Community Bankers of Michigan Regulatory Dispatch

January 22, 2025

Timely news and resources community bankers can use

to better stay on top of a rapidly changing world.

FRB Beige Book

Commonly known as the Beige Book, this report is published eight times per year. Each Federal Reserve Bank gathers anecdotal information on current economic conditions in its District through reports from Bank and Branch directors and interviews with key business contacts, economists, market experts, and other sources. The Beige Book summarizes this information by District and sector. An overall summary of the twelve district reports is prepared by a designated Federal Reserve Bank on a rotating basis.

National Summary - Overall Economic Activity:
Economic activity increased slightly to moderately across the twelve Federal Reserve Districts in late November and December. Consumer spending moved up moderately, with most Districts reporting strong holiday sales that exceeded expectations. Vehicle sales grew modestly. Construction activity decreased overall, with several Districts indicating that high costs for materials and financing were weighing on growth. Manufacturing decreased slightly on net, and a number of Districts said manufacturers were stockpiling inventories in anticipation of higher tariffs. Residential real estate activity was unchanged on balance, as high mortgage rates continued to hold back demand. Commercial real estate sales edged up. The nonfinancial services sector grew slightly overall, with Districts highlighting growth in leisure and hospitality and transportation, notably air travel. Truck freight volumes, however, were down. Financial service providers reported modest growth in lending and little change in asset quality overall, though lenders and community organizations voiced concerns about delinquencies among small businesses and lower-income households. Nonprofit social service agencies faced high demand amidst uncertainty about future funding levels. Agricultural conditions remained weak overall, with generally lower farm incomes and weather-related struggles in some areas. The spread of avian flu reduced egg supplies and pushed up prices. Energy activity was mixed. More contacts were optimistic about the outlook for 2025 than were pessimistic about it, though contacts in several Districts expressed concerns that changes in immigration and tariff policy could negatively affect the economy.

Labor Markets:
Employment ticked up on balance, with six Districts reporting a slight increase and six reporting no change. Contacts in several service industries, notably healthcare, continued to see job growth. Construction employment increased slightly, while manufacturing employment was flat. Contacts across multiple sectors noted difficulty finding skilled workers, and reports of layoffs remained rare. However, contacts in some Districts expressed greater uncertainty about their future staffing needs. Wage growth picked up to a moderate pace in most Districts, though there were some reports that wage pressures had eased.

Prices:
Prices increased modestly overall, with growth rates ranging from flat to moderate. Contacts in most Districts reported modest increases in selling prices, though there were instances of flat or decreasing prices as well, particularly in the retail and manufacturing sectors. Input costs also rose, with contacts highlighting higher insurance prices, particularly for health insurance. However, as with selling prices, there were several mentions of flat or lower input costs, particularly for fuel. Contacts expected prices to continue to rise in 2025, with some noting the potential for higher tariffs to contribute to price increases.

Comment: Morningstar reported that the American economy is predicted to expand about 2.7% in 2025, up from the organization's 2.2% forecast in the Fall of 2024. Low unemployment, rising incomes, strong consumer spending, higher business investment and the wealth effect of a raging bull market are seen as the drivers in 2025.

CBM Insights

Q: We had a finding from our internal auditor for not having active shooter training. We only did robbery traing. Is active shooter training required? Do you know of any resources for active shooter training?

A: There is no specific statutory requirement for active shooter training. But given the changing security threats, your bank's 'security program' should be dynamic and regularly updated to address all potential threats.

Your bank's 'security program' could – and probably should - address active shooter training under (iii) below:

(c) Security program.

