

1990 Act, as amended, by the 2015 Act.<sup>12</sup>

## 2. Other Adjustments

If a civil monetary penalty is subject to a cost-of-living adjustment under the 1990 Act, as amended, but is adjusted to an amount greater than the amount of the adjustment required under the Act within the 12 months preceding a required cost-of-living adjustment, the agency is not required to make the cost-of-living adjustment to that CMP in that calendar year.<sup>13</sup>

## III. Yearly Adjustments

### A. Mathematical Calculations of 2025 Adjustments

The adjustment requirement affects two provisions of section 5.32(a) of the Farm Credit Act. For the 2025 yearly adjustments to the CMPs set forth by the Farm Credit Act, the calculation required by the 2024 White House Office of Management and Budget (OMB) guidance<sup>14</sup> is based on the percentage by which the CPI for October 2024 exceeds the CPI for October 2023. The OMB set forth guidance, as required by the 2015 Act,<sup>15</sup> with a multiplier for calculating the new CMP values.<sup>16</sup> The 2024 OMB multiplier for the 2025 CMPs is 1.02598.

The adjustment also affects the CMPs set by the Flood Disaster Protection Act of 1973, as amended. The adjustment multiplier is the same for all FCA enforced CMPs, set at 1.02598. The maximum CMPs for violations were created in 2012 by the Biggert-Waters Act, which amended the Flood Disaster Protection Act of 1973.

#### 1. New Penalty Amount in § 622.61(a)(1)

The inflation-adjusted CMP currently in effect for violations of a final order occurring on or after January 15, 2024, is a maximum daily amount of \$2,830.<sup>17</sup> Multiplying the \$2,830 CMP by the 2024 OMB multiplier, 1.02598, yields a total of \$2,903.52. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the inflation-adjusted maximum increases to \$2,904. Thus, the new CMP maximum is \$2,904,

for violations that occur on or after January 15, 2025.

#### 2. New Penalty Amount in § 622.61(a)(2)

The inflation-adjusted CMP currently in effect for violations of the Farm Credit Act or regulations issued under the Farm Credit Act occurring on or after January 15, 2024, is a maximum daily amount of \$1,280.<sup>18</sup> Multiplying the \$1,280 CMP maximum by the 2024 OMB multiplier, 1.02598, yields a total of \$1,313.25. When that number is rounded as required by section 5(a) of the 1990 Act, as amended the inflation-adjusted maximum increases to \$1,313. Thus, the new CMP maximum is \$1,313, for violations that occur on or after January 15, 2025.

#### 3. New Penalty Amounts for Flood Insurance Violations Under § 622.61(b)

The existing maximum CMP for a pattern or practice of flood insurance violations pursuant to 42 U.S.C. 4012a(f)(5) occurring on or after January 15, 2024, is \$2,661. Multiplying \$2,661 by the 2024 OMB multiplier, 1.02598, yields a total of \$2,730.13. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the new maximum assessment of the CMP for violating 42 U.S.C. 4012a(f)(5) is \$2,730. Thus, the new CMP maximum is \$2,730, for violations that occur on or after January 15, 2025.

## IV. Notice and Comment Not Required by the Administrative Procedure Act

Section 4(b)(2) of the 1990 Act, as amended by section 701 of the 2015 Act (28 U.S.C. 2461 note), provides an exemption from the Administrative Procedure Act notice and comment requirements in 5 U.S.C. 553. Further, these revisions are ministerial, technical, and noncontroversial. For these reasons, the FCA has determined to adopt this rule in final form.

## V. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the FCA hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities. Each of the banks in the System, considered together with its affiliated associations, has assets and annual income in excess of the amounts that would qualify them as small entities. Therefore, System institutions are not “small entities” as defined in the Regulatory Flexibility Act.

## List of Subjects in 12 CFR Part 622

Administrative practice and procedure, Crime, Investigations, Penalties.

