

Parties File Status Report in Trade Group Lawsuit Challenging CFPB Payday Loan Rule

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The CFPB and the two industry trade groups that filed a lawsuit in a Texas federal district court challenging the CFPB's final payday/auto title/high-rate installment loan rule (Payday Rule) filed a [status report](#) with the court on March 1. The court directed the parties to file the status report by March 1 when, [in November 2018 on its own initiative](#), it granted a stay of the Payday Rule's August 19, 2019 compliance date and continued in force its stay of the lawsuit.

The status report references the CFPB's proposals to revise the Payday Rule to rescind the rule's ability-to-repay (ATR) provisions in their entirety and delay the compliance date for the ATR provisions until November 19, 2020. The parties report that they have been engaged in discussions about how the litigation should proceed given that the proposals would leave unchanged the Payday Rule's payment provisions and continue to require compliance by August 19 with those provisions.

The parties indicate that they believe they may be able to agree on a joint proposal and are continuing discussions. They state that they plan to submit an additional status report by March 8 that either makes a joint proposal on how the litigation should proceed or, if no agreement is reached, that sets forth each party's position on how the litigation should proceed.

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