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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## CONSUMER FINANCIAL PROTECTION BUREAU

### 12 CFR Part 1083

#### Civil Penalty Inflation Adjustments

**AGENCY:** Consumer Financial Protection Bureau.

**ACTION:** Final rule.

**SUMMARY:** The Consumer Financial Protection Bureau (CFPB) is adjusting for inflation the maximum amount of each civil penalty within the CFPB's jurisdiction. These adjustments are required by the Federal Civil Penalties Inflation Adjustment Act of 1990 (Inflation Adjustment Act), as amended by the Debt Collection Improvement Act of 1996 and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015. The inflation adjustments mandated by the Inflation Adjustment Act serve to maintain the deterrent effect of civil penalties and to promote compliance with the law.

**DATES:** This final rule is effective January 15, 2024.

**FOR FURTHER INFORMATION CONTACT:** Anna Boadwee and Adrien Fernandez, Attorney-Advisors, Office of Regulations, at (202) 435-7700. If you require this document in an alternative electronic format, please contact [CFPB\\_Accessibility@cfpb.gov](mailto:CFPB_Accessibility@cfpb.gov).

#### SUPPLEMENTARY INFORMATION:

#### I. Background

The Inflation Adjustment Act,<sup>1</sup> as amended by the Debt Collection Improvement Act of 1996<sup>2</sup> and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements

Act of 2015,<sup>3</sup> directs Federal agencies to adjust the civil penalty amounts within their jurisdictions for inflation not later than July 1, 2016, and then not later than January 15 every year thereafter.<sup>4</sup> Each agency was required to make the 2016 one-time catch-up adjustments through an interim final rule published in the **Federal Register**. On June 14, 2016, the CFPB published its interim final rule (IFR) to make the initial catch-up adjustments to civil penalties within the CFPB's jurisdiction.<sup>5</sup> The June 2016 IFR created a new part 1083 and in § 1083.1 established the inflation-adjusted maximum amounts for each civil penalty within the CFPB's jurisdiction.<sup>6</sup> The CFPB finalized the IFR on January 31, 2019.<sup>7</sup>

The Inflation Adjustment Act also requires subsequent adjustments to be made annually, not later than January 15, and notwithstanding section 553 of the Administrative Procedure Act (APA).<sup>8</sup> The CFPB annually adjusted its civil penalty amounts, as required by the Act.<sup>9</sup>

Specifically, the Inflation Adjustment Act directs Federal agencies to adjust

<sup>3</sup> Public Law 114-74, sec. 701, 129 Stat. 584, 599.

<sup>4</sup> Section 1301(a) of the Federal Reports Elimination Act of 1998, Public Law 105-362, 112 Stat. 3293, also amended the Inflation Adjustment Act by striking section 6, which contained annual reporting requirements, and redesignating section 7 as section 6, but did not alter the civil penalty adjustment requirements; 28 U.S.C. 2461 note.

<sup>5</sup> 81 FR 38569 (June 14, 2016). Although the CFPB was not obligated to solicit comment for the interim final rule, the CFPB invited public comment and received none.

<sup>6</sup> See 12 CFR 1083.1.

<sup>7</sup> 84 FR 517 (Jan. 31, 2019).

<sup>8</sup> Inflation Adjustment Act section 4, codified at 28 U.S.C. 2461 note. As discussed in guidance issued by the Director of the Office of Management and Budget (OMB), the APA generally requires notice, an opportunity for comment, and a delay in effective date for certain rulemakings, but the Inflation Adjustment Act provides that these procedures are not required for agencies to issue regulations implementing the annual adjustment. See Memorandum for the Heads of Exec. Dep'ts & Agencies from Shalanda D. Young, Director, Implementation of Penalty Inflation Adjustments for 2023, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Off. of Mgmt. & Budget (Dec. 19, 2023), available at <https://www.whitehouse.gov/wp-content/uploads/2023/12/M-24-07-Implementation-of-Penalty-Inflation-Adjustments-for-2024.pdf>.