For the reasons stated in the preamble, part 622 of chapter VI, title 12 of the Code of Federal Regulations is amended to read as follows:

## PART 622—RULES OF PRACTICE AND PROCEDURE

■ 1. The authority citation for part 622 continues to read as follows:

**Authority:** Secs. 5.9, 5.10, 5.17, 5.25–5.37 of the Farm Credit Act (12 U.S.C. 2243, 2244, 2252, 2261–2273); 28 U.S.C. 2461 note; and 42 U.S.C. 4012a(f).

■ 2. Revise § 622.61 to read as follows:

### § 622.61 Adjustment of civil money penalties by the rate of inflation under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended.

(a) The maximum amount of each civil money penalty within FCA’s jurisdiction is adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended (28 U.S.C. 2461 *note*), as follows:

(1) Amount of civil money penalty imposed under section 5.32 of the Act for violation of a final order issued under section 5.25 or 5.26 of the Act: The maximum daily amount is \$2,904 for violations that occur on or after January 15, 2025.

(2) Amount of civil money penalty for violation of the Act or regulations: the maximum daily amount is \$1,313 for each violation that occurs on or after January 15, 2025.

(b) The maximum civil money penalty amount assessed under 42 U.S.C. 4012a(f) is \$2,730 for each violation that occurs on or after January 15, 2025, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year.

Dated: January 10, 2025.

Ashley Waldron,

Secretary to the Board, Farm Credit Administration.

[FR Doc. 2025–00963 Filed 1–14–25; 8:45 am]

BILLING CODE 6705–01–P

## NATIONAL CREDIT UNION ADMINISTRATION

### 12 CFR Part 747

RIN 3133–AF65

### Civil Monetary Penalty Inflation Adjustment

**AGENCY:** National Credit Union Administration (NCUA).

<sup>12</sup> Pursuant to section 5(a)(3) of the 2015 Act, any increase determined under the subsection shall be rounded to the nearest \$1.

<sup>13</sup> Pursuant to section 4(d) of the 1990 Act, as amended.

<sup>14</sup> OMB Circular M–25–02, Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

<sup>15</sup> 28 U.S.C. 2461 *note*, section 7(a).

<sup>16</sup> OMB Circular M–25–02, Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

<sup>17</sup> 12 CFR 622.61(a)(1).

<sup>18</sup> 12 CFR 622.61(a)(2).

**ACTION:** Final rule.

**SUMMARY:** The NCUA Board (Board) is amending its regulations to adjust the maximum amount of each civil monetary penalty (CMP) within its jurisdiction to account for inflation. This action, including the amount of the adjustments, is required under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

**DATES:** This final rule is effective January 15, 2025.

**FOR FURTHER INFORMATION CONTACT:** Gira Bose, Senior Staff Attorney, at 1775 Duke Street, Alexandria, VA 22314, via email at [gbose@ncua.gov](mailto:gbose@ncua.gov), or by telephone at (703) 518-6562.

**SUPPLEMENTARY INFORMATION:**

- I. Legal Background
- II. Regulatory Procedures

**I. Legal Background****A. Statutory Requirements**

Every Federal agency, including the NCUA, is required by law to adjust its maximum CMP amounts each year to account for inflation. Prior to this being an annual requirement, agencies were required to adjust their CMPs at least once every four years. The previous four-year requirement stemmed from the Debt Collection Improvement Act of 1996,<sup>1</sup> which amended the Federal Civil Penalties Inflation Adjustment Act of 1990.<sup>2</sup>

The current annual requirement stems from the Bipartisan Budget Act of 2015,<sup>3</sup> which contains the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (the 2015 amendments).<sup>4</sup> This legislation provided for an initial “catch-up” adjustment of CMPs in 2016, followed by annual adjustments. The catch-up adjustment reset CMP maximum amounts by setting aside the inflation adjustments that agencies made in prior years and instead calculated inflation with reference to the year when each CMP was enacted or last modified by Congress. Agencies were required to publish their catch-up adjustments in an interim final rule by July 1, 2016, and

make them effective by August 1, 2016.<sup>5</sup> The NCUA complied with these requirements in a June 2016 interim final rule, followed by a November 2016 final rule to confirm the adjustments as final.<sup>6</sup>

