Bureau.

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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; Rescission

AGENCY: Consumer Financial Protection Bureau.

ACTION: Final rule.

SUMMARY: The Consumer Financial Protection Bureau (Bureau or CFPB) is issuing a final rule 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: This rule is effective on October 29, 2025.

FOR FURTHER INFORMATION CONTACT: Dave Gettler, Paralegal, 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. Summary of the Final Rule

Pursuant to its authority under sections 1022(b), 1022(c)(1)–(4), and 1024(b) of the Consumer Financial Protection Act of 2010, 12 U.S.C. 5512 and 5514 (CFPA), the Bureau is adopting this final rule to rescind its

rule 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”). The NBR Rule requires 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 those orders and related information to a Bureau registry.

The Bureau is finalizing the rescission of the NBR Rule based on concerns that the costs the rule imposes on regulated entities, which may be passed on to consumers, are not justified by the speculative and unquantified benefits to consumers discussed in the analysis proffered in the NBR Rule. In addition, the Bureau is finalizing this rescission based in part on the cost to the Bureau of maintaining the registration system created by the NBR Rule, which the Bureau believes is not a necessary tool to effectively monitor and reduce potential risks to consumers.

II. Background

A. The NBR Rule

The Bureau published the NBR Rule in the **Federal Register** on July 8, 2024, and it took effect on September 16, 2024. The Bureau stated that it was issuing the NBR Rule, as described below, because it believed the statutory purposes of the Bureau’s market monitoring and nonbank supervision responsibilities would be furthered by the collection and publication of information about the existence of covered orders at covered nonbanks, and in the case of supervised registered entities, steps taken to comply with those covered orders. Specifically, it believed that the Bureau’s establishment of a centralized system for collecting and publishing information about covered orders against covered nonbanks would lead to more efficient and effective monitoring, detection, assessment, public awareness, and mitigation of the risks posed to consumers by violations of Federal consumer financial law, including repeat violations. The NBR Rule generally found that such outcomes, if achieved, would be beneficial to consumers.

Underlying the purported utility of the NBR Rule was the Bureau’s repeated assertion that the registry established by the rule would help to address risks to consumers related to corporate recidivism engaged in by covered nonbanks. For example, the Bureau stated that the NBR Rule would “focus

on monitoring for risks to consumers related to repeat offenders of consumer protection law” and that a public registry “will help the Bureau and the broader public monitor trends concerning corporate recidivism relating to consumer protection law, including areas where prior violations of law are indicia of risks to consumers.”¹ In addition, the Bureau stated that the registry “will provide a valuable mechanism to help ensure the Bureau is rapidly made aware of . . . repeat offenders across a range of markets and enforcement agencies.”² According to the Bureau’s analysis, “repeat law violator status . . . is a highly pertinent characteristic” of nonbank covered persons,³ to the extent that the Bureau intended to “mitigate recidivism and more effectively deter unlawful behavior” by creating a public registry.⁴ Thus, while maintaining that “the registry will accomplish a number of goals,” the Bureau emphasized that it would have “a particular focus on monitoring for risks to consumers related to repeat offenders of consumer protection law.”⁵

The NBR Rule imposes information collection requirements on most nonbank covered persons to the extent they are subject to certain public agency and court orders, including orders under numerous different provisions in Federal and State law (“covered orders”).⁶ Specifically, the NBR Rule contains three sets of provisions: (1) a covered order registration requirement for virtually all nonbanks engaged in the offering or providing of any consumer financial product or service (“covered nonbanks”);⁷ (2) an annual covered

¹ 89 FR 56028 at 56029–30.

² *Id.* at 56035; *see also id.* at 56031 (stating the Bureau’s belief that monitoring for covered orders “will allow the Bureau to track specific instances of, and more general developments regarding, potential corporate recidivism”).

³ *Id.* at 56036.

⁴ *Id.* at 56042.

⁵ *Id.* at 56062.

⁶ In § 1092.201(e), the NBR Rule defines a “covered order” as an order that, among other things, has an effective date on or after January 1, 2017, and imposes certain obligations on the covered nonbank based on an alleged violation of a covered law. In § 1092.201(c), the regulation defines “covered law” as including Federal consumer financial law as well as a number of other laws enforced by the Bureau, the prohibition against unfair or deceptive acts or practices in section 5 of the Federal Trade Commission Act and its implementing rules enforced by other Federal agencies, and certain State laws as described in § 1092.202(c)(4)–(6), including several hundred of which are specified in appendix A to part 1092.

⁷ In § 1092.201(d), the NBR Rule defines “covered nonbank” as including most types of nonbanks, with specified exceptions for insured depository institutions, insured credit unions, a person who is a covered person solely due to being a related person, a State, a natural person, certain motor

order compliance reporting requirement for Bureau-supervised registered entities; and (3) provisions authorizing the Bureau to publish certain information collected pursuant to the registration requirement.⁸ Below, this final rule provides general background on key aspects of each of these sets of provisions.⁹

First, the NBR Rule generally requires registration by covered nonbanks that are subject to covered orders that are in effect as of September 16, 2024, or that take effect on that date or at any later time. The NBR Rule requires these covered nonbanks to register with the Bureau and to submit certain information about each covered order to the Bureau.¹⁰ Under § 1092.202(b), each covered nonbank must submit identifying information and administrative information as described in § 1092.202(c),¹¹ as well as information regarding each covered order described in § 1092.202(d) as follows:

(1) A fully executed, accurate, and complete copy of the covered order, in a format specified by the Bureau; provided that any portions of a covered order that are not public shall not be submitted, and these portions shall be clearly marked on the copy submitted;

(2) In connection with each applicable covered order, information identifying:

vehicle dealers, and persons subject to certain exclusions in CFPB section 1027.

⁸ Covered nonbanks also must submit required information in accordance with the Bureau's filing instructions. See § 1090.102(a); CFPB Nonbank Registration Filing Instructions Guide (FIG) (Jan. 2025), https://files.consumerfinance.gov/f/documents/cfpb_nonbank-registration_filing-instructions-guide.pdf.

⁹ The NBR Rule also contains provisions pursuant to which persons may submit filings to the Bureau's nonbank registry stating that they have a good-faith basis to believe that the NBR Rule or one or more of its provisions does not apply. See § 1092.202(g) & 204(f). These are not mandatory information collection requirements and are not discussed further here.

¹⁰ Registration is required within 90 days after the applicable nonbank registry implementation date, or 90 days after the effective date of the covered order, whichever is later. See § 1092.202(b)(2). The implementation dates are October 16, 2024, for supervised registrants that are larger participants under CFPB larger participant rules (resulting in a registration deadline of January 14, 2025), January 14, 2025, for all other supervised registrants (resulting in a registration deadline of April 14, 2025), and April 14, 2025, for all other covered nonbanks (resulting in a registration deadline of July 14, 2025). See <https://www.consumerfinance.gov/data-research/nbr-submission/>.

¹¹ In § 1092.201(a), the NBR Rule defines "administrative information" as "contact information" regarding the registrant and "other information submitted or collected to facilitate administration" of the nonbank registry. In § 1092.201(g), the NBR Rule defines "identifying information" as "existing information available to the covered nonbank that uniquely identifies it," including certain information further specified in the definition.

(i) The agency(ies) and court(s) that issued or obtained the covered order, as applicable;

(ii) The effective date of the covered order;

(iii) The date of expiration, if any, of the covered order, or a statement that there is none;

(iv) All covered laws found to have been violated or, for orders issued upon the parties' consent, alleged to have been violated; and

(v) Any docket, case, tracking, or other similar identifying number(s) assigned to the covered order by the applicable agency(ies) or court(s).¹²

The NBR Rule also requires registrants to submit certain updated information to the Bureau regarding the status of the covered order on an ongoing basis.¹³ Alternatively, for covered orders that are not obtained or issued by the Bureau and that are published on the NMLS Consumer Access website at www.NMLS.ConsumerAccess.org,¹⁴ the covered nonbank may satisfy the registration requirement by submitting more limited information for the purposes of identifying the covered nonbank and the NMLS-published covered order as described in § 1092.203(b) and as specified in filing instructions provided by the Bureau.¹⁵ Under this alternative, there is no requirement to provide updates on an ongoing basis.

In addition to the information collection requirements for registration of a covered nonbank described above, the NBR Rule includes certain related provisions and additional information requirements, such as a requirement to provide corrected information.¹⁶

Second, in § 1092.204, the NBR Rule imposes certain additional annual

¹² At the time of registration of a covered order, supervised registered entities also must provide additional information, as described in § 1092.202(d)(3) (requiring the name and title of an "attesting executive" for purposes of annual reporting on covered order compliance as described further below).

¹³ For example, registered entities must submit a filing to the nonbank registry within 90 days after the effective date of a termination, modification, or abrogation of the covered order, or its ceasing to be a covered order. See § 1092.202(f).

¹⁴ See definition of "NMLS-published covered order" at § 1092.201(k).

¹⁵ Currently, the filing instructions require registrants that register a NMLS-published covered order via optional one-time registration to provide the order's effective date, identifying number (e.g., docket or similar tracking number), and, if applicable, an explanation of any differences between information entered for the order and the information about the order that is published on the NMLS Consumer Access website.

¹⁶ Certain additional requirements and definitions apply to the registration requirement, as elaborated in §§ 1092.200–203 & 205 and supplemented by subpart A of part 1092. For example, registered entities must file corrections within 30 days after becoming aware or having reason to know of an inaccuracy in their prior submissions. See § 1092.205(c).

reporting requirements for covered nonbanks that are Bureau-supervised registered entities, as defined in § 1092.201(q) (excluding, among others, entities with less than \$5 million in annual receipts from offering or providing consumer financial products or services). These annual reporting requirements apply to covered orders that are not registered as NMLS-published covered orders and that have an effective date on or after applicable nonbank registry implementation dates under § 1092.206.¹⁷ As elaborated in § 1092.204, among other things, the NBR Rule requires the supervised registered entity to designate an attesting executive for the covered order (§ 1092.204(b)), to provide the attesting executive with access to certain documents and information (§ 1092.204(c)), and to submit a written statement to the Bureau on an annual basis that includes the information described in § 1092.204(d)—namely, a description of the steps the attesting executive has undertaken to review and oversee the supervised registered entity's activities subject to the applicable covered order for the preceding calendar year and an attestation as to whether, to the attesting executive's knowledge, the supervised registered entity during the preceding calendar year identified any violations or other instances of noncompliance with any obligations imposed in a public provision of the covered order based on a violation of a covered law—and is signed by the attesting executive.¹⁸

In connection with the NBR Rule, the Bureau provided certain estimates of the paperwork burdens of the above two information collection requirements. For the initial registration of a single order and the first annual report on that order by a supervised registered entity, the Bureau estimated 35 hours of paperwork burden (5 hours for the initial registration and 30 hours for the annual report including recordkeeping costs). It further estimated an overall paperwork burden on covered nonbanks from these two steps alone as in excess of 271,000 hours.¹⁹ In dollar terms, the

¹⁷ The implementation dates for supervised registrants subject to the annual reporting requirement are October 16, 2024, for supervised registrants that are larger participants under CFPB larger participant rules, and January 14, 2025, for all other supervised registrants. See <https://www.consumerfinance.gov/data-research/nbr-submission/>.

¹⁸ Certain additional requirements and definitions apply to the written statement requirement, as elaborated in §§ 1092.200 & 204 and supplemented by subpart A of part 1092.

¹⁹ See OIRA ICR Ref. No. 202407–3170–001 and Supporting Statement, https://www.reginfo.gov/public/do/PRAViewICR?ref_nbr=202407-3170-001.