(1) The security program shall:

(i) Establish procedures for opening and closing for business and for the safekeeping of all currency, negotiable securities, and similar valuables at all times;

(ii) Establish procedures that will assist in identifying persons committing crimes against the institution and that will preserve evidence that may aid in their identification and prosecution. Such procedures may include, but are not limited to: maintaining a camera that records activity in the banking office; using identification devices, such as prerecorded serial-numbered bills, or chemical and electronic devices; and retaining a record of any robbery, burglary, or larceny committed against the bank;

(iii) Provide for initial and periodic training of officers and employees in their responsibilities under the security program and in proper employee conduct during and after a burglary, robbery, or larceny; and

(iv) Provide for selecting, testing, operating, and maintaining appropriate security devices, as specified in paragraph (c)(2) of this section.

Source link.

The Department of Homeland Security (DHS) has an excellent printed training workbook and you can download it for free at http://www.dhs.gov/xlibrary/assets/active_shooter_booklet.pdf that could be used for internal training.

The Cybersecurity & Infrastructure Security Agency (CISA) also has an 'Active Shooter Preparedness Products and Resources' webpage.

Bank Management

	FDIC Three Financial Crises and Lessons for the Future - Chairman Martin J. Gruenberg (01/14/2025) – *For better or worse, over the course of my career, I have had the opportunity to participate in the response to*

three financial crises – the thrift and banking crisis of the 1980s and early 1990s as a member of the staff of the Senate Banking Committee, the Global Financial Crisis of 2008 as Vice Chairman of the FDIC, and the three large regional bank failures in the spring of 2023 as FDIC Chairman.

As I look back on those experiences, I am struck by the commonality of the causes of those crises –interest rate and liquidity risk, concentrations of assets and deposits, leverage, rapid growth, inadequate capital, new activities and products whose risks were poorly understood, interconnection with non-bank financial companies, poor bank management, and failures of supervision and regulation to identify and address those risks, and in some cases exacerbating them.

As I leave the FDIC, I thought there might be value in sharing some of the lessons of that experience as we head into a period of uncertainty about the future path of financial regulation in the United States and globally. In particular, I offer the observation that while innovation can greatly enhance the operation of the financial system, experience suggests it be tempered by careful and prudent management and appropriate regulation and supervision.

- *Thrift and Bank Crisis of the 1980's*
- *Global Financial Crisis of 2008 – 2010*
- *Regional Bank Failures of 2023*

Lessons for the Future:

As I indicated at the outset, as I look back at these three episodes of financial system disruption, I am struck by how many common threads run through them, even as the specific context and details differ.

Interest rate and liquidity risk, reliance on uninsured deposits and wholesale funding, inadequate capital, leverage, rapid growth, poorly understood new financial products and companies, sheer size, inadequate risk management by the banks, and accommodating supervision and regulation have repeatedly forced the hand of the U.S. government to intervene and protect different types of creditors, and the firms themselves.

I am particularly concerned with the proliferation of activities of non-bank financial institutions, which I believe pose financial stability risks. The Financial Stability Oversight Council has repeatedly pointed out risks growing outside the regulatory perimeter ranging from hedge funds to private credit lenders to non-bank mortgage servicing companies.

I think that we have made progress since the 1980s with improved capital and liquidity requirements, strengthened regulation of derivatives markets, and resolution planning. On the other hand, the largest banks are bigger, more complex, and deeply interconnected domestically and internationally.

I am concerned that memories are short. We should not allow the current relative stability of the banking and financial systems to lull us into a false sense of complacency. Not only are many people not familiar with the thrift and banking crises of thirty years ago, some seem to have lost sight of the experience of the Global Financial Crisis of 2008 and even the regional bank failures of the spring of 2023.

New technologies, new financial products, and new kinds of financial companies are part and parcel of the evolution of the financial system that we have experienced before. But we should not kid ourselves into believing that they do not present risks that need to be carefully supervised and, if necessary, regulated. That to me is the core lesson of these three financial crises to which I hope we pay close attention.

Comment: Any fair lookback should also include the role the FDIC played in those crises which seems to be missing from this speech. Gruenberg did note the growing challenges nonbanks present to bank regulators. Those nonbank entities held $20.5 trillion in assets in the U.S. in 2023 according to Gruenberg, compared to $23.7 trillion for U.S. banks at that same time.

