



Yesterday, the CFPB issued a final rule to amend their 2017 Payday Lending Rule governing payday, vehicle title, and certain high-cost installment loans.

Specifically, the Bureau is revoking:

1. that it is an unfair and abusive practice for a lender to make covered short-term loans or covered longer-term balloon-payment loans without reasonably determining that consumers will have the ability to repay the loans according to their terms;
2. the specific underwriting requirements for these loans to prevent unfair and abusive practice;
3. the “principal step-down exemption” provision for certain covered short-term loans;
4. the requirement of lenders making covered short-term or longer-term balloon-payment loans to furnish certain information regarding such loans to registered information systems (RISes) and create a process for registering such information systems;
5. those portions of the recordkeeping provisions related to the mandatory underwriting requirements; and,
6. the portion of the compliance date provisions related to the mandatory underwriting requirements.

The Bureau also is revoking the Official Interpretations relating to these provisions.

You can view the Final Rule and Unofficial here:

[https://files.consumerfinance.gov/f/documents/cfpb\\_payday\\_final-rule-2020-revocation.pdf](https://files.consumerfinance.gov/f/documents/cfpb_payday_final-rule-2020-revocation.pdf)

And the Informal Redline here:

[https://files.consumerfinance.gov/f/documents/cfpb\\_payday\\_unofficial-redline-2020-revocation-final-rule.pdf](https://files.consumerfinance.gov/f/documents/cfpb_payday_unofficial-redline-2020-revocation-final-rule.pdf)