

Proposed Rules

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This section of the FEDERAL REGISTER contains notices to the public of the proposed issuance of rules and regulations. The purpose of these notices is to give interested persons an opportunity to participate in the rule making prior to the adoption of the final rules.

CONSUMER FINANCIAL PROTECTION BUREAU

12 CFR Part 1075

[Docket No. CFPB–2025–0021]

Consumer Financial Civil Penalty Fund Rule Amendment

AGENCY: Consumer Financial Protection Bureau.

ACTION: Proposed rule; request for comment.

SUMMARY: The Consumer Financial Protection Bureau (Bureau or CFPB) is proposing to amend its 2013 rule implementing the provision of the Consumer Financial Protection Act of 2010 (CFPA or Act) that establishes a Consumer Financial Civil Penalty Fund (Civil Penalty Fund). Under the CFPA, the Civil Penalty Fund may be used for payments to victims of activities subject to civil penalties; to the extent victims cannot be located or payments are not practicable, the Bureau may use funds for consumer education and financial literacy programs. This proposed rule would remove references to allocating funds for consumer education and financial literacy programs.

DATES: Comments must be received on or before July 18, 2025.

ADDRESSES: You may submit responsive information and other comments, identified by Docket No. CFPB–2025–0021, by any of the following methods:

- *Federal eRulemaking Portal:* <https://www.regulations.gov>. Follow the instructions for submitting comments. A brief summary of this document will be available at <https://www.regulations.gov/docket/CFPB-2025-0021>.

- *Email:* 2025-NPRM-CivilPenaltyFund@cfpb.gov. Include Docket No. CFPB–2025–0021 in the subject line of the message.

- *Mail/Hand Delivery/Courier:* Comment Intake—Consumer Financial Civil Penalty Fund Rule Amendment, c/o Legal Division Docket Manager, Consumer Financial Protection Bureau,

1700 G Street NW, Washington, DC 20552.

Instructions: The Bureau encourages the early submission of comments. All submissions should include the agency name and docket number. Additionally, where the Bureau has asked for specific comment on a topic, commentors should seek to highlight the topic to which its comment is applicable. Because paper mail is subject to delay, commenters are encouraged to submit comments electronically. In general, all comments received will be posted without change to <https://www.regulations.gov>. All submissions, including attachments and other supporting materials, will become part of the public record and subject to public disclosure. Proprietary information or sensitive personal information, such as account numbers or Social Security numbers, or names of other individuals, should not be included. Submissions will not be edited to remove any identifying or contact information.

FOR FURTHER INFORMATION CONTACT: Dave Gettler, Paralegal Specialist, Office of Regulations at 202–435–7700. If you require this document in an alternative electronic format, please contact CFPB_Accessibility@cfpb.gov.

SUPPLEMENTARY INFORMATION:

I. Executive Summary

The Bureau is proposing to revise its 2013 rule articulating procedures for allocations from the Civil Penalty Fund to rescind procedures related to allocations for consumer education and financial literacy programs. The Bureau now believes that the procedures outlined in the rule provide neither adequate guardrails for the agency's exercise of its discretion nor adequate transparency to the public regarding a potentially significant expenditure.

II. Legal Authority

The CFPA established the Bureau with a mandate to regulate the offering and provision of consumer financial products and services under the Federal consumer financial laws. Public Law 111–203, sec. 1011(a) (2010), codified at 12 U.S.C. 5491(a). The CFPA authorizes the Bureau, among other things, to enforce Federal consumer financial law through judicial actions and administrative adjudication proceedings. 12 U.S.C. 5563, 5564. In

those actions and proceedings, a court or the Bureau may require a party that has violated the law to pay a civil penalty. *See, e.g.*, 12 U.S.C. 5565.

Section 1017(d)(1) of the CFPA establishes a separate fund in the Federal Reserve, the “Consumer Financial Civil Penalty Fund” (Civil Penalty Fund), into which the Bureau must deposit civil penalties it collects from any person in any judicial or administrative action under Federal consumer financial laws. 12 U.S.C. 5497(d)(1). Under the Act, amounts in the Fund may be used “for payments to the victims of activities for which civil penalties have been imposed under the Federal consumer financial laws.” 12 U.S.C. 5497(d)(2). In addition, “[t]o the extent that such victims cannot be located or such payments are otherwise not practicable,” the Bureau may use amounts in the Fund for consumer education and financial literacy programs. *Id.*

The Bureau is issuing this rule pursuant to its authority under section 1022(b)(1) of the CFPA, which authorizes the Bureau to prescribe rules as may be necessary or appropriate to enable the Bureau to administer and carry out the purposes and objectives of Federal consumer financial law, 12 U.S.C. 5512(b)(1); and under section 1017(d) of the CFPA, which establishes the Civil Penalty Fund and authorizes the Bureau to use amounts in that Fund for payments to victims and for consumer education and financial literacy programs.