BSA / AML

	FinCEN Announces Inflation Adjustments to Bank Secrecy Act Civil Monetary Penalties (01/17/2025) – The Financial Crimes Enforcement Network (FinCEN) issued a final rule to reflect annual inflation adjustments to its civil monetary penalties as mandated by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended. This rule adjusts certain maximum civil monetary penalties within the jurisdiction of FinCEN to the amounts required by that Act. ***Comment: Routine statutory ajustement.***

Deposit / Retail Operations

	FTC Finalizes Changes to Children's Privacy Rule Limiting Companies' Ability to Monetize Kids' Data (01/16/2025) – The Federal Trade Commission finalized changes to the Children's Online Privacy Protection Rule to set new requirements around the collection, use and disclosure of children's personal information and give parents new tools and protections to help them control what data is provided to third parties about their children. The final rule requires parents to opt in to third-party advertising and includes other changes to address the emerging ways that consumers' data is collected and used by companies, and particularly how children's data is being shared and monetized. "The updated COPPA rule strengthens key protections for kids' privacy online," said FTC Chair Lina M. Khan. "By requiring parents to opt in to targeted advertising practices, this final rule prohibits platforms and service providers from sharing and monetizing children's data without active permission. The FTC is using all its tools to keep kids safe online." In January 2024, the FTC proposed changes to the COPPA rule to ensure it keeps pace with changes in the marketplace since the rule was last updated in 2013. The COPPA Rule, which first went into effect in 2000, requires certain websites and other online services to obtain verifiable parental consent before collecting, using or disclosing personal information from children under 13. It also provides other important rights for parents, including the right to require operators to delete personal information collected from their children, and imposes independent obligations on covered operators, for example with respect to data minimization and data retention. In a notice that will soon be published in the Federal Register, the FTC made several amendments to the rule, including: • Requiring opt-in consent for targeted advertising and other disclosures to third parties: Website and online service operators covered by COPPA will be required to obtain separate verifiable parental consent to disclose children's personal information to third-party companies related to targeted advertising or other purposes. • Limits on data retention: The rule requires covered operators to only retain personal information for as long as reasonably necessary to fulfill a specific purpose for which it was collected. This provision explicitly states that operators cannot retain the information indefinitely. • Increasing Safe Harbor programs' transparency: The FTC-approved COPPA Safe Harbor programs, which are self-regulatory programs that implement the protections of the COPPA Rule, will be required to publicly disclose their membership lists and report additional information to the FTC as part of efforts to increase accountability and transparency in the programs.