The 2015 amendments also specified how agencies must conduct annual inflation adjustments after the 2016 catch-up adjustment. Following the catch-up adjustment, agencies must make the required adjustments and publish them in the **Federal Register** by January 15 each year.<sup>7</sup> For 2017, the NCUA issued an interim final rule on January 6, 2017,<sup>8</sup> followed by a final rule issued on June 23, 2017.<sup>9</sup> For each of the years 2018 through 2024, the NCUA issued a final rule to satisfy the agency’s annual requirements.<sup>10</sup> This final rule satisfies the agency’s requirement for the 2025 annual adjustment.

The law provides that the adjustments shall be made notwithstanding the section of the Administrative Procedure Act (APA) that requires prior notice and public comment for agency rulemaking.<sup>11</sup> The 2015 amendments also specify that each CMP maximum must be increased by the percentage by which the consumer price index for urban consumers (CPI-U)<sup>12</sup> for October of the year immediately preceding the year the adjustment is made exceeds the CPI-U for October of the prior year.<sup>13</sup> Thus, for the adjustment to be made in 2025, an agency must compare the October 2023 and October 2024 CPI-U figures.

An annual adjustment under the 2015 amendments is not required if a CMP has been amended in the preceding 12 months pursuant to other authority. Specifically, the statute provides that an agency is not required to make an annual adjustment to a CMP if in the preceding 12 months it has been increased by an amount greater than the

annual adjustment required by the 2015 amendments.<sup>14</sup> The NCUA did not make any adjustments in the preceding 12 months pursuant to other authority. Therefore, this rulemaking adjusts all of the NCUA’s CMPs pursuant to the 2015 amendments.

**B. Application to the 2025 Adjustments and Office of Management and Budget Guidance**

This section applies the statutory requirements and the Office of Management and Budget’s (OMB) guidance to the NCUA’s CMPs and sets forth the Board’s calculation of the 2025 adjustments.

The 2015 amendments directed OMB to issue guidance to agencies on implementing the inflation adjustments.<sup>15</sup> OMB is required to issue its guidance each December and, with respect to the 2025 annual adjustment, did so on December 17, 2024.<sup>16</sup> For 2025, Federal agencies must adjust the maximum amounts of their CMPs by the percentage by which the October 2024 CPI-U (315.664) exceeds the October 2023 CPI-U (307.671). The resulting increase can be expressed as an inflation multiplier (1.02598) to apply to each current CMP maximum amount to determine the adjusted maximum. The OMB guidance also addresses rulemaking procedures and agency reporting and oversight requirements for CMPs.<sup>17</sup>

The following table presents the adjustment calculations. The current maximums are found at 12 CFR 747.1001, as adjusted by the final rule that the Board approved in January 2024. This amount is multiplied by the inflation multiplier to calculate the new maximum in the far-right column. Only these adjusted maximum amounts, and not the calculations, will be codified at 12 CFR 747.1001 under this final rule. The adjusted amounts will be effective upon publication in the **Federal Register** and can be applied to violations that occurred on or after November 2, 2015, the date the 2015 amendments were enacted.<sup>18</sup>

<sup>14</sup> Public Law 114–74, Sec. 701(b)(1), 129 Stat. 584, 600 (Nov. 2, 2015).

<sup>15</sup> Public Law 114–74, Sec. 701(b)(4), 129 Stat. 584, 601 (Nov. 2, 2015).

<sup>16</sup> See OMB Memorandum M–25–02, Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Dec. 17, 2024).

<sup>17</sup> *Id.*

<sup>18</sup> Public Law 114–74, 129 Stat. 600 (Nov. 2, 2015).

<sup>1</sup> Public Law 104–134, Sec. 31001(s), 110 Stat. 1321–373 (Apr. 26, 1996). The law is codified at 28 U.S.C. 2461 note.

<sup>2</sup> Public Law 101–410, 104 Stat. 890 (Oct. 5, 1990), codified at 28 U.S.C. 2461 note.

<sup>3</sup> Public Law 114–74, 129 Stat. 584 (Nov. 2, 2015).

