

CFPB Issues Final Rule Delaying Compliance Date of Payday Loan Rule Ability-to-Repay Provisions; August 19 Compliance Date for Payment Provisions Remains Unchanged

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The CFPB has issued [a final rule](#) delaying the compliance date for the ability-to-repay (ATR) provisions in its final payday/auto title/high-rate installment loan rule (Payday Rule) for 15 months, until November 19, 2020.

The Supplementary Information accompanying the final rule expressly states that the Bureau is not delaying the August 19, 2019 compliance date for the Payday Rule's troublesome payment provisions. Both the payment provisions and the ATR provisions are currently stayed by order of the Texas federal district court hearing the lawsuit filed by two trade groups challenging the Payday Rule. However, [in its most recent order extending the stay](#), the court directed the parties to file another joint status report by August 2. Thus, lenders continue to lack certainty that the stay of the payment provisions will remain in effect after August 2. Even if the court extends the stay past August 2, lenders will remain at risk that the stay could be lifted at any time.

The Bureau called the comments it received about extending the compliance date for the payment provisions "outside the scope of the proposal," as it also did comments seeking modifications to the payment provisions, revisions to the scope of covered loans or the entities to which the Payday Rule applies, or rescission of the entire Payday Rule. The CFPB also noted that several commenters suggested that the payment provisions should be reassessed in light of the Bureau's proposed approach to unfairness and abusiveness in its proposal to revise the ATR provisions. The Bureau states that it intends to separately examine these issues and will determine whether further action is warranted, which might include a request for information or an advance notice of proposed rulemaking.

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