NBR Rule estimated that between 1,550 and 7,752 covered nonbanks would incur a labor cost of \$350 each for an initial registration of an order and \$2,100 for a supervised registered entity to comply with an annual cycle of reporting for an order.²⁰ Of course, to the extent any covered nonbank did in fact have multiple covered orders, its burden would be higher, and the burden of correction and updates also is not included in these estimates. In addition, while these estimates only accounted for a single cycle of an annual report, the NBR Rule requires annual reporting for at least 10 years.²¹ In any event, the NBR Rule acknowledges that the information collection requirements and other impacts led to the designation of the rule as a “major rule” under the Congressional Review Act.²²

Third, in § 1092.205(a), the NBR Rule authorizes the Bureau to make available to the public on its internet website information, other than administrative information, that covered nonbanks submit to the nonbank registry pursuant to the registration requirement described above. Under § 1092.205(b), the NBR Rule also authorizes the Bureau to publish aggregate information collected pursuant to the registration requirement as well as the annual reporting requirement described above.²³ While neither provision requires publication by the Bureau, the NBR Rule stated that “[t]he Bureau intends to publish this information on its website and potentially in other forms.”²⁴ It also stated that the Bureau was “reserving the option not to publish information based on operational considerations, such as resource constraints.”²⁵

In its statement submitted to the Office of Management and Budget to support the collection of information established by the NBR Rule, the Bureau estimated that the annual costs to the Federal government to operate the registry would amount to “\$2.5 million for external vendor support and 10,400

hours of Federal staff time.”²⁶ Of this amount, the Bureau explained that approximately \$1,900,000 would be needed “for developer support to operate and maintain the data collection system” and \$600,000 would be needed “for an online user support function (including technical writing support for user help articles).”²⁷ In addition, the Bureau estimated that it would need five full-time employees to support the registry, including by “responding to respondents’ substantive questions regarding rule compliance, data intake and quality control, managing technical system updates for mission critical needs, and overseeing external vendor work.”²⁸

B. The Proposal To Rescind the NBR Rule

On May 14, 2025, the Bureau published a proposal to rescind the NBR Rule (“Proposed Rescission Rule”).²⁹ The Bureau stated it was 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 on to consumers, are not justified by the speculative and unquantified benefits to consumers discussed in the analysis proffered in the NBR Rule.”³⁰ It described the costs imposed on regulated entities as a “significant regulatory burden” that was highlighted not only by industry comments, but also by the Small Business Administration’s Office of Advocacy and the Conference of State Bank Supervisors.

The Proposed Rescission Rule also stated the Bureau’s belief that the NBR Rule is not a necessary tool for monitoring and reducing risks to consumers from bad actors. It further noted the role that multiple other Federal and State agencies play in the enforcement of Federal consumer financial laws.³¹

²⁶ Supporting Statement for Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders, OMB Control Number: 3170-0076 (July 9, 2024), at 10, https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202407-3170-001.

²⁷ *Id.*

²⁸ *Id.*

²⁹ 90 FR 20406 (May 14, 2025).

³⁰ *Id.* at 20407.

³¹ Meanwhile, as it was considering the Proposed Rescission Rule, the Bureau also announced on April 11, 2025, that “it will not prioritize enforcement or supervision actions with regard to entities that do not satisfy future deadlines under” the NBR Rule. CFPB Offers Regulatory Relief from Registration Requirements for Small Loan Providers (Apr. 11, 2025), <https://www.consumerfinance.gov/about-us/newsroom/cfpb-offers-regulatory-relief-from-registration-requirements-for-small-loan-providers/>.

III. Consultation

In developing this final rule, the Bureau consulted with the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), the National Credit Union Administration (NCUA), the Federal Trade Commission (FTC), and the Farm Credit Administration (FCA) on, among other things, consistency with any prudential, market, or systemic objectives administered by such agencies.³² The Bureau also consulted with State agencies, including State agencies involved in supervision of nonbanks and State agencies charged with law enforcement, as well as with Tribal governments.³³

IV. Legal Authority

The Bureau relied on its authority under the CFPA when it voluntarily promulgated the NBR Rule. In light of its decision to rescind the NBR Rule, the Bureau is issuing this final rule to revoke the NBR Rule pursuant to that authority.

CFPA section 1022(b)(1) authorizes the Bureau to prescribe rules “as may be necessary or appropriate to enable the Bureau to administer and carry out the purposes and objectives of the Federal consumer financial laws, and to prevent evasions thereof.”³⁴ CFPA section 1022(b)(2) prescribes certain standards for rulemaking that the Bureau must follow in exercising its authority under section 1022(b)(1); these standards are discussed in part XI below.

The Bureau relied in part on CFPA section 1022(c)(1)–(4) and 1022(c)(7) to collect information and authorize publication of certain information collected under the NBR Rule. CFPA section 1022(c)(1)–(4) authorize the Bureau to prescribe rules to collect information from covered persons for the purposes of monitoring for risks to consumers in the offering or provision of consumer financial products or services, and to publicly release information obtained pursuant to CFPA section 1022, subject to specified limitations.³⁵ CFPA section 1022(c)(7)(A) authorizes the Bureau to “prescribe rules regarding registration requirements applicable to a covered person, other than an insured depository institution, insured credit

³² See 12 U.S.C. 5512(b)(2)(B).

³³ See 12 U.S.C. 5512(c)(7)(C), 5514(b)(7)(D); see also 12 U.S.C. 5481(27) (defining the term “State” as including “any federally recognized Indian tribe, as defined by the Secretary of the Interior under” 25 U.S.C. 5131(a)).

³⁴ 12 U.S.C. 5512(b)(1).

³⁵ 12 U.S.C. 5512(c)(1)–(4).

²⁰ 89 FR 56028 at 56137, 56148.

²¹ § 1092.202(e).

²² Based on the impacts of the NBR Rule (including its information collection requirements discussed above and its publication provisions described further below), the Office of Information and Regulatory Affairs designated the NBR Rule as a “major rule” as defined by 5 U.S.C. 804(2). 89 FR 56028 at 56150.

²³ Certain additional requirements and definitions apply to the publication provisions, as elaborated in § 1092.200 and supplemented by subpart A of part 1092.

²⁴ 89 FR 56028; see also *id.* at 56031 (describing how the Bureau may publish the identity of the attesting executive).

²⁵ *Id.* at 56041.

union, or related person.”³⁶ CFPB section 1022(c)(7)(B) provides that, “[s]ubject to rules prescribed by the Bureau, the Bureau may publicly disclose registration information to facilitate the ability of consumers to identify covered persons that are registered with the Bureau.”³⁷

Section 1024(b) of the CFPB authorizes the Bureau to exercise supervisory authority over certain nonbank covered persons as defined in CFPB section 1024(a)(1).³⁸ Section 1024(b)(1) requires the Bureau to periodically require reports and conduct examinations of persons subject to its supervisory authority to assess compliance with Federal consumer financial law, obtain information about the activities and compliance systems or procedures of persons subject to its supervisory authority, and detect and assess risks to consumers and to markets for consumer financial products and services.³⁹ Section 1024(b)(2) requires that the Bureau exercise its supervisory authority over nonbank covered persons under section 1024(b)(1) based on its assessment of risks posed to consumers in the relevant product markets and geographic markets, and taking into consideration, as applicable: “(A) the asset size of the covered person; (B) the volume of transactions involving consumer financial products or services in which the covered person engages; (C) the risks to consumers created by the provision of such consumer financial products or services; (D) the extent to which such institutions are subject to oversight by State authorities for consumer protection; and (E) any other factors that the Bureau determines to be relevant to a class of covered persons.”⁴⁰

Section 1024(b)(7) of the CFPB identifies three independent sources of Bureau rulemaking authority, on which the Bureau relied in promulgating the NBR Rule. First, section 1024(b)(7)(A) requires the Bureau to prescribe rules to facilitate the supervision of nonbank covered persons subject to the Bureau’s supervisory authority and assessment and detection of risks to consumers.⁴¹ Second, section 1024(b)(7)(B) authorizes the Bureau to require nonbank covered persons subject to its supervisory authority to “generate, provide, or retain records for the purposes of facilitating supervision of such persons and assessing and detecting risks to

consumers.”⁴² Third, section 1024(b)(7)(C) authorizes the Bureau to prescribe rules regarding nonbank covered persons subject to its supervisory authority “to ensure that such persons are legitimate entities and are able to perform their obligations to consumers.”⁴³

V. General Comments on the Proposed Rescission Rule

A. General Comments Received on the Proposed Rescission Rule

The Bureau received a total of 16 comments on the Proposed Rescission Rule, including 7 comments from 9 industry associations, a comment from the SBA Office of Advocacy, a comment from an association representing State financial regulators, 2 comments from nonprofit consumer advocacy organizations, and 5 comments from individuals. Comments pertaining to specific requirements or provisions of the NBR Rule and to the NBR Rule’s impacts are discussed in sections VI, VII, VIII, X, and XI below.

Comments from the SBA Office of Advocacy, the State financial regulator association, most industry associations, and some individuals expressly supported rescission of the entire NBR Rule. As described below, many of these comments asserted that the NBR Rule’s registration requirements for covered nonbanks subject to covered orders and written-statement requirements for supervised registered entities were duplicative, unnecessary, or significantly burdensome. They also expressed similar views of the NBR Rule’s authorization for the Bureau to publish certain registration information. An individual commenter expressed support for the proposed rescission but suggested that the Bureau replace the NBR Rule with a rule mandating registration of nonbanks with the Bureau’s complaint portal.

The two nonprofit organizations and an individual commenter opposed the Proposed Rescission Rule. One of the nonprofits stated that nonbanks now provide a substantial share of consumer financial products and services and pose heightened risks, including to consumers they described as vulnerable to harm. According to this commenter, the NBR Rule promotes transparency and enhances competition and consumer choice, while rescission would limit regulatory oversight and result in financial and informational costs to consumers. The other nonprofit stated that the NBR Rule’s registry will

help regulators, consumer advocates, and the public more broadly to identify repeat offenders and patterns of misconduct, and that rescinding the rule would conceal recidivism, which would grow as a result.

With respect to the NBR Rule’s scope, a joint comment from banking industry trade groups discussed those groups’ previously raised objections to the NBR Rule’s inclusion of nonbank affiliates of insured depository institutions and insured credit unions and to the rule’s written-statement requirements. A credit union trade association objected to the rule’s coverage of credit union service organizations (CUSOs) and privately insured credit unions, stating that these organizations have been effectively regulated by State credit union authorities and the National Credit Union Administration, respectively. Another industry association asserted that the NBR Rule’s application to consent orders that were entered into prior to the rule’s promulgation imposes unfair burdens on entities that agreed to such orders without knowing of potential exposure to penalties for failing to comply with the registration requirements, that doing so would expose them to the written-statement requirements (including potential penalties for failure to comply or submitting a false attestation), and the reputational impact of publication.

Some industry commenters questioned the Bureau’s legal authority to issue the NBR Rule and whether the NBR Rule is consistent with provisions of the CFPB. Others suggested the NBR Rule intrudes on State supervisory and enforcement authority. In contrast, a nonprofit commenter stated that the NBR Rule was an appropriate use of the Bureau’s legal authority.

A. Response to General Comments

The Bureau agrees with commenters who supported rescission of the NBR Rule because its various features are duplicative, unnecessary, or significantly burdensome. As stated in the Proposed Rescission Rule, and as explained in the analysis below, the Bureau does not believe the speculative and unquantified benefits to consumers and the public that were proffered in the NBR Rule justify the costs the rule imposes on regulated entities.⁴⁴

The Bureau disagrees with commenters who opposed rescission of the NBR Rule on the basis of its

³⁶ 12 U.S.C. 5512(c)(7)(A).

³⁷ 12 U.S.C. 5512(c)(7)(B).

³⁸ 12 U.S.C. 5514.

³⁹ 12 U.S.C. 5514(b)(1).