<sup>4</sup> 129 Stat. 599.

<sup>5</sup> Public Law 114–74, Sec. 701(b)(1), 129 Stat. 584, 599 (Nov. 2, 2015).

<sup>6</sup> 81 FR 40152 (June 21, 2016); 81 FR 78028 (Nov. 7, 2016).

<sup>7</sup> Public Law 114–74, Sec. 701(b)(1), 129 Stat. 584, 599 (Nov. 2, 2015).

<sup>8</sup> 82 FR 7640 (Jan. 23, 2017).

<sup>9</sup> 82 FR 29710 (June 30, 2017).

<sup>10</sup> 83 FR 2029 (Jan. 16, 2018); 84 FR 2052 (Feb. 6, 2019); 85 FR 2009 (Jan. 14, 2020); 86 FR 933 (Jan. 7, 2021); 87 FR 377 (Jan. 5, 2022); 88 FR 1323 (Jan. 10, 2023); 89 FR 1441 (Jan. 10, 2024).

<sup>11</sup> Public Law 114–74, Sec. 701(b)(1), 129 Stat. 584, 599 (Nov. 2, 2015).

<sup>12</sup> This index is published by the Department of Labor, Bureau of Labor Statistics, and is available at its website: <https://www.bls.gov/cpi/>.

<sup>13</sup> Public Law 114–74, Sec. 701(b)(2)(B), 129 Stat. 584, 600 (Nov. 2, 2015).

TABLE—CALCULATION OF MAXIMUM CMP ADJUSTMENTS

Citation	Description and tier <sup>19</sup>	Current maximum (\$)	Multiplier	Adjusted maximum (\$) (current maximum X multiplier, rounded to nearest dollar)
12 U.S.C. 1782(a)(3) .....	Inadvertent failure to submit a report or the inadvertent submission of a false or misleading report.	4,899 .....	1.02598	5,026.
12 U.S.C. 1782(a)(3) .....	Non-inadvertent failure to submit a report or the non-inadvertent submission of a false or misleading report.	48,992 .....	1.02598	50,265.
12 U.S.C. 1782(a)(3) .....	Failure to submit a report or the submission of a false or misleading report done knowingly or with reckless disregard.	Lesser of 2,449,575 or 1% of total credit union (CU) assets.	1.02598	Lesser of 2,513,215 or 1% of total CU assets.
12 U.S.C. 1782(d)(2)(A) .....	Tier 1 CMP for inadvertent failure to submit certified statement of insured shares and charges due to the National Credit Union Share Insurance Fund (NCUSIF), or inadvertent submission of false or misleading statement.	4,480 .....	1.02598	4,596.
12 U.S.C. 1782(d)(2)(B) .....	Tier 2 CMP for non-inadvertent failure to submit certified statement or submission of false or misleading statement.	44,783 .....	1.02598	45,946.
12 U.S.C. 1782(d)(2)(C) .....	Tier 3 CMP for failure to submit a certified statement or the submission of a false or misleading statement done knowingly or with reckless disregard.	Lesser of 2,239,210 or 1% of total CU assets.	1.02598	Lesser of 2,297,385 or 1% of total CU assets.
12 U.S.C. 1785(a)(3) .....	Non-compliance with insurance logo requirements .....	153 .....	1.02598	157.
12 U.S.C. 1785(e)(3) .....	Non-compliance with NCUA security requirements .....	356 .....	1.02598	365.
12 U.S.C. 1786(k)(2)(A) .....	Tier 1 CMP for violations of law, regulation, and other orders or agreements.	12,249 .....	1.02598	12,567.
12 U.S.C. 1786(k)(2)(B) .....	Tier 2 CMP for violations of law, regulation, and other orders or agreements and for recklessly engaging in unsafe or unsound practices or breaches of fiduciary duty.	61,238 .....	1.02598	62,829.
12 U.S.C. 1786(k)(2)(C) .....	Tier 3 CMP for knowingly committing the violations under Tier 1 or 2 (natural person).	2,449,575 .....	1.02598	2,513,215.
12 U.S.C. 1786(k)(2)(C) .....	Tier 3 CMP for knowingly committing the violations under Tier 1 or 2 (insured credit union).	Lesser of 2,449,575 or 1% of total CU assets.	1.02598	Lesser of 2,513,215 or 1% of total CU assets.
12 U.S.C. 1786(w)(5)(A)(ii) .....	Non-compliance with senior examiner post-employment restrictions.	402,920 .....	1.02598	413,388.
15 U.S.C. 1639e(k) .....	Non-compliance with appraisal independence standards (first violation).	14,069 .....	1.02598	14,435.
15 U.S.C. 1639e(k) .....	Subsequent violations of the same .....	28,135 .....	1.02598	28,866.
42 U.S.C. 4012a(f)(5) .....	Non-compliance with flood insurance requirements .....	2,661 .....	1.02598	2,730.