	Comment: The Children's Online Privacy Protection Act (COPPA) regulates how banks collect, use, and disclose personal information from children under 13. This includes banks that operate websites or online services for children.
	CFPB Issues New Electronic Fund Transfers Frequently Asked Question (01/16/2025) – The CFPB issued a new Electronic Fund Transfers Frequently Asked Question (FAQ) about the compulsory use prohibition. The new FAQ is Coverage: Transactions Question 6. 6. Does the compulsory use prohibition apply to tips? Yes. The compulsory use provision prohibits a “financial institution or other person” from “requir[ing] a consumer to establish an account,” as defined in 12 CFR § 1005.2(b), “as a condition of employment.” 15 U.S.C. § 1693k(2); see also 12 C.F.R. § 1005.10(e)(2). “Account” is defined in 12 C.F.R. § 1005.2(b)(1) as “a demand deposit (checking), savings, or other consumer asset account (other than an occasional or incidental credit balance in a credit plan) held directly or indirectly by a financial institution and established primarily for personal, family, or household purposes.” Tips can be a significant form of worker compensation, and requirements regarding the method by which workers generally receive their compensation for work constitute “a condition of employment.” Therefore, employers are prohibited by EFTA and Regulation E from requiring workers to establish an account with a particular financial institution to receive tips. Updated January 15, 2025 ***Comment: Regulation E is the most ‘consumer friendly’ regulation there is. While this Q&A is not aimed at banks, any change to the trajectory of Regulation E is worth noting.***
	CFPB Orders Operator of Cash App to Pay $175 Million and Fix Its Failures on Fraud (01/03/2025) – WASHINGTON, D.C. — The Consumer Financial Protection Bureau (CFPB) ordered Block, the operator of the peer-to-peer payments app Cash App, to refund and pay other redress to consumers up to $120 million and pay a penalty of $55 million into the CFPB’s victims relief fund. Block employed weak security protocols for Cash App and put its users at risk. While Block is required by law to investigate and resolve disputes about unauthorized transactions, the company’s investigations were woefully incomplete. Block directed users — who had suffered financial losses as a result of fraud — to ask their bank to attempt to reverse transactions, which Block would subsequently deny. Block also deployed a range of tactics to suppress Cash App users from seeking help, reducing its own costs. “Cash App created the conditions for fraud to proliferate on its popular payment platform,” said CFPB Director Rohit Chopra. “When things went wrong, Cash App flouted its responsibilities and even burdened local banks with problems that the company caused.” Block, Inc. (NYSE: SQ) is a publicly traded corporation whose principal executive offices are in Oakland, California. Block offers multiple digital payments products for businesses and consumers, including the point-of-sale payment system Square and the consumer payment service Cash App. Cash App is one of the largest peer-to-peer payment platforms in the United States, with more than 56 million accounts. It allows consumers to send and receive electronic money transfers; accept direct deposits; and use a prepaid card, Cash Card, to make purchases and ATM withdrawals. Block made approximately $7.5 billion in gross profit in 2023, approximately $4 billion of which was generated by Cash App.

Cash App attempted to avoid many of its investigative obligations through tricking consumers with its Terms of Service. For example, many Cash App users link their bank account to the app. When a transaction occurs, the money is pulled from the user's bank account and sent to the transaction recipient. In Cash App's Terms of Service, consumers are led to believe that disputes are the responsibility of their linked bank. The Electronic Fund Transfer Act generally requires that peer-to-peer platforms, including Cash App, investigate disputes of unauthorized transactions, and a company cannot simply use fine print to escape these legal requirements. When it did conduct investigations, Block used intentionally shoddy investigation practices to close reports of unauthorized transactions in the company's favor.

Block also deprived Cash App users of meaningful and effective customer service and left the network vulnerable to criminals defrauding users. While Block included a telephone number on the back of its Cash Card and in its Cash App Terms of Service, for many years this telephone number did not connect consumers to customer support of any type. Instead, it led to a pre-recorded message directing consumers to contact customer support through the app. Consumers could only contact Block through the app or through U.S. mail and were often met with delayed, inadequate, confusing, or inaccurate responses.

Consumers looking for an alternate route to Cash App customer service through web searches were targeted by fraudsters posing as Cash App representatives, who tricked them into giving up their passwords and other personal information. Block knew that its customers were being targeted by fraudsters in this way but failed to take timely action to address the issue.

Comment: It seems Cash App made it all but impossible for fraud victims to report and resolve claims for consumers. That led those same consumers to demand their banks get involved to the frustration of both the bank and their accountholder.

CFPB Proposes Rule to Ban Contract Clauses that Strip Away Fundamental Freedoms (01/13/2025) – **WASHINGTON, D.C.** — The Consumer Financial Protection Bureau (CFPB) proposed a rule that would stop financial companies from forcing Americans to choose between participating in the financial system or giving up their rights, including those guaranteed by the Constitution. The proposed rule seeks to stop companies from using a variety of contract clauses that limit fundamental freedoms, including waivers of substantive legal rights and fine print that suppresses speech.

"To access the American financial system, people should not be forced into forfeiting rights enshrined in law or our Constitution," said CFPB Director Rohit Chopra. "Companies should not weaponize fine print to deplatform or purge people from the financial system."