<sup>9</sup> See 82 FR 3601 (Jan. 12, 2017); 83 FR 1525 (Jan. 12, 2018); 84 FR 517 (Jan. 31, 2019); 85 FR 2012 (Jan. 14, 2020); 86 FR 3767 (Jan. 15, 2021); 87 FR 2314 (Jan. 14, 2022); 88 FR 1 (Jan. 3, 2023).

annually each civil penalty provided by law within the jurisdiction of each agency by the “cost-of-living adjustment.”<sup>10</sup> The “cost-of-living adjustment” is defined as the percentage (if any) by which the Consumer Price Index for All Urban Consumers (CPI-U) for the month of October preceding the date of the adjustment, exceeds the CPI-U for October of the prior year.<sup>11</sup> The Director of the Office of Management and Budget (OMB) is required to issue guidance (OMB Guidance) every year by December 15 to agencies on implementing the annual civil penalty inflation adjustments. Pursuant to the Inflation Adjustment Act and OMB Guidance, agencies must apply the multiplier reflecting the “cost-of-living adjustment” to the current penalty amount and then round that amount to the nearest dollar to determine the annual adjustments.<sup>12</sup> The adjustments are designed to keep pace with inflation so that civil penalties retain their deterrent effect and promote compliance with the law.<sup>13</sup>

For the 2024 annual adjustment, the multiplier reflecting the “cost-of-living adjustment” is 1.03241.

#### II. Adjustment

Pursuant to the Inflation Adjustment Act and OMB Guidance, the CFPB multiplied each of its civil penalty amounts by the “cost-of-living adjustment” multiplier and rounded to the nearest dollar.<sup>14</sup> The new penalty amounts that apply to civil penalties assessed after January 15, 2024 are as follows:

<sup>10</sup> Inflation Adjustment Act sections 4 and 5, codified at 28 U.S.C. 2461 note.

<sup>11</sup> Inflation Adjustment Act sections 3 and 5, codified at 28 U.S.C. 2461 note.

<sup>12</sup> Inflation Adjustment Act section 5, codified at 28 U.S.C. 2461 note; see also Memorandum for the Heads of Exec. Dep'ts & Agencies from Shalanda D. Young, Director, Implementation of Penalty Inflation Adjustments for 2023, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Off. of Mgmt. & Budget (Dec. 19, 2023), available at <https://www.whitehouse.gov/wp-content/uploads/2023/12/M-24-07-Implementation-of-Penalty-Inflation-Adjustments-for-2024.pdf>.

<sup>13</sup> See Inflation Adjustment Act section 2, codified at 28 U.S.C. 2461 note.

<sup>14</sup> Inflation Adjustment Act section 4, codified at 28 U.S.C. 2461 note.

<sup>1</sup> Public Law 101-410, 104 Stat. 890.

<sup>2</sup> Public Law 104-134, sec. 31001(s)(1), 110 Stat. 1321, 1321-373.

Law	Penalty description	Penalty amounts established under 2023 final rule	OMB "cost-of-living adjustment" multiplier	New penalty amount <sup>15</sup>
Consumer Financial Protection Act, 12 U.S.C. 5565(c)(2)(A).	Tier 1 penalty .....	\$6,813	1.03241	\$7,034
Consumer Financial Protection Act, 12 U.S.C. 5565(c)(2)(B).	Tier 2 penalty .....	34,065	1.03241	35,169
Consumer Financial Protection Act, 12 U.S.C. 5565(c)(2)(C).	Tier 3 penalty .....	1,362,567	1.03241	1,406,728
Interstate Land Sales Full Disclosure Act, 15 U.S.C. 1717a(a)(2).	Per violation .....	2,374	1.03241	2,451
Interstate Land Sales Full Disclosure Act, 15 U.S.C. 1717a(a)(2).	Annual cap .....	2,372,677	1.03241	2,449,575
Real Estate Settlement Procedures Act, 12 U.S.C. 2609(d)(1).	Per failure .....	111	1.03241	115
Real Estate Settlement Procedures Act, 12 U.S.C. 2609(d)(1).	Annual cap .....	223,229	1.03241	230,464
Real Estate Settlement Procedures Act, 12 U.S.C. 2609(d)(2)(A).	Per failure, where intentional .....	223	1.03241	230
SAFE Act, 12 U.S.C. 5113(d)(2) .....	Per violation .....	34,401	1.03241	35,516
Truth in Lending Act, 15 U.S.C. 1639e(k)(1) .....	First violation .....	13,627	1.03241	14,069
Truth in Lending Act, 15 U.S.C. 1639e(k)(2) .....	Subsequent violations .....	27,252	1.03241	28,135

**III. Procedural Requirements**

*A. Administrative Procedure Act*

Under the APA, notice and opportunity for public comment are not required if the CFPB finds that notice and public comment are impracticable, unnecessary, or contrary to the public interest.<sup>16</sup> The adjustments to the civil penalty amounts are technical and non-discretionary, and they merely apply the statutory method for adjusting civil penalty amounts. These adjustments are required by the Inflation Adjustment Act. Moreover, the Inflation Adjustment Act directs agencies to adjust civil penalties annually notwithstanding section 553 of the APA,<sup>17</sup> and OMB Guidance reaffirms that agencies need not complete a notice-and-comment process before making the annual adjustments for inflation.<sup>18</sup> For these reasons, the CFPB has determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary. The amendments therefore are adopted in final form.