⁴⁰ 12 U.S.C. 5514(b)(2).

⁴¹ 12 U.S.C. 5514(b)(7)(A).

⁴² 12 U.S.C. 5514(b)(7)(B).

⁴³ 12 U.S.C. 5514(b)(7)(C).

⁴⁴ The Bureau notes that concerns raised by commenters with respect to particular applications of the NBR Rule or questioning the legal authority underlying aspects of the NBR Rule are fully addressed by rescission, and no further response is needed.

supposed value to consumers and the public. Commenters provided no quantifiable support for the claim that the NBR Rule promotes or enhances transparency, competition, and consumer choice. As discussed below, any such benefits are speculative and likely minimal, as the rule concerns orders that are already publicly available and, as the Bureau acknowledged in the NBR Rule, consumers are unlikely to use the registry as a comparison-shopping tool. With respect to commenters who stated that rescission of the NBR Rule would result in a concealment of recidivism and thus cause recidivism to increase, recidivism is not hidden from enforcement agencies or the public because the orders that are required to be registered under the NBR Rule are already public. The Bureau further notes that no commenters responded to the Proposed Rescission Rule's request for "non-speculative and methodologically rigorous analysis of the purported benefits and costs that were identified when the [NBR Rule] was promulgated,"⁴⁵ including analysis to support the view that recidivism is a significant problem or that the registry created by the NBR Rule would address it, or that rescission would limit regulatory oversight and result in financial and informational costs to consumers.

B. Final Rule

For reasons explained above and below, the Bureau is finalizing its rescission of the NBR Rule, 12 CFR 1092, as proposed. As stated in the proposal, the Bureau is concerned that the costs the NBR Rule imposes on regulated entities, and that may be passed on to consumers, are not justified by the speculative and unquantified benefits to consumers discussed in the NBR Rule's analysis. Despite specifically seeking input from commenters pertaining to non-speculative and methodologically rigorous analysis of the NBR Rule's purported benefits, the Bureau received none. Accordingly, and because the Bureau concludes that the NBR Rule is not necessary as a tool to effectively monitor and reduce potential risks to consumers from bad actors, the Bureau is finalizing the rescission in its entirety.

Below, the Bureau analyzes the three key components of the NBR Rule codified at 12 CFR 1092.202–205, and the reasons for this rescission. Because the Bureau is finalizing rescission of all key components of the NBR Rule, it

likewise is finalizing rescission of subpart A of § 1092, §§ 1092.200–201 and 206 of subpart B, and appendix A to § 1092, which are rendered inapplicable.⁴⁶

VI. Rescission of Registration Requirements

A. Comments Received

Multiple commenters supported the proposed rescission of the NBR Rule's registration requirements because, in their view, these requirements are unnecessary for several reasons.

One industry association stated that the NBR Rule's estimate of the number of covered nonbanks with covered orders lacked a foundation, thereby undermining the premise that there is a recidivism problem to solve, and further stated that requiring registration of an order by a company with one offense does not address recidivism. The same commenter further observed that, in its view, the NBR Rule does not actually address recidivism because orders that involve no admission or denial of liability often do not reflect wrongdoing or address actual harm, such that there is no "offense" to repeat. A mortgage industry association stated that, while it agreed that deterring recidivism is an important goal, it was unclear how the NBR Rule serves that goal by simply centralizing information about orders that are already public. Similarly, multiple industry commenters stated that existing supervisory and enforcement mechanisms adequately monitor for repeat offenders such that the Bureau's registry is not needed for this purpose.

One of these commenters, a private insurer of State-chartered credit unions, noted that the credit unions it insures are subject to comprehensive supervision not only by their State regulators but also by the commenter's risk monitoring and examination program, such that a Federal registry would not enhance supervision but instead would divert resources from member service and operational resilience. In addition, several industry commenters and an individual commenter posited that the registry is unnecessary as it is duplicative of the Nationwide Multistate Licensing System

& Registry (NMLS), as well as other databases and public sources, such as State and Federal regulator websites and legal and regulatory databases, which already collect information pertaining to relevant orders.⁴⁷ One of these commenters suggested that the Bureau could gather data on its own instead of creating a new reporting requirement, to the extent the Bureau views consolidation of information as essential. As to whether a gap exists between what is reported on NMLS and any other orders subject to registration under the NBR Rule, one commenter stated that any such gap appears to relate to the Bureau's own orders or to the lack of reporting on some industry sectors in NMLS, and described the lack of centralization of such information as a "weak rationale" for maintaining the Bureau's registry. One industry commenter noted that nonbanks are required to hold State licenses for which they apply through NMLS, and that as part of the application process, companies must submit an MU1 Form that requires disclosure of whether, in the past ten years, any State or Federal regulatory agency found the entity or a control affiliate to have been involved in a violation of a financial services-related regulation or statute or entered an order against the entity or a control affiliate in connection with a financial services-related activity, among other items. These companies also must provide an explanation and copy of any such order, and other State regulators are notified of the action. An association representing State financial regulators stated that the NBR Rule creates a costly reporting, registration, and compliance regime that warrants rescission in light of its duplicative nature. And an industry commenter and an individual suggested that the covered order registration requirements would negatively impact the incentive for firms to enter into settlements and otherwise cooperate with regulators.

Two nonprofit consumer advocacy groups opposed the proposed rescission of the registration requirements. These commenters stated that NBR Rule registry centralizes public information regarding violations related to Federal consumer financial law that is highly decentralized, including across agency and court orders. In their view, the registry uniquely centralizes

⁴⁶ Subpart A of § 1092 contains general provisions relating to legal authority, general definitions, submission and use of registration information, and severability that apply generally to the Bureau's nonbank registration program. Sections 1092.200–201 and 206 of subpart B contain provisions relating to the scope and purpose, definitions, and phased implementation dates specific to the NBR Rule. Appendix A to § 1092 contains a list of State laws that fall under the definition of "covered law" in § 1092.201(c).

⁴⁷ A mortgage industry association commented that this duplication is not in keeping with the Bureau's obligation in CFPB section 1024(b)(2)(D), 12 U.S.C. 5514(b)(2)(D), to require reports from supervised nonbanks while taking into account "the extent to which such institutions are subject to oversight by State authorities for consumer protection."

information, which addresses a nonbank recidivism problem by enhancing the Bureau's risk-based prioritization of examinations and investigations, as well as its ability to spot emerging risks early. One of the commenters cited examples of repeat offenses against military families and older adults by nonbank mortgage and reverse mortgage lenders, respectively, and stated that a central repository of public orders can reveal broader patterns and risks associated with enforcement gaps in the financial marketplace.

B. Response to Comments

The Bureau agrees with commenters who stated that the NBR Rule did not establish the existence of a widespread problem of recidivism. The Bureau did not study the issue, and when State regulators jointly raised in commenting on the proposed registration rule that recidivism was not a major problem that merited the development of a new Federal registry, the Bureau simply responded that they had not proven that recidivism was *not* a problem.⁴⁸ Moreover, the Bureau agrees with commenters that the registration requirements do not actually address recidivism as they are overbroad in scope. The NBR Rule requires covered nonbanks with even just one covered order to register with the Bureau, largely belying the notion that the registry's focus is on identifying trends related to recidivism. The rule also requires registration of a wide range of orders for which nonbank liability is not uniformly established, and the underlying violations can vary drastically in degree of seriousness. This overbreadth and lack of precision creates burdens that far exceed those presented by alternative tools that the Bureau has for detecting and addressing any recidivism. For example, the Bureau may conduct risk-based follow-up examinations to assess compliance with orders that impose obligations under Federal consumer financial law, as well as investigations of credible allegations or indications of tangible consumer harm from potential violations of such orders.

Consequently, the Bureau disagrees with commenters who stated that the centralization of public information resulting from the NBR Rule's registration requirements addresses a recidivism problem among nonbanks because, as discussed above, neither commenters nor the NBR Rule presented evidence that such a problem exists, or if it does, that it presents greater risks to consumers as compared

to other issues that fall under the Bureau's traditional focus on risk-based supervision or enforcement activities. It bears noting that, although one of these commenters identified examples of repeat offenses, it did so without the aid of a centralized registry of public orders, which underscores the availability of this information without the NBR Rule's imposed collection requirements.

The Bureau agrees with commenters who stated that the registration system created by the NBR Rule is largely duplicative of existing reporting and data collection mechanisms, including NMLS. In fact, the Bureau acknowledged as much in the NBR Rule in creating a one-time registration option for NMLS-published covered orders (defined to exclude orders that had been issued or obtained in whole or in part by the Bureau) that excepted from the rule's full and ongoing registration (and written-statement) requirements a substantial number of the orders that it originally proposed to cover. Yet even with respect to that option, it still required duplicative registration of information pertaining to the order with the Bureau when that information had already been filed with the NMLS.

C. Final Rule

The Bureau is finalizing its rescission of the NBR Rule's registration requirements at §§ 1092.202 and 1092.203 as proposed.

The NBR Rule's registration requirements were premised on a purported need for the Bureau to track the prevalence of covered orders issued against covered nonbanks, including for the purpose of addressing risk to consumers that arises from recidivism. For example, in its Background section in part II.A, the NBR Rule explained how nonbank providers of consumer financial products and services generally are subject to Federal consumer financial laws that the Bureau enforces, including, among others, the CFPB prohibition against unfair, deceptive, or abusive acts or practices (UDAAPs), which overlaps with similar prohibitions enforced by other Federal and State regulators. The NBR Rule then stated that the Bureau had brought nearly 350 enforcement actions against nonbanks since passage of the CFPB.

However, the NBR Rule provided no data on the prevalence of public agency and court orders against covered nonbanks, and only vague, limited information about the prevalence of recidivism.⁴⁹ For example, the NBR

Rule did not state how many of the nearly 350 Bureau enforcement actions had resulted in orders imposing obligations on nonbanks for violation of Federal consumer financial law. Further, the NBR Rule did not disclose or estimate how many such orders had been violated. Instead, in the NBR Rule's single paragraph describing the number of Bureau enforcement actions, the NBR Rule asserted that “[o]n numerous occasions” the Bureau had “uncovered companies that failed to comply with consent orders that the companies entered into with the Bureau voluntarily.”⁵⁰ However, as the only support for that claim, the NBR Rule merely cited five Bureau enforcement actions against nonbanks operating in certain markets for consumer financial products and services and one against a bank.⁵¹ Similarly, while noting that the Bureau highlights its supervisory work in a publication called *Supervisory Highlights*, the NBR Rule did not quantify instances of consent order violations published there.⁵² The NBR Rule acknowledged, however, that the Bureau's existing supervisory processes for follow-up examinations of entities subject to consent orders is “designed to stop recidivist behavior.”⁵³

In addition, the NBR Rule did not provide any data about similar orders issued by other Federal or State agencies. Based on the record, including this limited data, the Bureau did not conclude that recidivism by nonbank covered persons was widespread or that the risks it poses are notably greater than other risks to an extent that would justify the costs imposed by the NBR Rule. Indeed, in response to comments received on the proposal for the NBR Rule questioning the Bureau's stance that recidivism poses particular risks to consumers, the Bureau stated its belief that “adoption of the final rule is appropriate even if recidivism among nonbanks currently presents only limited risks to consumers,” as “even one covered order may be probative of significant risk to consumers.”⁵⁴ But this statement likewise failed to address whether it is appropriate to impose a

n.443, the NBR Rule described “[r]ecidivism” as occurring “in the form of a company that repeatedly violates the law and as a result becomes subject to multiple orders, or in the form of a company that violates the orders to which it is subject.” *Id.* at 56035.

⁵⁰ *Id.* at 56028–29.

⁵¹ *Id.* at n.7.

⁵² *Id.* at n.35 & 56125.