For decades, companies have slowly eroded Americans' rights by slipping clauses into take-it-or-leave-it contracts that seek an unfair leg up by attempting to deny individuals the benefits of a free market. Over time, fine print governing Americans' lives has grown to impose increasingly intrusive and unusual burdens on Americans, impinging on fundamental freedoms.

In 2023, after taking a number of enforcement actions and observing practices in the market where companies sought to impose unusual conditions in consumer contracts, the CFPB increased its focus on clauses that force consumers to forfeit their rights. The CFPB is issuing this proposed rule to ensure consumer finance contracts focus on the main terms of a deal, instead of fine print to take away people's rights. Specifically, the CFPB is proposing to block companies from:

- **Undermining Rule of Law:** The Constitution vests legislative power in Congress and reserves important authorities for the States. The CFPB is protecting that legal structure by ensuring that large companies cannot use form contracts to opt out of statutes passed by Congress or state legislatures, including protections for servicemembers, laws prohibiting elder fraud, and accountability for corporate lawbreaking.

	- **Deplatforming and Suppressing Speech**: The rule would bar companies from fining, suing, or deplatforming based on consumer comments, reviews, or political or religious views. It protects consumers' right to exercise free speech, including a consumer's right to share negative reviews about a financial firm's products or services, as well as political speech with which the company's management disagrees. - **Amending Key Terms by Fiat**: By stopping companies from unilaterally updating contracts in their favor, the rule seeks to protect consumers' right to benefit from the contracts they agree to and gives people the ability to make decisions about their options in the marketplace. - **Forcing Customers to Automatically Plead Guilty:** The CFPB is proposing to codify existing prohibitions against taking a consumer's property without judicial due process or oversight. These longstanding prohibitions include prohibitions against "confessions of judgment," which force consumers to essentially plead guilty even if they have defenses. While many of the terms in this proposal are already unenforceable in various circumstances, some companies still use them. The rule would create a bright line of prohibition and heightened accountability by, for example, giving state Attorneys General authority to enforce these prohibitions against national banks. Comments on the proposed rule must be received on April 1, 2025. Read the Notice of Proposed Rulemaking. ***Comment: Under the Proposed Rule, this would amend Regulation AA and banks would be prohibited from including or enforcing certain terms in agreements with consumers for consumer financial products or services. Additionally, the Proposed Rule would make it an unfair act or practice for covered institutions to use or enforce certain agreements for extensions of credit.***

Human Resources

	No news to report this week.

Lending

	CFPB Finds Hundreds of Thousands of Mortgages in Southeast and Central Southwest US Likely Underinsured Against Flood Risk (01/13/2025) – This report looks at flood risk in the southeast and central southwest census regions of the United States, as measured by flood risk data from both the Federal Emergency Management Agency (FEMA) and the First Street Foundation and merged with data from the 2018-2022 Home Mortgage Disclosure Act. FEMA's assessment of flood risk is retrospective and focuses mostly on coastal flooding, while the First Street Foundation data better identifies inland flooding as well as having a forward-looking measure of flood risk. The analysis shows that the flood risk exposure of the mortgage market is more extensive and more geographically dispersed than previously understood. Homeowners can have significantly different access to insurance and therefore sharply different financial outcomes based on whether their risk of flooding comes from the coast or from inland rivers, streams, rainfall, and stormwater flooding. The report's key findings include: - Current flood insurance maps may not capture accurate flood risk exposure. FEMA flood insurance maps rate flood risk highest in coastal areas, while First Street's estimates predict significantly more exposure in inland areas as well as broader exposure in coastal regions.