III. Discussion of Proposal

On May 7, 2013, the Bureau published a rule (2013 Rule) that stated its interpretation of what kinds of payments to victims are appropriate and established procedures for allocating such funds to both victims and to consumer education and financial literacy programs. First, it described the roles of Bureau officials involved in managing the Civil Penalty Fund, including by establishing the position of Civil Penalty Fund Administrator (Fund Administrator) and providing that the Civil Penalty Fund Governance Board—the body comprised of senior Bureau officials established by the Director to advise on matters relating to the Civil Penalty Fund—may advise or direct the Fund Administrator on the administration of the Civil Penalty

Fund. Second, the 2013 Rule identified the category of victims who may receive payments from the Civil Penalty Fund and set forth the amounts they may receive. Third, the 2013 Rule established a two-stage procedure for expending money in the Civil Penalty Fund, pursuant to which, based on six-month periods, the Fund Administrator will first allocate funds for payments to classes of victims and, if appropriate, for consumer education and financial literacy programs, then designate a payments administrator to distribute allocated funds to individual victims in the classes to which funds have been allocated. Fourth, the 2013 Rule set forth several circumstances in which it will be deemed impracticable to make payments to victims or to classes of victims. Finally, the 2013 Rule required the Fund Administrator to issue regular reports on the disposition of funds in the Civil Penalty Fund.¹

The 2013 Rule provided limited information on how the Bureau was to exercise its discretion to use funds in the Civil Penalty Fund for the purpose of consumer education and financial literacy programs, should such funds remain available after allocations to victims. The preamble stated only that “the Bureau has adopted criteria—not contained in this rule—for selecting the particular consumer education or financial literacy programs to be funded” and referred to a page on the Bureau’s website. The regulatory text’s discussion of funding consumer education or financial literacy programs consisted, in its entirety, of two bare recitations of the phrase “allocating funds to consumer education and financial literacy programs,”² one provision parroting the statutory grant of discretionary authority to make allocations,³ and two provisions clarifying the authority of the Fund

Administrator with respect to such allocations.⁴

Simultaneously with the issuance of the 2013 Rule, the Bureau also issued a notice of proposed rulemaking seeking comment on, *inter alia*, the provisions of the 2013 Rule governing allocations to consumer education and financial literacy programs, including whether the rule should limit the amount of remaining funds that the Fund Administrator may allocate to consumer education and financial literacy programs.⁵ The Bureau received four comments addressing allocations of remaining funds for consumer education and financial literacy programs. Comments from three consumer advocacy groups encouraged the Bureau not to place limits on these allocations. One individual commenter opposed the use of funds for any purpose other than repayment to individuals who have been harmed. The Bureau did not subsequently modify the 2013 Rule.

In the twelve years since the 2013 Rule, the Bureau has allocated \$3,641,510,398 from the Civil Penalty Fund for payments to victims of activities for which civil penalties have been imposed under Federal consumer financial laws.⁶ The Bureau has exercised its discretion to allocate funds to consumer education and financial literacy programs with respect to a single program; allocations for that program, amounting to \$28,812,809, were made from fiscal years 2013–2016.⁷

The Bureau now believes that the 2013 Rule provides neither adequate guardrails for the agency’s exercise of its discretion nor adequate transparency to the public regarding a potentially significant expenditure. In the absence of adequate guardrails, there could be

incentives to bring enforcement actions for the purpose of aggrandizing the operational scope of the agency. Accordingly, the Bureau proposes to rescind those aspects of the 2013 Rule that reference the Bureau’s use of amounts in the Fund for consumer education and financial literacy programs. The Bureau does not intend to exercise its discretionary authority to allocate funds to consumer education and financial literacy programs, but it does intend to consider whether revised procedures would be appropriate to address these concerns with respect to any future exercises of this discretionary authority.