## II. Regulatory Procedures

### A. Final Rule Under the APA

In the 2015 amendments, Congress provided that agencies shall make the required inflation adjustments in 2017 and subsequent years notwithstanding 5 U.S.C. 553, which generally requires agencies to follow notice-and-comment procedures in rulemaking and to make rules effective no sooner than 30 days after publication in the **Federal Register**.<sup>20</sup> The 2015 amendments provide a clear exception to these requirements.<sup>21</sup> In addition, the Board finds that notice-and-comment procedures would be impracticable and unnecessary under the APA because of the largely ministerial and technical nature of the final rule, which affords agencies limited discretion in promulgating the rule, and the statutory

deadline for making the adjustments.<sup>22</sup> In these circumstances, the Board finds good cause to issue a final rule without issuing a notice of proposed rulemaking or soliciting public comments. The Board also finds good cause to make the final rule effective upon publication because of the statutory deadline. Accordingly, this final rule is issued without prior notice and comment and will become effective immediately upon publication.

### B. Regulatory Flexibility Act

The Regulatory Flexibility Act (RFA) generally requires that when an agency issues a proposed rule or a final rule pursuant to the APA<sup>23</sup> or another law, the agency must prepare a regulatory flexibility analysis that meets the requirements of the RFA and publish such analysis in the **Federal Register**.<sup>24</sup>

Specifically, the RFA normally requires agencies to describe the impact of a rulemaking on small entities by providing a regulatory impact analysis. For purposes of the RFA, the Board considers federally insured credit unions with assets less than \$100 million to be small entities.<sup>25</sup>

As discussed previously, consistent with the APA, the Board has determined for good cause that general notice and opportunity for public comment is unnecessary, and therefore the Board is not issuing a notice of proposed rulemaking.<sup>26</sup> Rules that are exempt from notice and comment procedures are also exempt from the RFA requirements, including conducting a regulatory flexibility analysis, when among other things the agency for good cause finds that notice and public procedure are impracticable, unnecessary, or contrary to the public interest.

Accordingly, the Board has concluded that the RFA's requirements relating to

<sup>19</sup> The table uses condensed descriptions of CMP tiers. Refer to the U.S. Code citations for complete descriptions.

<sup>20</sup> Public Law 114–74, Sec. 701(b)(1), 129 Stat. 584, 599 (Nov. 2, 2015).

<sup>21</sup> See 5 U.S.C. 559; *Asiana Airlines v. Fed. Aviation Admin.*, 134 F.3d 393, 396–99 (D.C. Cir. 1998).

<sup>22</sup> 5 U.S.C. 553(b)(3)(B); see *Mid-Tex. Elec. Co-op., Inc. v. Fed. Energy Regulatory Comm'n*, 822 F.2d 1123 (D.C. Cir. 1987). For the same reasons, this final rule does not include the usual 60-day comment period under NCUA Interpretive Ruling and Policy Statement (IRPS) 87–2, as amended by IRPS 03–2 and 15–1 (Sept. 24, 2015).

<sup>23</sup> 5 U.S.C. 553(b).

<sup>24</sup> 5 U.S.C. 603, 604.

<sup>25</sup> NCUA IRPS 15–1.