⁵³ *Id.* at 56030–31 (describing 2022 creation of “Repeat Offender Unit” but not providing any data about the extent to which it has identified recidivism in the many months prior to the issuance of the NBR Rule).

⁵⁴ 89 FR 56028 at 56062.

⁴⁸ 89 FR 56028 at 56062.

⁴⁹ While stating that it did not purport to define the term “repeat offender,” 89 FR 56028 at 56127

registration burden on entities in light of the speculative nature of the benefits provided by access to information about orders that are already publicly available. Even assuming *arguendo* that the existence of a single order is probative of consumer risk, the Bureau is capable of monitoring for this risk without a registry. At the same time, the NBR Rule acknowledged that a joint comment letter from State regulators “stated that States have not witnessed widespread issues with or a growing trend of recidivism among nonbanks[.]”⁵⁵ And while the NBR Rule noted that consumer advocate commenters stated that “recidivism by nonbanks did pose risks to consumers,” it did not describe those comments as indicating the prevalence or severity of recidivism.⁵⁶

The NBR Rule’s lack of establishment of recidivism as a pressing issue resulted in the rule’s findings regarding the necessity and value of its registration requirements being based on speculative and unquantified benefits, which do not justify the costs the NBR Rule imposes on regulated entities. As described in the background in part II.A above, the Bureau repeatedly indicated that a primary goal of the NBR Rule was to address risks to consumers associated with corporate recidivism. However, the Bureau did not provide data to support or justify the assertion that recidivism poses risks warranting the registry it created.

Indeed, on its face, the notion that the types of recidivism considered in the NBR Rule categorically pose risks to consumers that warrants the creation of a registry of this kind is at best questionable. For example, under the NBR Rule’s broad concept of recidivism,⁵⁷ a company that allegedly violates any single provision of Federal consumer financial law more than once and resolves that allegation concurrently through orders with multiple regulators is considered as posing registration-worthy recidivism-related risks, even though the matter may not involve significant consumer harm or “repeating” of a previous offense at all. Or, a small entity that settles matters related to disparate violations of minor, technical provisions for small amounts in two or three states

over a period of years is deemed to pose risk to consumers warranting registration despite seeming to pose no greater risk—and in fact seeming to pose less risk—than an entity implicated in a single significant nationwide action that impacted a large number of consumers. Or, a large entity that agrees to a consent order to resolve a single significant matter would be treated as posing registration-worthy recidivism-related risk, even if it demonstrated order compliance and was not found to have violated any other law again. In fact, such an entity may pose less risk with respect to the conduct at issue than other entities whose similar conduct has gone undetected or unresolved by order. The Bureau’s reasoning that imposing the NBR Rule’s registration requirements on covered nonbanks with respect to *all* covered orders is the “most effective and efficient mechanism for collecting this information” was thus based on the unsubstantiated premise that recidivism or risks related to recidivism pose a pressing threat to consumers, and did not adequately consider the availability of other sources of information.⁵⁸ Indeed, the Bureau acknowledged this lack of an established basis when it stated in the NPRM for the NBR Rule that the monitoring for covered orders that would result from the registration requirements would allow the Bureau “to track specific instances of, and more general developments regarding, *potential* corporate recidivism.”⁵⁹

In addition, the Bureau is finalizing the rescission of the NBR Rule’s registration requirements because it concludes that these requirements are not necessary to fulfill its market monitoring and supervisory functions. The Bureau clearly can track its own orders and can easily track any other Federal regulatory orders. With respect to other orders, as noted above, in response to comments from State regulators and industry criticizing the burdensome and duplicative regime it had proposed, the Bureau in the NBR Rule finalized a system providing a one-time registration alternative for NMLS-published covered orders. The Bureau had not sought public comment on this alternative approach, which it recognized remained nonetheless duplicative to a large degree because the Bureau itself would use the existing State registry system to obtain information for such orders.⁶⁰ The

Bureau has access to the NMLS and can directly access these orders without requiring those entities subject to them to submit them to the Bureau. Yet the Bureau did not consider whether to simply exclude NMLS-published orders entirely. Thus, the Bureau did not establish why Bureau registration of entities with NMLS-published covered orders was even necessary.

Relatedly, the NBR Rule’s findings that registration is necessary to effectively monitor for and reduce potential risks to consumers from bad actors largely ignored the enforcement role played by multiple Federal and State agencies that monitor for compliance with their own orders, which contributes to an enforcement environment in which such risks are already mitigated. This is no less true for Bureau-issued orders, which the Bureau has long monitored for compliance without a registry. Accordingly, the NBR Rule’s findings that registration is necessary to detect and assess risks to consumers and to facilitate Bureau supervision likewise are infirm. Because the registry was designed in large part to collect information regarding the Bureau’s own orders and other Federal regulatory orders, both of which the Bureau can easily track, and information about NMLS-published covered orders, to which the Bureau already has access, the Bureau does not believe that the assumed benefits of the registry are justified in light of its costs and burdens.

The Bureau also is finalizing its rescission of the NBR Rule’s registration requirements based on its conclusion that the rule’s speculative and unquantified benefits do not justify the cost to the Bureau of maintaining the NBR system. As noted in section II above, the Bureau estimated that the annual costs to the Federal government to operate the registry would amount to “\$2.5 million for external vendor support and 10,400 hours of Federal staff time.”⁶¹ Consistent with its statement in the proposal, the Bureau does not believe the NBR Rule is a necessary tool to effectively monitor and reduce potential risks to consumers. Subsequent developments, including Congress’s reduction of the Bureau’s

information available through the NMLS to help inform its risk-based supervisory prioritization determinations”).

⁶¹ Supporting Statement for Registry of Nonbank Covered Persons Subject to Certain Agency and Court Orders, OMB Control Number: 3170-0076 (July 9, 2024), at 10, https://www.reginfo.gov/public/do/PRAViewDocument?ref_nbr=202407-3170-001.

⁵⁵ *Id.* at 56060. The NBR Rule also noted that consumer advocate commenters stated that “recidivism by nonbanks did pose risks to consumers” but did not describe those comments as indicating the prevalence or severity of recidivism.

⁵⁶ *Id.*

⁵⁷ 89 FR 56028 at 56128 n.443 (describing repeat violations with multiple orders, as well as violation of past orders, as indicia of “recidivism”).

⁵⁸ *Id.* at 56101.

⁵⁹ 88 FR 6088, 6092 (Jan. 30, 2023) (emphasis added).

⁶⁰ 89 FR 56028 at 56088 (with regard to NMLS-published covered orders, “the Bureau can use any

statutory budget cap,⁶² underscore that the NBR Rule's costs are unjustified. The Bureau already has access to information about public orders as described above and already accounts for such information when carrying out its objectives, including, as noted above, through its risk-based supervisory prioritization, its examination process, its enforcement process, and its market monitoring processes.

VII. Rescission of Written Statement Requirements

A. Comments Received

Several commenters supported the proposed rescission of the NBR Rule's written-statement requirements because, in their view, these requirements are significantly burdensome and harmful.

One industry association commented that these requirements create legal exposure for supervised nonbanks that diverts their resources from productive uses. Multiple industry groups stated that the requirements expose attesting executives to liability, thereby creating a chilling effect that deters compliance professionals from serving in compliance roles with supervised nonbanks. One of these commenters expressed concern that the NBR Rule's policy of not publishing written statements could change, or that the NBR system could experience a data breach. Another stated that the requirement for executives to attest regarding compliance conflicts with established corporate compliance structures.

An industry association representing credit unions asserted that the written-statement requirements create a long-term burden that exceeds the burdens imposed by the orders themselves. An association representing State financial regulators expressed concern about the attestation requirement's application to State orders in particular, which it stated amounted to an unlawful encroachment by the Bureau on State authority.

On the other hand, both nonprofit commenters opposed rescission of the written-statement requirements. One of these commenters stated that the requirements help to prevent repeat issues by holding executive leadership accountable for order compliance, thereby creating pressure to take legal obligations seriously and driving cultural change in companies.

B. Response to Comments

The Bureau agrees with those commenters who noted that the written-

statement requirements create legal exposure for supervised nonbanks and exposure to potential liability for attesting executives. Even if the Bureau were unlikely to pursue enforcement actions against supervised nonbanks or attesting executives for a lack of adequate compliance with these requirements, it is reasonable to expect that the possibility of such actions would be sufficient to generate apprehension among these entities and individuals. For example, in the final NBR Rule itself, the Bureau highlighted how the "potential for criminal liability" for false statements under 18 U.S.C. 1001 attached to the required signature of the written statement, and how such a risk would influence attesting executives.⁶³ In turn, these effects could hinder the ability of supervised nonbanks to recruit and retain compliance professionals, which could result in an increase in risks to consumers.

As noted above, the commenters that opposed rescission of the written-statement requirements cited the requirements' supposed beneficial effects with respect to reducing the likelihood of repeat offenses by nonbanks subject to the requirements. As with other aspects of the NBR Rule, this position is based on an unfounded premise that recidivism is a sufficiently widespread problem that exposes consumers to an amount of risk that warrants establishing the registry. As noted elsewhere, neither commenters nor the NBR Rule presented evidence that a recidivism problem exists, whether in consumer finance markets generally or with respect to nonbanks operating in Bureau-supervised markets, much less to an extent that would justify the costs imposed by the NBR

⁶³ 89 FR 56028 at 56114 (also noting how some commenters called for the Bureau to "unambiguously articulate . . . the potential liability and intent standards"); *see also id.* at 56116 (noting how 18 U.S.C. 1001 "provides incentives" in regard to the written statement requirement). In light of such potential liability and how the NBR Rule did not provide the articulation commenters requested, maintaining the NBR Rule may be incompatible with the policy of the United States that "[a]gencies promulgating regulations potentially subject to criminal enforcement should explicitly describe the conduct subject to criminal enforcement, the authorizing statutes, and the mens rea standard applicable to those offenses." E.O. 14294, "Fighting Overcriminalization in Federal Regulations" (May 9, 2025), sec. 2(d), 90 FR 20363 (May 14, 2025). *See also* Guidance on Referrals for Potential Criminal Enforcement, 90 FR 27530, 27531 (June 27, 2025) (Bureau policy statement explaining that, "when formulating the regulatory text of Bureau NPRMs and final rules with criminal consequences that are published in the **Federal Register**, the Bureau intends to explicitly state a mens rea requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.").

Rule. In any case, the government agencies that issue or obtain orders can include obligations that executive leadership must satisfy, and that may create liability for executive leadership in the event of their noncompliance. As such, it is unclear how adding an attestation requirement to such obligations would result in any material increase in a firm's likelihood of taking its legal obligations seriously.

C. Final Rule

The Bureau is finalizing its rescission of the NBR Rule's written-statement requirements at § 1092.204 as proposed.

As was the case with other key components of the NBR Rule, the Bureau's findings regarding the necessity and value of the rule's written-statement requirements were based on speculative and unquantified benefits that do not justify the costs the NBR Rule imposes on regulated entities. Undergirding these findings was the unfounded belief that these requirements would help to address and prevent recidivism, which the Bureau did not establish posed risks to consumers to a degree that warranted the requirements' adoption.

The NBR Rule concluded that "the requirements imposed by the final rule's written-statement requirements will impose only modest costs on entities beyond the costs entities are already incurring to ensure compliance with covered orders,"⁶⁴ and implied that attesting executives would be reluctant to serve in such capacities only at supervised nonbanks that lack adequate compliance systems or do not endeavor in good faith to comply with orders.⁶⁵ However, this analysis did not adequately consider the possibility that compliance professionals may not be able to easily discern how scrupulous an entity is before taking on such a role, that some compliance professionals may not be willing to risk their reputations or expose themselves to liability even in exchange for a salary premium, why a registry is needed at all if so many firms are already complying with their orders in good faith, or the effect that prior similar requirements (e.g., certifications of accuracy of financial reports required under the Sarbanes-Oxley Act of 2002)⁶⁶ may have had on recruitment. Furthermore, the Bureau's statements that written attestations would facilitate its supervision efforts, including by detecting and assessing risks to consumers, are difficult to reconcile with its own acknowledgment that most

⁶⁴ 89 FR 56028 at 56111.