- Over 400,000 homes may be underinsured for flooding events in the southeast and central southwestern parts of the country alone. The majority of flood insurance is provided through the federally subsidized National Flood Insurance Program, which uses the FEMA flood insurance maps to identify properties eligible for flood insurance. Homeowners with a mortgage are therefore likely to be underinsured for flooding if the FEMA flood insurance maps do not accurately measure future flood risk.
- Homeowners who may be underinsured for flood risk also are least likely to be able to self-insure and recover from flooding. Borrowers in inland areas at risk of flooding, as identified using the First Street flood risk model, had lower incomes and put less money down to purchase their homes compared to homeowners not in inland flood areas. This included both borrowers living in areas at high risk of coastal flooding and borrowers whose homes are not in an area of high flood risk, as identified either by FEMA or First Street. This suggests that these borrowers have the fewest financial resources to recover from flooding and are most at risk of suffering catastrophic loss after a flood.

Comment: Flooding is a significant risk factor for credit, as it can increase the likelihood of loan defaults and delays. This is because flooding can damage property, worsen a business's financial situation, and increase the cost of capital. There are most certainly areas in Michigan where the flood maps don't accurately capture the risk of flooding.

CFPB Research Reveals Heavy Buy Now, Pay Later Use Among Borrowers with High Credit Balances and Multiple Pay-in-Four Loans (01/13/2025) – WASHINGTON, D.C. — The Consumer Financial Protection Bureau (CFPB) released a study of Buy Now, Pay Later (BNPL) borrowers, finding that more than one-fifth of consumers with a credit record used BNPL loans in 2022, with most of those consumers having subprime or deep subprime credit scores. The CFPB research also revealed that more than three-fifths of BNPL borrowers held multiple simultaneous BNPL loans at some point during the year, and one-third had loans from multiple providers. BNPL borrowers were also more likely than other consumers to have higher balances on other unsecured credit lines such as credit cards.

Because lenders do not typically report BNPL loans to nationwide consumer reporting companies, data about BNPL use—especially about borrowers with multiple loans and on total consumer debt balances—is limited. The study helps fill the data gap by pairing a matched sample of BNPL applications from six large firms with deidentified credit records.

BNPL credit is a type of deferred payment option that generally allows the consumer to split a purchase into smaller installments, typically four or fewer, often with a down payment due at checkout. The application process is quick, involving relatively little information from the consumer, and the product often comes with no interest. Lenders have touted BNPL as a safer alternative to traditional credit card debt, along with its ability to serve consumers with limited or subprime credit histories.

To better understand the emerging BNPL market, the CFPB issued market monitoring orders in March 2023 to collect information from several companies offering no-interest, pay-in-four BNPL loans, including Affirm, Afterpay, Klarna, Paypal, Sezzle, and Zip. The CFPB matched the loan-level and deidentified consumer information it received with consumer credit records to study the prevalence of BNPL use. The report finds that, in 2022:

More than one-fifth of consumers used BNPL: Among consumers with a credit record, 2 percent financed at least one purchase with a BNPL loan, up from 17.6 percent in 2021. About 20 percent of borrowers in 2022 were heavy users originating more than one BNPL loan on average each month, an increase from 18 percent in 2021. The average number of originations per borrower increased from 8.5 to 9.5.

	Most BNPL borrowers took out multiple simultaneous BNPL loans: Approximately 63 percent of borrowers originated multiple simultaneous loans at some point during the year, and 33 percent took out loans from multiple BNPL lenders. Nearly two-thirds of BNPL loans went to borrowers with lower credit scores: Among these applicants with subprime or deep subprime credit scores, BNPL lenders approved 78 percent of loans in 2022. BNPL borrowers were more likely to hold higher balances on other credit accounts: These borrowers held higher balances of other unsecured consumer debt, including personal loans, retail loans, student loans, credit cards, and subprime alternative financial services lenders. Before first-time BNPL use, consumers' average credit card utilization rates increased, suggesting that less available credit card liquidity may encourage consumers to use BNPL Younger borrowers held more BNPL debt as a percentage of their total consumer debt: Among borrowers ages 18-24, BNPL purchases made up 28 percent of total unsecured consumer debt compared to an average of 17 percent among borrowers of all age groups, during the months in which they borrowed.