Section 553(d) of the APA generally requires publication of a final rule not less than 30 days before its effective

date, except (1) a substantive rule which grants or recognizes an exemption or relieves a restriction; (2) interpretive rules and statements of policy; or (3) as otherwise provided by the agency for good cause found and published with the rule.<sup>19</sup> At minimum, the CFPB believes the annual adjustments to the civil penalty amounts in § 1083.1(a) fall under the third exception to section 553(d). The CFPB finds that there is good cause to make the amendments effective on January 15, 2024. The amendments to § 1083.1(a) in this final rule are technical and non-discretionary, and they merely apply the statutory method for adjusting civil penalty amounts and follow the statutory directive to make annual adjustments each year. Moreover, the Inflation Adjustment Act directs agencies to adjust the civil penalties annually notwithstanding section 553 of the APA,<sup>20</sup> and OMB Guidance reaffirms that agencies need not provide a delay in effective date for the annual adjustments for inflation.<sup>21</sup>

*B. Regulatory Flexibility Act*

The Regulatory Flexibility Act (RFA) does not apply to a rulemaking where a general notice of proposed rulemaking

is not required.<sup>22</sup> As noted previously, the CFPB has determined that it is unnecessary to publish a general notice of proposed rulemaking for this final rule. Accordingly, the RFA's requirements relating to an initial and final regulatory flexibility analysis do not apply.

*C. Paperwork Reduction Act*

In accordance with the Paperwork Reduction Act of 1995,<sup>23</sup> the CFPB reviewed this final rule. The CFPB has determined that this rule does not create any new information collections or substantially revise any existing collections.

*D. Congressional Review Act*

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the CFPB will submit a report containing this rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the United States prior to the rule taking effect. The Office of Information and Regulatory Affairs (OIRA) has designated this rule as not a "major rule" as defined by 5 U.S.C. 804(2).

**List of Subjects in 12 CFR Part 1083**

Administrative practice and procedure, Consumer protection, Penalties.

**Authority and Issuance**

For the reasons set forth in the preamble, the CFPB amends 12 CFR part 1083 as set forth below:

<sup>15</sup> Numbers may not multiply to totals shown because of rounding.

<sup>16</sup> 5 U.S.C. 553(b)(B).

<sup>17</sup> Inflation Adjustment Act section 4, codified at 28 U.S.C. 2461 note.

<sup>18</sup> Memorandum for the Heads of Exec. Dep'ts & Agencies from Shalanda D. Young, Director, Implementation of Penalty Inflation Adjustments for 2023, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Off. of Mgmt. & Budget (Dec. 19, 2023), available at <https://www.whitehouse.gov/wp-content/uploads/2023/12/M-24-07-Implementation-of-Penalty-Inflation-Adjustments-for-2024.pdf>.

<sup>19</sup> 5 U.S.C. 553(d).

<sup>20</sup> Inflation Adjustment Act section 4, codified at 28 U.S.C. 2461 note.

<sup>21</sup> Memorandum for the Heads of Exec. Dep'ts & Agencies from Shalanda D. Young, Director, Implementation of Penalty Inflation Adjustments for 2023, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Off. of Mgmt. & Budget (Dec. 19, 2023), available at <https://www.whitehouse.gov/wp-content/uploads/2023/12/M-24-07-Implementation-of-Penalty-Inflation-Adjustments-for-2024.pdf>.

<sup>22</sup> 5 U.S.C. 603(a), 604(a).

<sup>23</sup> 44 U.S.C. 3506; 5 CFR part 1320.

**PART 1083—CIVIL PENALTY ADJUSTMENTS**

■ 1. The authority citation for part 1083 continues to read as follows:

**Authority:** 12 U.S.C. 2609(d); 12 U.S.C. 5113(d)(2); 12 U.S.C. 5565(c); 15 U.S.C. 1639e(k); 15 U.S.C. 1717a(a); 28 U.S.C. 2461 note.