⁶⁵ *Id.* at 56148.

⁶⁶ Public Law 107-204, 116 Stat. 745 (2002).

⁶² Public Law 119-21, sec. 30001, 139 Stat. 72, 126 (2025).

firms endeavor in good faith to comply with covered orders. These analytical shortcomings counsel strongly in favor of rescinding the written-statement requirements.

Moreover, the Bureau believes that, as a policy matter, the imposition of the written-statement requirements amounted to regulatory overreach. Supervised nonbanks already are subject to monitoring of compliance with orders by the State or Federal regulator that is charged with such action by the corresponding legislature. In fact, when a joint letter by State regulators objected to the written-statement requirements, arguing that they would frustrate and interfere with existing monitoring regimes, the Bureau excepted entities with State-issued covered orders published on NMLS from the written-statement requirements, and acknowledged that it could obtain information through memoranda of understanding and other means related to such entities' compliance. Yet the Bureau did not explain why, when other Federal regulators' orders similarly are readily available on their websites and the Bureau has information sharing agreements with those regulators, it could not take the same approach with them to prevent interfering with or frustrating their compliance monitoring. Indeed, in its supervisory and enforcement functions, the Bureau has long coordinated its work with other Federal regulators regarding their monitoring of orders they have imposed on supervised nonbanks related to Federal consumer financial law compliance. By requiring the submission of these written statements to the Bureau, where the Bureau itself has taken no action against the entity, the Bureau overstepped its regulatory role by imposing a monitoring tool on firms that are already subject to the applicable compliance regime enforced by their regulators. The Bureau has no interest in usurping the authority of other regulators in this manner.

VIII. Rescission of Publication Provisions

A. Comments Received

Several commenters supported the proposed rescission of the NBR Rule's authorization for the Bureau to publish registration information because, in their view, publication is unnecessary and burdensome for a variety of reasons.

Multiple industry associations and an association representing State regulators stated that company information and orders are already publicly available, including through NMLS, State and

Federal agencies, the Better Business Bureau, and other sources. One of these commenters stated that, instead of publishing registration information that is already public, the Bureau could simply provide a link to the relevant information on the NMLS website or create a web portal of centralized information based on the Bureau's own data gathering that is not reliant on a reporting requirement. A mortgage industry association suggested that, to the extent company information and orders are not in NMLS, the Bureau could add them to NMLS. The same commenter stated that publicizing the information is unnecessary to help enforcement agencies because the orders themselves already generally provide for compliance monitoring.

Multiple industry commenters and an individual commenter stated that publication would create confusion and undue reputational harm to registrants, in part due to the inclusion of consent orders, which often contain no findings or admissions of wrongdoing and thus would be, in these commenters' view, indistinguishable from litigated cases or judgments. Two industry commenters likewise expressed concern that the Bureau would publicize "unreliable" registration information that is not indicative of misconduct or violations. In a similar vein, a credit union industry association stated that the registry would be overwhelmed with minor infractions. A mortgage industry association stated that the public identification of senior executives by name will make compliance recruiting difficult.

The two nonprofit commenters opposed the proposed rescission of the NBR Rule's authorization of publication because, in their view, publication would enhance deterrence of conduct that would lead to orders that are published, would enable less fragmented fact gathering and thus more efficient risk-based oversight by other regulators, and would provide a one-stop source of information for consumers and the public. These commenters stated that withdrawing the plan for a public registry would limit oversight, consumer shopping, choice, and competitiveness by making it harder for other regulators, consumers, and the public to identify recidivism and other patterns of misconduct by nonbanks. One of these commenters stated that a public registry is needed to help States pursue enforcement by identifying patterns and practices of misconduct in a context where the Bureau, in the commenter's view, is deemphasizing enforcement. These commenters also stated that it is

unrealistic for consumers to conduct piecemeal research on all of the sources of information that a public Bureau registry would centralize.

B. Response to Comments

The Bureau agrees with commenters who noted that the information the NBR Rule authorizes for publication is already publicly available, which greatly limits the utility of Bureau publication of such information. The Bureau also agrees with commenters who stated that the mix of types of orders that would be subject to publication—including litigated judgments, consent orders, settlements involving no admission of liability, orders for which supervised nonbanks have submitted written statements affirming steps taken to review and oversee activities subject to the orders, or for which the Bureau or other regulators have found substantial compliance, and others—and the wide range of covered laws and scope and severity of harm implicated by such orders renders the value of publication to consumers and the public questionable at best. It is unlikely that consumers would be able to distinguish between orders that relate to actual instances of serious misconduct and those that relate to more benign (or disputed) violations, or to distinguish between orders that are truly indicative of significant harmful recidivism or recidivism-related risk. This lack of understanding could paint covered nonbanks subject to a variety of orders of varying degrees of seriousness and established liability with a broad brush as "recidivists" or "repeat offenders" and result in reputational impacts that put them at a competitive disadvantage.

The Bureau disagrees with commenters that opposed the rescission of the NBR Rule's authorization of publication based on an expectation that publication would enhance deterrence of conduct that would lead to the issuance of orders that are published. As a threshold matter, the mechanisms that operate to make covered orders public in the first instance did not prevent them from coming into existence. Regardless, these commenters provided no evidence to support their stated expectation that the Bureau's (re)publication of such orders would do so. And in any case, the potential for deterrence is not relevant inasmuch as the NBR Rule authorized publication of covered orders entered into prior to the NBR Rule's effective date, including

well before the Bureau even proposed the NBR Rule.⁶⁷

Commenters opposed to rescission of the publication provisions also did not provide evidence to support the suggestion that publication would lead to efficiencies for other regulators, consumers, and the public. Indeed, the association representing State regulators supported rescission of the NBR Rule in its entirety based in large part on the rule's publication provisions resulting in duplication of publicly accessible information. In regard to consumer benefit, there is little if any indication that individual consumers would understand the complexities of the Bureau's NBR system and how it interrelates with the NMLS system. While the Bureau in the NBR Rule discussed potential benefits of publication beyond direct benefit to consumers, it nowhere established or even analyzed how useful comparatively a centralized database would be, for example, to researchers who already have access to NMLS Consumer Access, other State registries, and the websites of Federal regulators from which they can draw information, not to mention search engines and other evolving and extremely powerful research tools. Further, such researchers may continue to use those sources anyway, given that NMLS and other regulators' websites include more regulatory orders than the set of covered orders that the NBR Rule authorized the Bureau to publish on the Bureau's website.

C. Final Rule

The Bureau is finalizing its rescission of the NBR Rule's publication provisions at § 1092.205 as proposed.

In promulgating the NBR Rule, the Bureau maintained that the rule, including its planned publication of information submitted to the registry, would benefit consumers and the wider public. However, as noted above in response to comments, it is unlikely that consumers would find the registry useful, including as a tool to comparison-shop among providers of consumer financial products and services. Indeed, the Bureau acknowledged in the NBR Rule that it did "not necessarily expect a wide group of consumers to rely routinely on the Bureau's registry when selecting consumer financial products or services,"⁶⁸ thereby undermining the supposed benefits of the NBR Rule.

⁶⁷ See 12 CFR 1092.201(e)(5) (defining "covered order" to include those orders that, among other criteria, have "an effective date on or later than January 1, 2017").

⁶⁸ 89 FR 56028 at 56042.

Moreover, the Bureau stated its belief that most consumers would *not* change their behavior given that more direct and timely information (for example, loan disclosures provided during origination) has been found to be more impactful on consumer behavior than simply centralized publicly available information.⁶⁹ At the same time, the NBR Rule did not consider or explain how the Bureau planned to publicly present the information collected, much less test whether or how any form of publication could be beneficial.

Moreover, in the NBR Rule, the Bureau stated its plan to publish information submitted to the registry only on a discretionary basis, which underscores the speculative nature of the benefits of provisions in the NBR Rule authorizing such publication and touted by commenters opposed to rescission. The NBR Rule does not require the Bureau to publish the information, so by necessity, any benefits attached to the authorization to publish are purely theoretical, since the NBR Rule did not provide any guarantee that publication would occur.

By contrast, while the potential for publication may not provide actual benefits, the threat of publication does impose actual costs. As discussed above, even the threat of publicly identifying an attesting executive may affect recruiting and retention of compliance professionals.

In addition, the NBR Rule's discussion of costs that attach to any publication that does occur also was deficient. The Bureau stated in a rather conclusory manner that the "potential publication of information related to consent orders . . . will not impose unfair costs on consenting entities."⁷⁰ While the Bureau might have hoped that such costs would not be unfair, it provided scant support for this belief; the Bureau merely repeated that the information that would be published would be factual public information, but did not suggest the Bureau had seriously considered how it may present such information publicly in a registry it characterized as "repeat offenders" and "recidivists," much less account for the fact that the NBR Rule made all covered orders eligible for publication even though they reflect varying degrees of liability and types of violations. The more relevant inquiry relates to the costs of the entire publication regime. The NBR Rule also found that the "publication provisions of the rule will impose only minor costs on affected entities resulting from changes in

⁶⁹ *Id.* at 56141.

⁷⁰ *Id.* at 56068.

consumer behavior."⁷¹ The Bureau believes that even if these costs were only minor, they are not justifiable in light of the overall costs of the NBR Rule.

The Bureau notes that publication is possible only to the extent that the other costs of registration are borne by the Bureau. It is therefore necessary and appropriate to consider the entirety of these costs in weighing against any benefit of publication. As stated above, the Bureau estimated that annual costs to maintain the NBR system—including publication of information submitted to the registry—would be on the order of \$2.5 million dollars and over 10,000 hours of Bureau staff time. In light of the Bureau's conclusion that the NBR Rule, including its publication provisions, is not necessary to monitor for or detect and assess risk to consumers or to facilitate the Bureau's supervisory functions, these costs are unjustified, especially when considered alongside the speculative and unquantified benefits of publication.

IX. Alternatives Considered

In finalizing its rescission of the NBR Rule, the Bureau has considered several possible alternatives. In each instance, the Bureau has concluded that only full rescission of the NBR Rule is appropriate at this time.

A. Partial Rescission

One potential alternative to full rescission of the NBR Rule is a partial rescission of certain of the rule's requirements or provisions. A partial rescission could take several forms.

The Bureau could rescind only the NBR Rule's written-statement requirements or its publication provisions, leaving in place the registration requirements.⁷² Rescinding the written-statement requirements would have relieved the burdens those requirements place on supervised registered entities, including, among others, the direct labor costs associated with annual submission of written statements and costs associated with negative effects on recruiting and retention of compliance professionals. Rescinding the Bureau's authorization to publish registration information would relieve the burden on covered nonbanks that may face reputational

⁷¹ *Id.* at 56131.

⁷² Rescission of only the registration requirements without rescinding the written-statement requirements or publication provisions effectively would achieve full rescission of the NBR Rule, since the latter two components are predicated on the first. Accordingly, the Bureau did not consider rescission of only the registration requirements as a reasonable alternative.

and other harms from publication. However, neither of these alternatives would address the duplicative nature of the registry or the costs to regulated entities and to the Bureau of maintaining the registration system. Because the Bureau has concluded that the collection of information mandated by the NBR Rule is not necessary, the Bureau declines to pursue partial rescission of the NBR Rule's other key components, which would leave the collection aspect in place.