<sup>26</sup> 5 U.S.C. 553(b)(3)(B).

initial and final regulatory flexibility analysis do not apply.

Nevertheless, the Board notes that this final rule will not have a significant economic impact on a substantial number of small credit unions because it affects only the maximum amounts of CMPs that may be assessed in individual cases, which are not numerous and generally do not involve assessments at the maximum level. In addition, several of the CMPs are limited to a percentage of a credit union's assets. Finally, in assessing CMPs, the Board generally must consider a party's financial resources.<sup>27</sup> Because this final rule will affect few, if any, small credit unions, the Board certifies that the final rule will not have a significant economic impact on a substantial number of small entities.

#### C. Paperwork Reduction Act

The Paperwork Reduction Act of 1995 (PRA) applies to rulemakings in which an agency creates a new paperwork burden on regulated entities or modifies an existing burden.<sup>28</sup> For purposes of the PRA, a paperwork burden may take the form of either a reporting or a recordkeeping requirement, both referred to as information collections. This final rule adjusts the maximum amounts of certain CMPs that the Board may assess against individuals, entities, or credit unions but does not require any reporting or recordkeeping. Therefore, this final rule will not create new paperwork burdens or modify any existing paperwork burdens.

#### D. Executive Order 13132

Executive Order 13132 encourages independent regulatory agencies to consider the impact of their actions on state and local interests. In adherence to fundamental federalism principles, the NCUA, an independent regulatory agency as defined in 44 U.S.C. 3502(5), voluntarily complies with the executive order. This final rule adjusts the maximum amounts of certain CMPs that the Board may assess against individuals, entities, and federally insured credit unions, including state-chartered credit unions. However, the final rule does not create any new

authority or alter the underlying statutory authorities that enable the Board to assess CMPs. Accordingly, this final rule will not have a substantial direct effect on the states, on the connection between the national government and the states, or on the distribution of power and responsibilities among the various levels of government. The Board has determined that this final rule does not constitute a policy that has federalism implications for purposes of the executive order.

#### E. Assessment of Federal Regulations and Policies on Families

The Board has determined that this final rule will not affect family well-being within the meaning of Section 654 of the Treasury and General Government Appropriations Act, 1999.<sup>29</sup>

#### F. Congressional Review Act

For purposes of the Congressional Review Act,<sup>30</sup> the OMB determines whether a final rule constitutes a "major rule." If the OMB deems a rule to be a "major rule," the Congressional Review Act generally provides that the rule may not take effect until at least 60 days following its publication. As required by the Congressional Review Act, the Board submitted the final rule and other appropriate reports to the OMB which determined that this rule is not a "major rule." The Board will also be submitting this rule to Congress and the Government Accountability Office for review.

The Congressional Review Act defines a "major rule" as any rule that the Administrator of the Office of Information and Regulatory Affairs of the OMB finds has resulted in or is likely to result in (A) an annual effect on the economy of \$100,000,000 or more; (B) a major increase in costs or prices for consumers, individual industries, Federal, State, or local government agencies or geographic regions; or (C) significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based enterprises to compete with foreign-

based enterprises in domestic and export markets.<sup>31</sup>

For the reasons previously stated, the Board is adopting the final rule without the delayed effective date generally prescribed under the Congressional Review Act. The delayed effective date required by the Congressional Review Act does not apply to any rule for which an agency for good cause finds (and incorporates the finding and a brief statement of reasons therefor in the rule issued) that notice and public procedures thereon are impracticable, unnecessary, or contrary to the public interest.<sup>32</sup>

#### List of Subjects in 12 CFR Part 747

Civil monetary penalties, Credit unions.

By the National Credit Union Administration Board on January 10, 2025.

**Ji Kwon,**

*Acting Secretary of the Board.*

For the reasons stated in the preamble, the Board amends 12 CFR part 747 as follows:

#### PART 747—ADMINISTRATIVE ACTIONS, ADJUDICATIVE HEARINGS, RULES OF PRACTICE AND PROCEDURE, AND INVESTIGATIONS

■ 1. The authority for part 747 continues to read as follows:

**Authority:** 12 U.S.C. 1766, 1782, 1784, 1785, 1786, 1787, 1790a, 1790d; 15 U.S.C. 1639e; 42 U.S.C. 4012a; Public Law 101–410; Public Law 104–134; Public Law 109–351; Public Law 114–74.