■ 2. Section 1083.1 is revised to read as follows:

**§ 1083.1 Adjustment of civil penalty amounts.**

(a) The maximum amount of each civil penalty within the jurisdiction of the Consumer Financial Protection Bureau to impose is adjusted in

accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of 1996 and further amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (28 U.S.C. 2461 note), as follows:

TABLE 1 TO PARAGRAPH (a)

Law	Penalty description	Adjusted maximum civil penalty amount
12 U.S.C. 5565(c)(2)(A)	Tier 1 penalty	\$7,034
12 U.S.C. 5565(c)(2)(B)	Tier 2 penalty	35,169
12 U.S.C. 5565(c)(2)(C)	Tier 3 penalty	1,406,728
15 U.S.C. 1717a(a)(2)	Per violation	2,451
15 U.S.C. 1717a(a)(2)	Annual cap	2,449,575
12 U.S.C. 2609(d)(1)	Per failure	115
12 U.S.C. 2609(d)(1)	Annual cap	230,464
12 U.S.C. 2609(d)(2)(A)	Per failure, where intentional	230
12 U.S.C. 5113(d)(2)	Per violation	35,516
15 U.S.C. 1639e(k)(1)	First violation	14,069
15 U.S.C. 1639e(k)(2)	Subsequent violations	28,135

(b) The adjustments in paragraph (a) of this section shall apply to civil penalties assessed after January 15, 2024, whose associated violations occurred on or after November 2, 2015.

**Brian Shearer,**  
Senior Advisor, Consumer Financial Protection Bureau.

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**BILLING CODE 4810-AM-P**

**DEPARTMENT OF TRANSPORTATION**

**Federal Aviation Administration**

**14 CFR Part 71**

[Docket No. FAA-2023-2114; **Airspace Docket No. 23-AEA-17**]

**RIN 2120-AA66**

**Amendment of Class E Airspace; Bedford, PA**

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule.

**SUMMARY:** This action amends the Class E airspace at Bedford, PA. This action is the result of an airspace review conducted due to the decommissioning of the St. Thomas very high frequency omnidirectional range (VOR) as part of the VOR Minimum Operating Network (MON) Program. This action brings the airspace into compliance with FAA orders to support instrument flight rule (IFR) operations.

**DATES:** Effective 0901 UTC, March 21, 2024. The Director of the Federal Register approves this incorporation by reference action under 1 CFR part 51, subject to the annual revision of FAA Order JO 7400.11 and publication of conforming amendments.

**ADDRESSES:** A copy of the Notice of Proposed Rulemaking (NPRM), all comments received, this final rule, and all background material may be viewed online at [www.regulations.gov](http://www.regulations.gov) using the FAA Docket number. Electronic retrieval help and guidelines are available on the website. It is available 24 hours each day, 365 days each year.

FAA Order JO 7400.11H, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at [www.faa.gov/air\\_traffic/publications/](http://www.faa.gov/air_traffic/publications/). You may also contact the Rules and Regulations Group, Office of Policy, Federal Aviation Administration, 800 Independence Avenue SW, Washington, DC 20591; telephone: (202) 267-8783.

**FOR FURTHER INFORMATION CONTACT:** Jeffrey Claypool, Federal Aviation Administration, Operations Support Group, Central Service Center, 10101 Hillwood Parkway, Fort Worth, TX 76177; telephone (817) 222-5711.

**SUPPLEMENTARY INFORMATION:**

**Authority for This Rulemaking**

The FAA's authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106 describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs,

describes in more detail the scope of the agency's authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it amends the Class E airspace extending upward from 700 feet above the surface at Bedford County Airport, Bedford, PA, to support IFR operations at this airport.

**History**

The FAA published an NPRM for Docket No. FAA-2023-2114 in the **Federal Register** (88 FR 76155; November 6, 2023) proposing to amend the Class E airspace at Bedford, PA. Interested parties were invited to participate in this rulemaking effort by submitting written comments on the proposal to the FAA. No comments were received.

**Incorporation by Reference**

Class E airspace designations are published in paragraph 6005 of FAA Order JO 7400.11, Airspace Designations and Reporting Points, which is incorporated by reference in 14 CFR 71.1 on an annual basis. This document amends the current version of that order, FAA Order JO 7400.11H, dated August 11, 2023, and effective September 15, 2023. FAA Order JO 7400.11H is publicly available as listed in the **ADDRESSES** section of this