Apart from, or in addition to, rescinding the NBR Rule's non-registration provisions, the Bureau could rescind certain aspects of the registration requirements. For example, the Bureau could have sought to limit the registration requirements to apply only to covered orders that do not appear on NMLS, so that covered nonbanks with such orders need not fulfill even the more limited registration obligation for NMLS-published covered orders. The Bureau also could have sought to require registration of only those orders issued or obtained by Federal agencies, or to eliminate or reduce the number of State laws listed in appendix A that qualify as covered laws under the NBR Rule. While these approaches likely would have resulted in a reduction of the number of nonbanks required to register with the Bureau, the burdens on those that would have retained registration obligations still would not have been justified by the rule's speculative and unquantified benefits. Nor would the Bureau need this more limited collection regime to fulfill its market monitoring and supervisory functions. Accordingly, the Bureau declines to pursue a partial rescission of the NBR Rule's registration requirements.

B. General Registration Requirement for Nonbanks

One commenter suggested another alternative to full rescission, wherein the NBR Rule would be amended such that it serves as a general requirement for nonbanks to register with the Bureau, regardless of whether they have covered orders. Under this alternative, according to the commenter, registration requirements would be tied to the Bureau's complaint portal.

A general requirement for nonbanks to register with the Bureau that is untethered to the nonbank being under a covered order would be materially different in scope and type from the NBR Rule. A shift to such an approach would require additional analysis of the costs and benefits involved and identification of unique benefits to consumers and the Bureau. The Bureau

thus concludes that a general nonbank registration requirement is not an alternative to the NBR Rule but instead would amount to an entirely different alternative rulemaking, and therefore declines to pursue this approach.

X. Effective Date of Final Rule

Proposed Rescission Rule

The Administrative Procedure Act (APA) generally requires that substantive rules be published not less than 30 days before their effective dates, subject to exceptions.⁷³ The Bureau proposed that, once issued, the final rule would be effective on the date that it is published in the **Federal Register**, because the Bureau preliminarily found that two of the APA's exceptions would apply to the rule. First, the rule would "grant[] or recognize[] an exemption or relieve[] a restriction," and second, there was "good cause" for the rescission of the NBR Rule to be immediately effective upon publication because the rescission would end all information submission requirements for regulated entities and so was not the kind of rule for which regulated entities would need additional time to conform their conduct.⁷⁴

Comments Received

Two industry commenters supported the proposal for the rescission rule to take effect immediately upon publication in the **Federal Register**. One of these commenters stated that the rule should take effect immediately upon publication because rescission provides regulatory relief and imposes no burden on regulated entities. The other commenter agreed with the Bureau that the statutory exceptions to the general requirement apply and stated that there are no considerations that would support finalizing an effective date that is 30 or 60 days after publication.

Response to Comments Received

The final rule will take effect on the date of publication in the **Federal Register**. The Bureau agrees with the two commenters that the final rule meets the APA exceptions and that no additional time is needed because of the rule's deregulatory effects. Specifically, the final rule relieves covered nonbanks of the need to comply with the NBR Rule's registration and written-statement requirements. Good cause exists to expedite the final rule's effective date, as a final rule that is effective upon publication will provide immediate relief to such entities that otherwise may feel compelled to

continue to expend resources to comply with the NBR Rule before its rescission becomes effective.

Final Rule

The effective date of the final rule is October 29, 2025.

XI. Dodd-Frank Act Section 1022(b) Analysis

A. Overview

In developing this final rule, the Bureau has considered the rule's potential benefits, costs, and impacts.⁷⁵ In developing this final rule, the Bureau has consulted with, or offered to consult with, the appropriate prudential regulators and other Federal agencies, including regarding consistency with any prudential, market, or systemic objectives administered by such agencies. Under CFPB sections 1022(c)(7)(C) and 1024(b)(7)(D), the Bureau has also consulted with State agencies.⁷⁶

The Bureau is issuing this final rule to rescind the requirement that nonbanks report certain public agency and court orders imposing obligations based on violations of consumer protection laws because the Bureau believes this requirement unnecessarily imposes significant obligations on nonbank covered persons that are not justified by countervailing benefits to consumers or the Bureau.

The NBR Rule has three provisions. The first provision (hereinafter referred to as the "Registration Provision") requires nonbank covered persons that are subject to certain public orders to register with the Bureau and to submit copies of each such public order to the Bureau. The second provision (hereinafter referred to as the "Supervisory Reports Provision") requires nonbank covered persons that are subject to supervision and examination by the Bureau to prepare and submit an annual written statement, signed by a designated individual, regarding compliance with each covered public order with an effective date on or after the applicable implementation date for the rule. The third provision (hereinafter referred to as the "Publication Provision") describes the registration information the Bureau may

⁷⁵ Specifically, section 1022(b)(2)(A) of the CFPB requires the Bureau to consider the potential benefits and costs of the regulation to consumers and covered persons, including the potential reduction of access by consumers to consumer financial products and services; the impact of the proposed rule on insured depository institutions and insured credit unions with \$10 billion or less in total assets as described in section 1026 of the CFPB; and the impact on consumers in rural areas. 12 U.S.C. 5512(b)(2)(A).

⁷⁶ 12 U.S.C. 5512(c)(7)(C), 5514(b)(7)(D).

⁷³ 5 U.S.C. 553(d).

⁷⁴ 5 U.S.C. 553(d)(1), (3).

make publicly available. Accordingly, for purposes of this analysis, this final rescission rule can be divided into three provisions that each rescind one of the three provisions of the NBR Rule.

B. Data Limitations and Quantification of Benefits, Costs, and Impacts

The discussion below relies in part on information that the Bureau has obtained from commenters, other regulatory agencies, and publicly available sources. The Bureau performed outreach with other regulatory agencies on many of the issues addressed by the NBR Rule that are further considered here. However, as discussed further below, the data are generally limited with which to quantify the costs, benefits, and impacts of the final provisions. In light of these data limitations, the analysis below generally provides a qualitative discussion of the benefits, costs, and impacts of the final provisions. General economic principles and the Bureau's experience and expertise in consumer financial markets, together with the limited data that are available, provide insight into these benefits, costs, and impacts.

The limited data that are available include the registrations the Bureau has received so far because of the NBR Rule. The registration deadlines that flowed from the NBR Rule were January 14, 2025, for larger participants, April 14, 2025, for other supervised nonbanks, and July 14, 2025, for other covered nonbanks. Because as time progressed market participants likely assessed a decreasing probability that the NBR Rule would be maintained or enforced, the registration data are most likely to be accurate for larger participants, less likely to be accurate for other supervised nonbanks, and even less likely to be accurate for other covered nonbanks.

Roughly 250 entities have so far created an account in the NBR system. However, of these only roughly 110 have registered an order. Very few entities submitted a good-faith notice that they were not covered nonbanks or that their orders were not covered orders, so a majority of the registrations received so far are incomplete. This could indicate that some entities were unsure of their obligations under the NBR Rule or confused by the NBR system. It could also indicate that some entities started the registration process but stopped when rescission of the NBR Rule became increasingly likely and interim enforcement of the NBR Rule became increasingly unlikely. Because the registration data are incomplete and

not representative, the analysis below does not rely on them.

C. Baseline for Analysis

In evaluating the benefits, costs, and impacts of the final rule, the Bureau takes as a baseline the current legal framework regarding orders covered by the NBR Rule. Therefore, the baseline for the analysis of this final rule is that nonbank covered persons are required to register with the Bureau, nonbank covered persons subject to Bureau supervision and examination generally are required to prepare and submit annual reports regarding compliance with covered orders, and information on the nonbank covered persons and most corresponding covered orders may be published by the Bureau in the manner contemplated by the NBR Rule.

Relative to the baseline, the costs and benefits of this final rescission rule discussed below depend on how many nonbank covered persons would comply with the NBR Rule even if it were not prioritized for enforcement by the Bureau. The Bureau believes that, under the baseline, some nonbank covered persons would comply with the NBR Rule, but the Bureau cannot quantify how many.

This final rescission rule should affect the market as described below for as long as it is in effect. However, the costs, benefits, and impacts of any rule are difficult to predict far into the future. Therefore, the analysis below of the benefits, costs, and impacts of the final rule is most likely to be accurate for the first several years following implementation of the final rule.

D. Potential Benefits and Costs of the Final Rule to Consumers and Covered Persons

The costs and benefits of these provisions are discussed separately below. However, one benefit of this final rule applies to repealing these provisions jointly. The Bureau estimated in its PRA Supporting Statement for the NBR Rule that the annual costs to the Federal government to operate the registry would amount to "\$2.5 million for external vendor support and 10,400 hours of Federal staff time."⁷⁷ Some of these costs have already been incurred and are unrecoverable. Some other costs may be recoverable even under the baseline, such as some of the costs for ongoing external vendor support or internal reporting or reviews of incoming registrations for data quality and accuracy. However, other such costs

may not be recoverable under the baseline because the Bureau would need to incur some of those costs with respect to the registrations it already has received and any registrations and supervisory reports it would continue to receive. In addition, other costs (such as allocating resources to evaluate the significance of any annual written statement reporting any instance of noncompliance with a covered order, coordinating with various external stakeholders seeking information from or about the registry, and performing cybersecurity audits) will be recoverable only under this final rule. Therefore, one benefit of this final rule will be to recover these costs.

With certain exceptions, the NBR Rule (and by extension this final rescission rule) applies to nonbank covered persons as defined in the CFPA, including persons that engage in offering or providing a consumer financial product or service.⁷⁸ Among others,⁷⁹ these products and services generally include those listed below, at least to the extent they are offered or provided for use by consumers primarily for personal, family, or household purposes:

- Extending credit and servicing loans;
- Extending or brokering certain leases of personal or real property;
- Providing real estate settlement services;
- Engaging in deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds;
- Selling, providing, or issuing stored value or payment instruments;
- Providing check cashing, check collection, or check guaranty services;
- Providing payments or other financial data processing products or services to a consumer by any technological means;
- Providing financial advisory services;
- Collecting, analyzing, maintaining, or providing consumer report information or certain other account information; and
- Collecting debt related to any consumer financial product or service.⁸⁰

⁷⁸ For the full scope of the term "covered person," see 12 U.S.C. 5481(6).

⁷⁹ For the full scope of the term "consumer financial product or service," see 12 U.S.C. 5481(5).

⁸⁰ See 12 U.S.C. 5481(15) (defining term "financial product or service").

⁷⁷ See discussion *supra*.

The Registration and Publication Provisions affect such covered persons (as that term is defined in 12 U.S.C. 5481(6)) that (1) are not insured depository institutions, insured credit unions, or related persons (as that term is defined in 12 U.S.C. 5481(25)), and (2) have had covered orders issued against them, unless such covered persons are subject to certain exclusions. The Supervisory Reports Provision affects such covered persons that (1) are subject to supervision and examination by the Bureau pursuant to

CFPA section 1024(a),⁸¹ (2) have had covered orders issued against them that took effect on or after the implementation date, (3) are at or above the \$5 million annual receipt threshold specified in the NBR Rule,⁸² unless such covered persons are subject to certain exclusions, and (4) are not registering all such covered orders under the one-time registration option for NMLS-published covered orders under § 1092.203.

To derive an estimate of the number of affected entities under the final rule using publicly available data, the Bureau used data from the most recent

Economic Census. Table 1 below presents entity counts for the North American Industry Classification System (NAICS) codes that generally align with the financial services and products listed above. The markets defined by NAICS codes in some cases include entities that do not qualify as covered nonbanks under the NBR Rule. It is also possible that some covered nonbanks may not be counted in the table below, because, e.g., the financial services they provide are not their primary line of business.