■ 2. Revise § 747.1001 to read as follows:

#### § 747.1001 Adjustment of civil monetary penalties by the rate of inflation.

(a) The NCUA is required by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101–410, 104 Stat. 890, as amended (28 U.S.C. 2461 note)), to adjust the maximum amount of each civil monetary penalty (CMP) within its jurisdiction by the rate of inflation. The following chart displays those adjusted amounts, as calculated pursuant to the statute:

U.S. Code citation	CMP description	New maximum amount
(1) 12 U.S.C. 1782(a)(3) .....	Inadvertent failure to submit a report or the inadvertent submission of a false or misleading report.	\$5,026.
(2) 12 U.S.C. 1782(a)(3) .....	Non-inadvertent failure to submit a report or the non-inadvertent submission of a false or misleading report.	\$50,265.
(3) 12 U.S.C. 1782(a)(3) .....	Failure to submit a report or the submission of a false or misleading report done knowingly or with reckless disregard.	\$2,513,215 or 1% of the total assets of the credit union, whichever is less.

<sup>27</sup> 12 U.S.C. 1786(k)(2)(G)(i).

<sup>28</sup> 44 U.S.C. 3507(d); 5 CFR part 1320.

<sup>29</sup> Public Law 105–277, 112 Stat. 2681 (Oct. 21, 1998).

<sup>30</sup> 5 U.S.C. 801–808.

<sup>31</sup> 5 U.S.C. 804(2).

<sup>32</sup> 5 U.S.C. 808.

U.S. Code citation	CMP description	New maximum amount
(4) 12 U.S.C. 1782(d)(2)(A) .....	Tier 1 CMP for inadvertent failure to submit certified statement of insured shares and charges due to the National Credit Union Share Insurance Fund (NCUSIF), or inadvertent submission of false or misleading statement.	\$4,596.
(5) 12 U.S.C. 1782(d)(2)(B) .....	Tier 2 CMP for non-inadvertent failure to submit certified statement or submission of false or misleading statement.	\$45,946.
(6) 12 U.S.C. 1782(d)(2)(C) .....	Tier 3 CMP for failure to submit a certified statement or the submission of a false or misleading statement done knowingly or with reckless disregard.	\$2,297,385 or 1% of the total assets of the credit union, whichever is less.
(7) 12 U.S.C. 1785(a)(3) .....	Non-compliance with insurance logo requirements .....	\$157.
(8) 12 U.S.C. 1785(e)(3) .....	Non-compliance with NCUA security requirements .....	\$365.
(9) 12 U.S.C. 1786(k)(2)(A) .....	Tier 1 CMP for violations of law, regulation, and other orders or agreements ..	\$12,567.
(10) 12 U.S.C. 1786(k)(2)(B) .....	Tier 2 CMP for violations of law, regulation, and other orders or agreements and for recklessly engaging in unsafe or unsound practices or breaches of fiduciary duty.	\$62,829.
(11) 12 U.S.C. 1786(k)(2)(C) .....	Tier 3 CMP for knowingly committing the violations under Tier 1 or 2 (natural person).	\$2,513,215.
(12) 12 U.S.C. 1786(k)(2)(C) .....	Tier 3 CMP for knowingly committing the violations under Tier 1 or 2 (insured credit union).	\$2,513,215 or 1% of the total assets of the credit union, whichever is less.
(13) 12 U.S.C. 1786(w)(5)(A)(ii) .....	Non-compliance with senior examiner post-employment restrictions .....	\$413,388.
(14) 15 U.S.C. 1639e(k) .....	Non-compliance with appraisal independence requirements .....	First violation: \$14,435 Subsequent violations: \$28,866.
(15) 42 U.S.C. 4012a(f)(5) .....	Non-compliance with flood insurance requirements .....	\$2,730.

