

BCFP Proposes Revised Policy on No-action Letters

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The Bureau of Consumer Financial Protection released its proposed policy to rework the no-action letter process.

Congress has given the Bureau authority to issue no-action letters, which allow an individual or entity who is not certain whether a particular product or service violates consumer financial laws to seek assurance that the Bureau will not take legal action against it. In October 2014, the Bureau proposed its first policy on no-action letters, finalizing this policy in February 2016. The old policy structures no-action letters as non-binding staff level recommendations. The Bureau has issued only one such letter to date.

The Bureau is now proposing to revise the no-action letter process to increase the usefulness of such letters and bring greater certainty to the process. The proposed policy has two parts. Part I would streamline the application and review process, focusing on the persuasiveness of the application, the potential benefits of the product or service in question for consumers, the extent to which the applicant controls for risks to consumers, and the extent to which no-action relief is needed. In contrast to the old policy, the proposed policy would not require data sharing about the product or service in question or have a temporal limitation on the letter's validity. In addition, in contrast to the old policy, no-action letters would be issued by duly authorized officials of the Bureau to provide recipients greater assurance that the Bureau itself stands behind the no-action relief, rather than merely the Bureau's staff. Part II would create the "BCFP Product Sandbox," which would allow products and services to be tested for a limited duration without fear of regulatory penalties.

[Click here](#) to read the proposal.

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7037 Ridge Road, Suite 300, Hanover, Maryland 21076
410.684.3200

hudsoncook.com

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