TABLE 1—POTENTIAL SCOPE OF PROPOSED RULE

NAICS name(s)	NAICS code(s)	Number of NAICS entities
Nondepository Credit Intermediation	5222	14,330
Activities Related to Credit Intermediation	5223	13,618
Portfolio Management	523920	24,430
Investment Advice	523930	17,510
Passenger Car Leasing	532112	449
Truck, Utility Trailer, and Recreational Vehicle Rental and Leasing.	532120	1,612
Activities Related to Real Estate	5313	79,563
Consumer Reporting	561450	307
Debt Collection	561440	3,224
Total	155,043

Therefore, for purposes of its analysis of this final rescission rule, the Bureau estimates that there are roughly 155,043 covered nonbanks. As noted above, covered nonbanks will only be affected by the NBR Rule (and by extension this final rescission rule) if they are subject to covered orders. Based on its experience and expertise, in its analysis for the NBR Rule the Bureau estimated and reaffirms here that perhaps one percent, and at most five percent, of covered nonbanks are subject to covered orders. Therefore, the Bureau estimates that this final rescission rule would likely affect between 1,550 and 7,752 covered nonbanks.

In the NBR Rule, the Bureau sought to check the reasonableness of its estimate by obtaining data from a database titled “Violation Tracker,” maintained by Washington, DC-based nonprofit Good Jobs First (<https://violationtracker.goodjobsfirst.org/>). As described in the NBR Rule, using these data the Bureau estimated that orders plausibly covered by the NBR Rule applied to roughly 3,700–4,000 unique entities. The Bureau notes that these numbers are consistent with its estimate of the number of entities likely to be affected by the final rule (1,550 to 7,752 covered nonbanks).

As discussed above, the Bureau has to date received roughly 250 submissions reflecting registrations or apparent efforts to begin registrations under the NBR Rule. Also, as discussed above, an unknown number of entities subject to the provisions of the NBR Rule have not yet registered or begun registrations with the Bureau, both because of the Bureau’s announcement that it would not prioritize enforcement of these provisions and because of the Bureau’s announcement that it would rescind the provisions. Therefore, the Bureau does not view 250 as a reliable estimate of the number of entities that will be affected by this final rule, but it is likely to be a lower bound on the number of entities that will be affected by this final rule. This lower bound is not inconsistent with the estimates above.

1. Registration Provision

Under this final provision, affected entities will no longer be required to provide to the Bureau: (1) identifying information and administrative information and (2) information regarding covered orders. For covered persons subject to the Registration Provision that have already completed registrations, most of the costs associated with the Registration Provision are unrecoverable.

For entities that have not yet complied with the Registration Provision but are subject to it, the benefits of this final provision depend on whether they would register under the baseline. For affected entities that would not comply with the Registration Provision under the baseline, the main benefit of this final provision will be to reduce legal risk. The Bureau cannot quantify this benefit. For affected entities that would comply with the Registration Provision under the baseline, the main benefit of this final provision is that they will no longer need to incur the costs to do so. The Bureau estimates this benefit to be on the order of at least a few hours of an employee’s time per order. The benefit will likely be higher for firms with covered orders that are frequently modified. The benefit will likely be lower for firms that have NMLS-published covered orders and under the baseline would exercise the one-time registration with respect to those orders.

To obtain a quantitative estimate of the benefit of this final provision, the Bureau assesses the average hourly base wage rate for the reporting requirement at \$50.88 per hour. This is the mean hourly wage for employees in four major occupational groups assessed to be most likely responsible for the registration process: Management (\$68.15/hr); Legal

⁸¹ 12 U.S.C. 5514(a).

⁸² See 12 CFR 1092.201(q)(4).

Occupations (\$66.19/hr); Business and Financial Operations (\$45.04/hr); and Office and Administrative Support (\$24.12/hr).⁸³ We multiply the average hourly wage of \$50.88 by the private industry benefits factor of 1.42 to get a fully loaded wage rate of \$72.25/hr.⁸⁴ The Bureau includes these four occupational groups in order to account for the mix of specialized employees that may assist in the registration process. The Bureau assesses that the registration process is completed by office and administrative support employees that are generally responsible for the registrant's paperwork and other administrative tasks. Employees specialized in business and financial operations or in legal occupations likely provide information and assistance with the registration process. Senior officers and other managers likely review the registration information before it is submitted and may provide additional information. Assuming as outlined above a fully loaded hourly wage rate of roughly \$72, and that complying with the Registration Provision would take around five hours of employees' time, yields an estimated cost of complying with the Registration Provision of around \$360 per firm. Therefore, this final provision would provide a benefit of around \$360 per firm.

In the NPRM for this rescission, the Bureau sought specific comment on the extent to which the costs imposed by the NBR Rule, if reversed by this final rule, would result in the benefit of reduced compliance burden to nonbank entities. One nonprofit commenter stated, with respect to the benefits to covered persons of rescinding the NBR Rule, that compliance with the rule's registration requirements is simple, such as through the one-time registration option, and supervised entities need only submit an annual certification. This is partially consistent with feedback the Bureau received from some initial registrants, who indeed stated that the registration process was simple but also that it was challenging for nonbanks to understand whether and when they needed to register. Another commenter stated that the NBR Rule understated the costs the Registration Provision imposed on covered entities. If this commenter is

correct, then the benefits of this final provision estimated above are conservative, and the true benefits to nonbank covered persons will be larger.

This final provision will likely not impose any costs on affected entities.

This final provision will likely not bring significant benefits to consumers. As noted above, this final provision will lower costs for some firms, and those firms may respond to these decreased costs by decreasing prices for consumers. However, economic theory generally predicts no to low price passthrough rates for fixed operating costs like those imposed by the NBR Rule, although there is disagreement among researchers, depending upon assumptions.⁸⁵ Moreover, as discussed above, the benefits of this final provision will be limited, so any price decreases caused by the rule will also be limited. For example, if this final provision saves 4,000 firms each on average \$360, then the total savings of this final provision that could be passed on to consumers in aggregate is \$1,440,000. Most firms will not be affected at all by this final provision and so will not decrease prices because of this final provision.

This final provision will likely not impose any significant costs on consumers. Specifically, the Bureau believes that information submitted under the Registration Provision is not helpful for the fulfillment of its statutory duties and so it provides no benefits to consumers. Accordingly, rescinding the Registration Provision will impose no costs on consumers.

2. Supervisory Reports Provision

This provision will only affect covered nonbanks subject to Bureau supervision and examination that have a covered order that took effect on or after the implementation date and whose annual receipts from consumer financial products and services are \$5 million or more. Furthermore, this provision will only affect such nonbanks that do not have, or under the baseline would choose not to exercise, the one-time registration option for NMLS-published covered orders. Therefore, this provision will affect fewer covered nonbanks and fewer consumers than the Registration Provision analyzed above.

For entities that have not yet complied with the Supervisory Reports Provision but are subject to it, the benefits of this provision depend on whether they would comply with the

Supervisory Reports Provision under the baseline. For affected entities that would not comply with the Supervisory Reports Provision under the baseline, the main benefit of this final provision will be to reduce legal risk. The Bureau cannot quantify this benefit. For affected entities that would comply with the Supervisory Reports Provision under the baseline, the main benefit of this final provision is that they will no longer need to incur the costs to do so.

One effect on these entities will be that they will no longer need to designate an attesting executive. Under the existing NBR Rule, the attesting executive must be a duly appointed senior executive officer (or, if no such officer exists, the highest-ranking individual at the entity charged with managerial or oversight responsibilities) (i) whose assigned duties include ensuring the supervised registered entity's compliance with Federal consumer financial law, (ii) who possesses knowledge of the supervised registered entity's systems and procedures for achieving compliance with the covered order, and (iii) who has control over the supervised registered entity's efforts to comply with the covered order. The Bureau believes that, even under this final rule, most supervised entities will still take active steps to comply with covered orders and therefore will have such an officer or individual in place to oversee the entity's compliance with its obligations under the covered order. Therefore, the Bureau anticipates that rescinding this designation requirement will not change the ability of most supervised registered entities to name an attesting executive, were one required, so the overall benefit of rescinding the designation requirement will be small. However, rescinding this designation requirement will benefit supervised entities that lack a high-ranking officer or other employee with the requisite qualifications to serve as an attesting executive.

Under the baseline, the existing Supervisory Reports Provision requires that the supervised registered entity submit a written statement signed by the applicable attesting executive for each covered order to which it is subject. In the written statement, the attesting executive must: (i) generally describe the steps that the attesting executive has undertaken to review and oversee the supervised registered entity's activities subject to the applicable covered order for the preceding calendar year; and (ii) attest whether, to the attesting executive's knowledge, the supervised registered entity during the preceding calendar year identified any violations or other instances of noncompliance

⁸³ See U.S. Bureau of Labor Statistics, National Occupational Employment and Wage Estimates United States (May 2024), https://www.bls.gov/oes/current/oes_nat.htm.

⁸⁴ As of March 2025, the ratio between total compensation and wages for private industry workers is 1.42. See U.S. Bureau of Labor Statistics, Employer Costs for Employee Compensation: Private industry dataset (March 2025), <https://www.bls.gov/web/ecec/ecec-private-dataset.xlsx>.

⁸⁵ See Kamphorst et al., *Fixed costs matter even when the costs are sunk*, (2020) Economics Letters 195.

with any obligations that were imposed in a public provision of the covered order by the applicable agency or court based on a violation of a covered law.

The Bureau does not have the data to precisely quantify the benefit of the rescission of the written-statement requirement on impacted firms. Based on its experience and expertise, the Bureau believes that most entities subject to covered orders endeavor in good faith to comply with them and already have in place some manner of systems and procedures to help achieve such compliance. However, the Bureau also believes that even at entities endeavoring in good faith to comply with covered orders, executives (or potential executives) may be reluctant to take on the administrative and legal burden of signing the required attestation. Therefore, under the baseline, these entities may have difficulty hiring or retaining such executives, and may incur additional costs to do so. This is consistent with social science research finding that human behavior can be greatly affected by even small probabilities of losses.⁸⁶ It is also consistent with multiple comments submitted by several different trade associations, as well as feedback the Bureau received from industry after the registry system went live. The Bureau agrees with these commenters that rescinding the attestation provision will allow affected entities to attract and retain effective compliance professionals at lower cost. The Bureau cannot quantify this benefit.

While under the baseline the attesting executive must sign the written statement, the Bureau believes that other employees in other major occupational groups (Legal Occupations, Business and Financial Operations, and Office and Administrative Support) support the attesting executive in preparing the statement. Assuming that satisfying the written-statement requirement takes twenty hours of employees' time, and that the average cost to entities of an employee's time is roughly \$72 an hour as discussed above, yields an estimate that the cost of this requirement on affected entities is roughly \$1,440 per firm. Therefore, repealing this provision would further save affected entities roughly \$1,440.

In addition, under the baseline, the Supervisory Reports Provision requires entities to maintain records related to the written statement for five years. Assuming that ensuring the necessary

documents are properly stored also requires ten hours of employee time adds \$720 to the costs to affected entities of this final provision. Therefore, another benefit of this final provision will be to save affected entities this estimated \$720.

The benefits of this final provision may be even higher at larger entities, because identifying instances of noncompliance with obligations imposed in a public provision of a covered order may be more complex at larger entities. The benefits will also likely be higher at entities with multiple instances of noncompliance with public provisions of covered orders, or with multiple covered orders.

One commenter argued that the compliance attestation requirement helps to prevent repeat issues by holding executive leadership accountable for order compliance, and that rescission of the attestation requirement would increase the risk of repeat issues at supervised nonbanks and so impose a cost on consumers. It is possible that, under the baseline, some supervised registered entities would put in place extra systems and procedures to allow them to more confidently identify violations or other instances of noncompliance with any obligations that were imposed in a public provision of the covered order. If this final provision causes these entities not to put in place these systems, it could impose a cost on consumers. However, as noted above, based on its experience and expertise, the Bureau believes that most entities subject to covered orders endeavor in good faith to comply with them and will already have in place some manner of systems and procedures to help achieve such compliance. Therefore, the Bureau believes that the number of supervised registered entities that will not put in place significant new compliance systems and procedures as a result of the rule will be relatively small, generating little potential cost to consumers. Moreover, as discussed above the Bureau believes that rescinding the Supervisory Reports Provision will allow affected entities to more effectively attract and retain compliance professionals. This will benefit consumers, although the Bureau does not have data to quantify this benefit.

