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CONSUMER FINANCIAL PROTECTION BUREAU LAUNCHES PILOT ADVISORY OPINION PROGRAM TO PROVIDE REGULATED ENTITIES CLEAR GUIDANCE AND IMPROVE COMPLIANCE

WASHINGTON, D.C. – The Consumer Financial Protection Bureau (Bureau) today launched a pilot advisory opinion (AO) program to publicly address regulatory uncertainty in the Bureau’s existing regulations. The pilot AO program will allow entities seeking to comply with regulatory requirements to submit a request where uncertainty exists. The Bureau will then select topics based on the program’s priorities and make the responses available to the public. In the interest of providing clear rules to regulated entities, the Bureau has made iterative improvements to its guidance processes, including issuing more robust compliance aids and frequently asked questions as well as providing clarifications to individual entities. This pilot advisory program builds on those efforts, recognizing that the public widely would benefit from a process that provides clarifications broadly and not just to requesting individuals or entities.

The pilot program will focus on four key priorities:

- Consumers are provided with timely and understandable information to make responsible decisions;
- Identify outdated, unnecessary or unduly burdensome regulations in order to reduce regulatory burdens;
- Consistency in enforcement of Federal consumer financial law in order to promote fair competition; and
- Ensuring markets for consumer financial products and services operate transparently and efficiently to facilitate access and innovation.

Additionally, initial factors weighing for the appropriateness of an AO include: that the interpretive issue has been noted during prior Bureau examinations as one that might benefit from additional regulatory clarity; that the issue is one of substantive importance or impact or one whose clarification would provide significant benefit; and/or that the issue concerns an ambiguity that the Bureau has not previously addressed through an interpretive rule or other authoritative source. There will be a strong presumption against appropriateness of an AO for issues that are the subject of an ongoing investigation or enforcement action or the subject of an ongoing or planned rulemaking.

If deemed appropriate, the Bureau will issue an advisory opinion based on its summary of the facts presented that would be applicable to other entities in situations with similar facts and circumstances. The advisory opinions would be posted on the Bureau's website and published in the Federal Register.

In addition to the pilot, the Bureau also announced that the public can comment on the proposed AO program. Following the conclusion of the pilot, the proposed AO program will be fully implemented after the Bureau's review of comments received.

Requests for advisory opinions may be submitted via email to advisoryopinion@cfpb.gov.

To learn more about the pilot AO program click
here: https://files.consumerfinance.gov/f/documents/cfpb_advisory-opinions-pilot_fr-notice.pdf.

To learn more about the proposed AO program, click
here: https://files.consumerfinance.gov/f/documents/cfpb_advisory-opinions-proposal_fr-notice.pdf.

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.