While this proposal is exempt from the notice-and-comment rulemaking requirements of the Administrative Procedure Act—both because it relates to benefits, 5 U.S.C. 553(a)(2), and because it concerns matters of agency organization, procedure, and practice, 5 U.S.C. 553(b)—the Bureau nevertheless invites interested parties to comment.

IV. Proposed Effective Date of Final Rule

The CFPB proposes that, once issued, the final rule for this proposed rule would be effective upon publication in the **Federal Register**. The rule is procedural and not substantive and, thus, is not subject to the 30-day delay in effective date required by 5 U.S.C. 553(d).

V. Consumer Financial Protection Act Section 1022(b)(2) Analysis

A. Overview

In developing this proposal to amend the 2013 Rule implementing the provision of the CFPB that establishes a Civil Penalty Fund, the Bureau has considered the potential benefits, costs, and impacts of doing so. This proposed rule would remove references to allocating funds for consumer education and financial literacy programs.

The CFPB is proposing this revision because it now believes that the procedures outlined in the rule provide neither adequate guardrails for the agency’s exercise of its discretion nor adequate transparency to the public regarding a potentially significant expenditure. In the absence of adequate guardrails, there could be incentives to bring enforcement actions for the purpose of aggrandizing the operational scope of the agency.

Section 1017(d)(2) of the CFPB, implemented by the 2013 Rule, provides that the Bureau may, at its own discretion, allocate to consumer education and financial literacy programs any funds from the Civil

¹ The most recent report is available at https://files.consumerfinance.gov/f/documents/cfpb_financial-report-fy-2024.pdf.

² 12 CFR 1075.100 (“This part also establishes procedures and guidelines for allocating funds from the Consumer Financial Civil Penalty Fund to classes of victims and distributing such funds to individual victims, and for allocating funds to consumer education and financial literacy programs.”); § 1075.105(a) (“The Fund Administrator will allocate Civil Penalty Fund funds specified in paragraph (c) of this section to classes of victims and to consumer education and financial literacy programs as appropriate according to the schedule established in paragraph (b) of this section and the guidelines established in §§ 1075.106 and 1075.107.”) (emphasis added).

³ 12 CFR 1075.107(a) (“If funds available under § 1075.105(c) remain after the Fund Administrator allocates funds as described in § 1075.106(a), the Fund Administrator may allocate those remaining funds for consumer education and financial literacy programs.”).

⁴ 12 CFR 1075.106(d)(2) (“If, in allocating funds during a given time period described in § 1075.105(b)(2), the Fund Administrator exercises her discretion under paragraph (d)(1) of this section, she may allocate funds to consumer education and financial literacy programs under 1075.107 during that time period only to the same extent she could have absent that exercise of discretion.”); § 1075.107(b) (“The Fund Administrator shall not have the authority to allocate funds to particular consumer education or financial literacy programs or otherwise to select the particular consumer education or financial literacy programs for which allocated funds will be used.”).

⁵ 78 FR 26545, 26547 (May 7, 2013).

⁶ Total allocations as of September 30, 2024, are available in the Bureau’s most recent financial report. https://files.consumerfinance.gov/f/documents/cfpb_financial-report-fy-2024.pdf. Subsequent allocations are listed at <https://www.consumerfinance.gov/enforcement/payments-harmed-consumers/civil-penalty-fund/>.

⁷ See https://files.consumerfinance.gov/f/documents/cfpb_financial-report-fy-2024.pdf.

Penalty Fund that remain after the Fund Administrator allocates funds to payments to victims of activities subject to civil penalties.

This proposed rule would rescind those aspects of the 2013 Rule that reference this discretion. The Bureau does not intend to exercise its discretionary authority to allocate funds to consumer education and financial literacy programs, but it does intend to consider whether revised procedures would be appropriate to address the above enumerated concerns for any future exercise of this discretionary authority.

The Bureau has limited information with which to precisely quantify the costs and benefits of the proposed rule. Thus, the discussion considers a qualitative analysis of the likely effects of the proposed rule. The Bureau does not anticipate that this proposal would result in any significant costs or benefits for consumers or covered persons. The proposed rule does not impose or remove any binding legal requirements on the public. We note also that historically, the Bureau has allocated relatively little of the Civil Penalty Fund to consumer education and financial literacy programs.

The Bureau seeks specific comment on the extent to which this proposed rule would result in benefits or costs. The Bureau is specifically interested in any comments that could model such impacts in a quantitative and methodologically rigorous manner.