This provision will likely not impose any costs on affected entities or consumers. Specifically, the Bureau believes that information submitted under the Supervisory Reports Provision is not in a form that is likely to be helpful for its statutory duties and so provides no benefits to consumers,

and so rescinding the Supervisory Reports Provision will impose no costs on consumers.

3. Publication Provision

The Publication Provision allows the Bureau, at its discretion, to publish on the Bureau's internet website (1) registered entities' identifying information, (2) information regarding covered orders that they provide to the Bureau, and (3) for supervised registered entities, the name and title of the attesting executive.

As discussed in part VIII above, the Bureau believes that publishing this information would be confusing and costly for consumers and firms, and provide little or no benefit to other regulators. Therefore, even under the baseline, the Bureau is unlikely to exercise its ability to publish this information, and so this information would not be published either under the baseline or under the final rule. Therefore, rescinding this provision will impose no costs on entities and no benefits or costs to consumers. The Bureau anticipates that, by providing more certainty that this information will not be published, this provision may provide benefits to some firms. The Bureau cannot quantify this benefit.

E. Potential Specific Impacts of the Final Rule

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

This final rule will only apply to nonbanks. Therefore, it will have no direct impacts on any insured depository institution or insured credit union. The rule may have some indirect effects on some insured depository institutions and insured credit unions with \$10 billion or less in total assets. For example, insured depository institutions and insured credit unions that are affiliated with affected entities might experience indirect benefits because the final rule may benefit their nonbank affiliates. Insured depository institutions and insured credit unions that compete with affected entities might experience indirect costs because of the proposed rule because the proposed rule may benefit their competitors. But as noted above, even for nonbanks that are directly affected by the final rule, the Bureau does not anticipate that the rule's impact will be significant in most cases. Therefore, the Bureau anticipates that any indirect effects on insured depository institutions or insured credit unions

⁸⁶ See Kahneman and Tversky, *Prospect Theory: An Analysis of Decision Under Risk*, (1979) *Econometrica* 47(2).

with \$10 billion or less in total assets will be even less significant.

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

By benefiting affected covered nonbanks, the final rule may cause affected covered nonbanks to provide more or better financial products and services (or financial products and services at lower cost) to consumers. Therefore, the negative impact of the final rule on consumer access to financial products and services would be limited.

Broadly, the Bureau believes that the analysis above of the impact of the final rule on consumers in general is applicable to the impact of the final rule on consumers in rural areas as well. However, the impact of the final rule on consumers in rural areas will likely be relatively smaller if the proposed rule affects fewer entities in rural areas. The Bureau does not have high-quality data on the rural market share of entities that will be affected by the final rule, so the Bureau cannot judge with certainty the relative impact of the rule on rural areas. However, for certain large and well-studied markets, there is evidence that nonbanks have larger market shares in urban areas and smaller market shares in rural areas.⁸⁷ Based on this limited evidence, the Bureau expects that the impact of the final rule will be smaller in rural areas.

XII. Executive Order 12866

The Office of Information and Regulatory Affairs within the Office of Management and Budget (OMB) has determined that this action is not a “significant regulatory action” under E.O. 12866, as amended.

E.O. 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 is not aware of the existence of a market failure or other compelling public need that would justify the retention of the “Registry of Nonbank Covered Persons Subject to Certain Agency and Court

⁸⁷ For evidence on the mortgage market, see Julapa Jagtiani, Lauren Lambie-Hanson, and Timothy Lambie-Hanson, *Fintech Lending and Mortgage Credit Access*, 1 *The Journal of FinTech* (2021). For evidence on the auto loan market, see Donghoon Lee, Michael Lee, and Reed Orchinik, *Market Structure and the Availability of Credit: Evidence from Auto Credit*, MIT Sloan Research Paper (2022), https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3966710.

Orders,” adopted via 89 FR 56028 on July 8, 2024.

XIII. 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 head of the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.⁸⁸ 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.⁸⁹

A FRFA is not required for this final rule because it will not have a significant economic impact on a substantial number of small entities.

B. Impact of Final Provisions on Small Entities

The NBR Rule has three principal sets of substantive provisions. The first set of provisions (hereinafter referred to as the “Registration Provision”) requires nonbank covered persons that are subject to certain public agency and court orders enforcing the law to register with the Bureau and to submit certain information related to those public orders to the Bureau. The second set of provisions (hereinafter referred to as the “Supervisory Reports Provision”) requires nonbank covered persons that are supervised by the Bureau to prepare and submit an annual written statement, signed by a designated individual, regarding compliance with each covered public order that took effect after the applicable implementation date. The third set of provisions (hereinafter referred to as the “Publication Provision”) describes the registration information the Bureau may make publicly available. Accordingly, for purposes of this analysis, this final rescission rule can be divided into three provisions that each rescind one of the three principal sets of substantive provisions of the NBR Rule.

The analysis below evaluates the economic impact of the final provisions on small entities as defined by the

⁸⁸ 5 U.S.C. 601 *et seq.*

⁸⁹ 5 U.S.C. 609.

RFA.⁹⁰ The RFA’s definition of “small” varies by type of entity.⁹¹

With certain exceptions, this final rule will apply to covered persons as defined in the CFPA, including persons that engage in offering or providing a consumer financial product or service.⁹² Among others,⁹³ these products and services would generally include those listed below, at least to the extent they are offered or provided for use by consumers primarily for personal, family, or household purposes.

- Extending credit and servicing loans;
 - Extending or brokering certain leases of personal or real property;
 - Providing real estate settlement services;
 - Engaging in deposit-taking activities, transmitting or exchanging funds, or otherwise acting as a custodian of funds;
 - Selling, providing, or issuing stored value or payment instruments;
 - Providing check cashing, check collection, or check guaranty services;
 - Providing payments or other financial data processing products or services to a consumer by any technological means;
 - Providing financial advisory services;
 - Collecting, analyzing, maintaining, or providing consumer report information or certain other account information; and
 - Collecting debt related to any consumer financial product or service.⁹⁴
- The Registration and Publication Provisions affect such covered persons (as that term is defined in 12 U.S.C. 5481(6)) that (1) are not insured depository institutions, insured credit

⁹⁰ 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 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).

⁹¹ U.S. Small Bus. Admin., *Table of Small Business Size Standards Matched to North American Industry Classification System Codes*, https://www.sba.gov/sites/default/files/2023-06/Table%20of%20Size%20Standards_Effective%20March%2017%2C%202023%20%282%29.pdf (current SBA size standards).

⁹² For the full scope of the term “covered person,” see 12 U.S.C. 5481(6).

⁹³ For the full scope of the term “consumer financial product or service,” see 12 U.S.C. 5481(5).

⁹⁴ See 12 U.S.C. 5481(15) (defining term “financial product or service”).

unions, or related persons (as that term is defined in 12 U.S.C. 5481(25)), and (2) have had covered orders issued against them, unless such covered persons are subject to certain exclusions. The Supervisory Reports Provision affects such covered persons that (1) are subject to supervision and examination by the Bureau pursuant to CFPB section 1024(a),⁹⁵ (2) have had covered orders issued against them that took effect on or after the implementation date, (3) are at or above the \$5 million annual receipt threshold, unless such covered persons are subject to certain exclusions, and (4) are not registering all such covered orders under the one-time registration option for NMLS-published covered orders under § 1092.203.

The Bureau does not have reliable information on the number of small, covered firms that are subject to covered orders. Therefore, the Bureau cannot reliably estimate the number of small entities that will be impacted by the final rule.

1. Registration Provision

Under the provision of this final rule rescinding the Registration Provision, affected entities will no longer be required to provide to the Bureau: (1) identifying information and administrative information and (2) information regarding covered orders. This should lower compliance costs and legal risk for entities, including small entities. Therefore, the rescission of the Registration Provision will impose no significant burden on small entities.

2. Supervisory Reports Provision

Under the Supervisory Reports Provision of the existing NBR Rule, affected entities must designate an attesting executive. The attesting executive must be a duly appointed senior executive officer (or, if no such officer exists, the highest-ranking individual at the entity charged with managerial or oversight responsibilities) (i) whose assigned duties include ensuring the supervised registered entity's compliance with Federal consumer financial law, (ii) who possesses knowledge of the supervised registered entity's systems and procedures for achieving compliance with the covered order, and (iii) who has control over the supervised registered entity's efforts to comply with the covered order.

Furthermore, the existing Supervisory Reports Provision requires that the supervised registered entity submit on annual basis a written statement signed

by the applicable attesting executive for each covered order to which it is subject that took effect after the applicable implementation date. In the written statement, the attesting executive must: (i) generally describe the steps that the attesting executive has undertaken to review and oversee the supervised registered entity's activities subject to the applicable covered order for the preceding calendar year; and (ii) attest whether, to the attesting executive's knowledge, the supervised registered entity during the preceding calendar year identified any violations or other instances of noncompliance with any obligations that were imposed in a public provision of the covered order by the applicable agency or court based on a violation of a covered law.

Under the provision of this final rule rescinding the Supervisory Reports Provision, affected entities will no longer have to designate an attesting executive or submit a written statement signed by the applicable attesting executive for each covered order to which they are subject that took effect after the applicable implementation date. This should lower compliance costs and legal risk for entities, including small entities. Therefore, the rescission of the Supervisory Reports Provision will impose no significant burden on small entities.

3. Publication Provision

The Publication Provision allows the Bureau, at its discretion, to publish (1) registered entities' identifying information, (2) information regarding covered orders that they provide to the Bureau, and (3) for supervised registered entities, the name and title of the attesting executive, on the Bureau's internet website. Rescinding this provision should not impose any costs on entities, including small entities. Therefore, the provision of this final rule rescinding the Publication Provision will impose no significant burden on small entities.

For the reasons described above, the Bureau believes that no provision of the final rule will have a significant economic impact on a substantial number of small entities. Moreover, the impact of each provision is sufficiently small that the three provisions together will not have a significant economic impact on a substantial number of small entities.

Accordingly, the Acting Director certifies that this final rule will not have a significant economic impact on a substantial number of small entities. Thus, a FRFA is not required for this final rule.

XIV. Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the Bureau will submit a report containing this rule and other required information to the U.S. Senate, the U.S. House of Representatives, and the Comptroller General of the United States prior to the rule taking effect. The Office of Information and Regulatory Affairs has designated this rule as not a "major rule" as defined by 5 U.S.C. 804(2).

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

PART 1092—[Removed and Reserved]

■ For the reasons set forth above, and under the authority of 12 U.S.C. 5512 and 5514, the Bureau amends 12 CFR chapter X by removing and reserving part 1092.

Russell Vought,

Acting Director, Consumer Financial Protection Bureau.

[FR Doc. 2025–19689 Filed 10–28–25; 8:45 am]

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DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 95

[Docket No. 31633; Amdt. No. 588]

IFR Altitudes; Miscellaneous Amendments

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Final rule.

SUMMARY: This amendment adopts miscellaneous amendments to the required IFR (instrument flight rules) altitudes and changeover points for certain Federal airways, jet routes, or direct routes for which a minimum or maximum en route authorized IFR altitude is prescribed. This regulatory action is needed because of changes occurring in the National Airspace System. These changes are designed to provide for the safe and efficient use of the navigable airspace under instrument conditions in the affected areas.

DATES: Effective 0901 UTC, November 27, 2025.

⁹⁵ 12 U.S.C. 5514(a).