(b) The adjusted amounts displayed in paragraph (a) of this section apply to civil monetary penalties that are assessed after the date the increase takes effect, including those whose associated violation or violations pre-dated the increase and occurred on or after November 2, 2015.

[FR Doc. 2025-00737 Filed 1-14-25; 8:45 am]

BILLING CODE 7535-01-P

## CONSUMER FINANCIAL PROTECTION BUREAU

### 12 CFR Part 1026

[Docket No. CFPB-2024-0032]

#### Truth in Lending (Regulation Z); Consumer Credit Offered to Borrowers in Advance of Expected Receipt of Compensation for Work

**AGENCY:** Consumer Financial Protection Bureau.

**ACTION:** Advisory opinion rescinding previous advisory opinion.

**SUMMARY:** The Consumer Financial Protection Bureau (CFPB) is issuing this advisory opinion to rescind an advisory opinion it issued in November 2020 that described how one particular type of “earned wage” product does not involve the offering or extension of “credit” as that term is defined in the Truth in Lending Act and Regulation Z.

**DATES:** This advisory opinion is applicable January 15, 2025.

**FOR FURTHER INFORMATION CONTACT:** George Karithanom, Regulatory Implementation & Guidance Program Analyst, Office of Regulations, at 202-435-7700 or at: <https://reginquiries.consumerfinance.gov/>. If you require this document in an

alternative electronic format, please contact [CFPB\\_Accessibility@cfpb.gov](mailto:CFPB_Accessibility@cfpb.gov).

#### SUPPLEMENTARY INFORMATION:

##### I. Advisory Opinion

###### A. Background

One major source of demand for consumer credit is derived from the mismatch of when American workers receive compensation for their labor and when they incur expenses. While there have long been sources of credit for consumers to pay expenses in advance of receiving their compensation, there are a number of new offerings that seek to provide additional choices for consumers.

Instead of being paid daily or upfront, American workers generally provide services before employers pay for those services some time later—typically on a biweekly or semi-monthly wage cycle.<sup>1</sup> Employers have a strong incentive to delay payment, since these delays reduce working capital needs. Nearly three-quarters of non-farm payroll employees remain paid biweekly or even less frequently, and the remainder are generally paid their wages weekly. To address liquidity challenges, many consumers therefore turn to credit products, such as payday loans, personal installment loans, and credit cards. In recent years, American consumers have significantly expanded their use of products sometimes marketed as “earned wage access” or “earned wage advance.”<sup>2</sup> As these

<sup>1</sup> While the terms “employer” and “employee” are used throughout, this advisory opinion applies more broadly to situations where consumers receive payment for work performed.

<sup>2</sup> A recent CFPB report describes rapid recent growth in one part of this developing market. See CFPB, *Developments in the Paycheck Advance Market*, at 3 (July 2024) (hereinafter *2024 Paycheck Advance Report*).

paycheck advance products generally have features that make them subject to the CFPB’s jurisdiction, the CFPB has sought to understand these and other products, particularly those offered online, by engaging in ongoing monitoring of the market, including, for example, collecting and analyzing data, engaging with stakeholders (e.g., market participants, consumer groups, and States), tracking and studying market developments, and conducting market research, among other things.

While many of these products have similarities to payday loans, there are important distinctions. The CFPB has found that there are two emerging models of earned wage products: employer-partnered and direct-to-consumer.

For “employer-partnered” products, providers contract with employers to offer funds in amounts not exceeding accrued wages. Those funds are recovered via one or more payroll deductions, lowering the consumer’s paychecks accordingly, with other recourse options generally unavailable to the provider. In contrast, “direct-to-consumer” products provide funds to employees in amounts that are not as strictly limited by accrued wages. Some of these products limit advances to an amount *estimated* to be below accrued wages and do not consider other factors. Others consider estimated accrued wages as one of several factors when determining the amount to advance. Still others do not expressly state that estimated accrued wages are a factor considered despite being marketed as earned wage products. Regardless of the exact model, funds are generally recovered via automated withdrawal