B. Potential Specific Impacts of the Proposed Rule

i. Insured Depository Institutions and Insured Credit Unions With \$10 Billion or Less in Total Assets, as Described in Section 1026

The proposed revision would not impose any obligations on depository institutions or credit unions. Moreover, the Bureau does not expect the proposed revision to affect Bureau behavior related to depository institutions or credit unions, including examination and enforcement work. Therefore, the Bureau expects this proposal would not have specific impacts on insured depository institutions and insured credit unions with \$10 billion or less in total assets. The Bureau seeks specific comment on the accuracy of this expectation.

ii. Impact of the Proposed Rule on Access to Consumer Financial Products and Services and on Consumers in Rural Areas

The proposed revision would not impose new costs on providers of

financial products and services. Accordingly, the Bureau does not expect the proposed revision would impact consumer access to financial products and services.

Similarly, the proposed revision would neither impose costs on providers of financial products and services in rural areas nor impose costs on consumers in rural areas. Therefore, the Bureau does not expect the proposed revision would impact consumers in rural areas.

The Bureau seeks specific comment on the accuracy of these expectations.

VI. Regulatory Flexibility Analysis

The Regulatory Flexibility Act (RFA) generally requires an agency to conduct an initial regulatory flexibility analysis (IRFA) and a final regulatory flexibility analysis (FRFA) of any rule subject to notice-and-comment rulemaking requirements, unless the agency certifies that the rule will not have a significant economic impact on a substantial number of small entities.⁵ The Bureau also is subject to certain additional procedures under the RFA involving the convening of a panel to consult with small business representatives before proposing a rule for which an IRFA is required.⁶

The Final Rule concerns benefits and relates solely to agency procedure and practice and, thus, is not subject to the notice and comment requirements of the Administrative Procedure Act. 5 U.S.C. 553(a)(2), (b). Because no notice of proposed rulemaking is required, this rule does not require an IRFA or a FRFA pursuant to the RFA, 5 U.S.C. 601 *et seq.*

VII. Executive Order 12866

The Office of Information and Regulatory Affairs has determined that this action is not a “significant regulatory action” under Executive Order 12866, as amended by Executive Order 14215.

E.O. 12866 states that “Federal agencies should promulgate only such regulations as are required by law, are necessary to interpret the law, or are made necessary by compelling public need, such as material failures of private markets. . . .” The Bureau seeks specific comment regarding whether there is any data, and in particular methodologically rigorous research, to indicate the existence of a market failure or other compelling public need that would justify the retention of the references in the 2013 Rule to allocating funds for consumer education and financial literacy programs.

List of Subjects in 12 CFR Part 1075

Administrative practice and procedure, Authority delegations (Government agencies), Consumer Financial Civil Penalty Fund, Consumer protection, Organization and functions (Government agencies).

Authority and Issuance

For the reasons set forth in the preamble, the Bureau proposes to amend 12 CFR part 1075 as set forth below:

PART 1075—CONSUMER FINANCIAL CIVIL PENALTY FUND RULE

■ 1. The authority citation for part 1075 continues to read as follows:

Authority: 12 U.S.C. 5512(b)(1), 5497(d).

■ 2. Section 1075.100 is amended by removing “, and for allocating funds to consumer education and financial literacy programs.”

■ 3. Section 1075.105 is amended by, in paragraph (a), removing “and to consumer education and financial literacy programs.”

■ 4. Section 1075.106 is amended by, in paragraph (d),

■ a. Removing “(1)”; and

■ b. Removing “(2) If, in allocating funds during a given time period described in § 1075.105(b)(2), the Fund Administrator exercises her discretion under paragraph (d)(1) of this section, she may allocate funds to consumer education and financial literacy programs under 1075.107 during that time period only to the same extent she could have absent that exercise of discretion.”

■ 5. Section 1075.107 is removed and reserved.

Russell Vought,

Acting Director, Consumer Financial Protection Bureau.

[FR Doc. 2025–11248 Filed 6–17–25; 8:45 am]

BILLING CODE 4810-AM-P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2025–1102; Project Identifier MCAI–2024–00183–R]

RIN 2120-AA64

Airworthiness Directives; Hélicoptères Guimbal Helicopters

AGENCY: Federal Aviation Administration (FAA), DOT.

ACTION: Notice of proposed rulemaking (NPRM).