Technology / Security

	CISA Publishes Microsoft Expanded Cloud Log Implementation Playbook (01/15/2025) – WASHINGTON – The Cybersecurity and Infrastructure Security Agency (CISA), in close coordination with the Office of Management and Budget (OMB), Office of the National Cyber Director (ONCD) and Microsoft, announced the release of Microsoft Expanded Cloud Log Implementation Playbook. This guidance helps public and private sector organizations using Microsoft Purview Audit (Standard) to operationalize newly available cloud logs to be an actionable part of their enterprise cybersecurity operations. The playbook provides guidance on each newly available log and how these logs can be enabled and operationalized to support threat hunting and incident-response operations. It provides organizations with scenario-based analysis on the common tactics related to identity-based compromises. It also provides best practices to navigate M365 logs and perform administrator actions to enable the logs to help cyber defenders detect malicious activity. "CISA is pleased to provide this playbook to help organizations effectively use newly introduced Microsoft security logs to strengthen their cyber defense. We value the collaboration with our government partners and Microsoft which informed this valuable resource," said CISA Director Jen Easterly. "Necessary security logs are critical for all organizations to protect their networks. We are pleased to see this progress and continue work to ensure greater adoption of Secure by Design principles." ***Comment: In November 2024, the Fed's Community Bank Connections included an article on security in the cloud.***

Selected federal rules – proposed

Proposed rules are included only when community banks may want to comment. Date posted may not be the same as the Federal Register Date.

12.09.2024 **CFPB** Fair Credit Reporting Act (Regulation V); Identity Theft and Coerced Debt SUMMARY: The Consumer Financial Protection Bureau (CFPB) is seeking information in advance of preparing a proposed rule to address concerns related to information furnished to credit bureaus and other consumer reporting agencies concerning coerced debt. More specifically, this advance notice of proposed rulemaking solicits information on amending the definitions of "identity theft" and "identity theft report" in Regulation V, which implements the Fair Credit Reporting Act, as well as other related amendments to Regulation V, to include information stemming from transactions that occurred without the consumer's effective consent. **DATES: Comments must be received by March 7, 2025.**

01.10.2025 **CFPB** Electronic Fund Transfers Through Accounts Established Primarily for Personal, Family, or Household Purposes Using Emerging Payment Mechanisms SUMMARY: In light of interest by electronic fund transfer system market participants to offer new types of products to transfer funds and make purchases through accounts established primarily for personal, family, or household purposes, the Consumer Financial Protection Bureau (CFPB) is proposing this interpretive rule to assist companies, investors, and other market participants evaluating existing statutory and regulatory requirements governing electronic fund transfers (EFTs). **DATES: Comments must be received by March 31, 2025.**

01.10.2025 **CFPB** Request for Information Regarding the Collection, Use, and Monetization of Consumer Payment and Other Personal Financial Data SUMMARY: The Consumer Financial Protection Bureau (CFPB) is seeking comments from the public to better understand how companies that offer or provide consumer financial products or services collect, use, share, and protect consumers' personal financial data, such as data harvested from consumer payments. The submissions in response to this request for information will serve to assist the CFPB and policymakers in further understanding the current state of the business practices at these companies and the concerns of consumers as the CFPB exercises its enforcement, supervision, regulatory, and other authorities. **DATES: Comments must be received on or before April 11, 2025.**

01.13.2025 **CFPB** Prohibited Terms and Conditions in Agreements for Consumer Financial Products or Services (Regulation AA) SUMMARY: The Consumer Financial Protection Bureau (CFPB) is proposing to prohibit certain contractual provisions in agreements for consumer financial products or services. The proposal would prohibit covered persons from including in their contracts any provisions purporting to waive substantive consumer legal rights and protections (or their remedies) granted by State or Federal law. The proposal would also prohibit contract terms that limit free expression, including with threats of account closure, fines, or breach of contract claims, as well as other contract terms. The proposal would also codify certain longstanding prohibitions under the Federal Trade Commission's (FTC) Credit Practices Rule. **DATES: Comments must be received on or before April 1, 2025.**