

High-Level CFPB Officials Invite Companies to Address Prepaid Rule Through RFI for Adopted Regulations

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We have learned from a reliable industry source that Brian Johnson, [Senior Advisor to CFPB Acting Director Mulvaney](#), has invited companies and other stakeholders in the prepaid industry to address the Bureau's prepaid rule, which was [issued in October 2016](#) and [amended in January 2018](#), by responding to the [recent RFI on the Bureau's adopted regulations](#). Kirsten Sutton, [Acting Director Mulvaney's Chief of Staff](#), reiterated the invitation this morning during her remarks at the American Banker Power of Prepaid Conference in Washington, DC.

The invitation gives new life to industry officials who interpreted the Bureau's decision to finalize the prepaid rule amendments without any significant changes to the amendments as proposed by former Director Cordray to mean that Acting Director Mulvaney would not reconsider any part of the prepaid rule.

We surmise that Acting Director Mulvaney's finalization of the prepaid rule amendments was based on the mistaken belief that industry concerns were largely addressed by the amendments proposed in June 2017. Because the most recent comment period was limited to the proposed amendments, we believe that Acting Director Mulvaney did not have an opportunity to consider other aspects of the prepaid rule that were not addressed by the amendments, such as the inclusion of certain digital wallets and onerous restrictions on overdraft and credit features.

Because Mr. Johnson indicated that CFPB rulemaking resources will be prioritized and deployed in the near future, companies who want the CFPB to reconsider the prepaid rule (as it announced it plans to do with the [payday](#) and [HMDA](#) rules) should submit responses to the RFI well before the June 19, 2018 deadline. We are working with clients and trade associations to submit responses to the various RFIs, including the RFI focusing on the adopted regulations.

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