(ii) A business combination between an eligible bank or an eligible savings association and an interim national bank or interim Federal savings association chartered in a transaction in which a person or group of persons exchanges its shares of the eligible bank or eligible savings association for shares of a newly formed holding company and receives after the transaction substantially the same proportional share interest in the holding company as it held in the eligible bank or eligible savings association (except for changes in interests resulting from the exercise of dissenters' rights), and the reorganization involves no other transactions involving the bank or savings association.

* * * * *

(i) *Expedited review for business reorganizations and streamlined applications.* A filing that qualifies as a business reorganization as defined in paragraph (d)(3) of this section, or a filing that qualifies as a streamlined application as described in paragraph (j) of this section, is deemed approved by the OCC as of the 15th day after the close of the comment period, unless the OCC notifies the filer that the filing is not eligible for expedited review, or the expedited review process is extended, under § 5.13(a)(2). An application under this paragraph must contain all necessary information for the OCC to determine if it qualifies as a business reorganization or streamlined application.

(j) *Streamlined applications.* (1) A filer may qualify for a streamlined business combination application in the following situations:

(i) At least one party to the transaction is an eligible bank or eligible savings association, and all other parties to the transaction are eligible banks, eligible savings associations, or eligible depository institutions, the resulting national bank or resulting Federal savings association will be well capitalized immediately following consummation of the transaction, and the total assets of the target institution are no more than 50 percent of the total assets of the acquiring bank or Federal savings association, as reported in each institution's Consolidated Report of Condition and Income filed for the quarter immediately preceding the filing of the application;

(ii) The acquiring bank or Federal savings association is an eligible bank or eligible savings association, the target bank or savings association is not an eligible bank, eligible savings association, or an eligible depository institution, the resulting national bank or resulting Federal savings association will be well capitalized immediately following consummation of the transaction, and the filers in a prefiling communication request and obtain approval from the appropriate OCC licensing office to use the streamlined application;

(iii) The acquiring bank or Federal savings association is an eligible bank or eligible savings association, the target bank or savings association is not an eligible bank, eligible savings association, or an eligible depository institution, the resulting bank or resulting Federal savings association will be well capitalized immediately following consummation of the transaction, and the total assets acquired do not exceed 10 percent of the total assets of the acquiring national bank or acquiring Federal savings association, as reported in each institution's Consolidated Report of Condition and Income filed for the quarter immediately preceding the filing of the application; or

(iv) In the case of a transaction under paragraph (g)(4) of this section, the acquiring bank is an eligible bank, the resulting national bank will be well capitalized immediately following consummation of the transaction, the filers in a prefiling communication request and obtain approval from the appropriate OCC licensing office to use the streamlined application, and the total assets acquired do not exceed 10 percent of the total assets of the acquiring national bank, as reported in the bank's Consolidated Report of Condition and Income filed for the quarter immediately preceding the filing of the application.

(2) Notwithstanding paragraph (j)(1) of this section, a filer does not qualify for a streamlined business combination application if the transaction is part of a conversion under part 192 of this chapter.

(3) When a business combination qualifies for a streamlined application, the filer should consult the Comptroller's Licensing Manual to determine the abbreviated application information required by the OCC. The OCC encourages prefiling communications between the filers and the appropriate OCC licensing office before filing under paragraph (j) of this section.

* * * * *

Appendix A to Subpart C of Part 5—[Removed]

■ 3. Remove appendix A to part 5, subpart C.

Stuart E. Feldstein,

Acting Principal Deputy Chief Counsel, Office of the Comptroller of the Currency.

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CONSUMER FINANCIAL PROTECTION BUREAU

12 CFR Chapter X

Authority of States To Enforce the Consumer Financial Protection Act of 2010; Rescission

AGENCY: Consumer Financial Protection Bureau.

ACTION: Interpretive rule.

SUMMARY: The Consumer Financial Protection Bureau (Bureau or CFPB) is rescinding its May 2022 interpretive rule regarding the scope of State enforcement under section 1042 of the Consumer Financial Protection Act of 2010 (CFPA) and related provisions.

DATES: As of May 15, 2025, the interpretive rule published at 87 FR 31940 (May 26, 2022) is withdrawn. This interpretive rule is effective on May 15, 2025.

FOR FURTHER INFORMATION CONTACT: George Karithanom, Regulatory Implementation and Guidance Program Analyst, Office of Regulations, at 202–435–7700. If you require this document in an alternative electronic format, please contact *CFPB_Accessiblity@cfpb.gov*.

SUPPLEMENTARY INFORMATION:

I. Background

Pursuant to the CFPA, the Bureau is the Federal Government's primary regulator of consumer financial products and services. However, the CFPA recognizes that the States continue to play a significant and important role in overseeing the consumer financial marketplace. *See* 12 U.S.C. 5552. On May 26, 2022, the Bureau issued an interpretive rule, *see* 87 FR 31940, ''to provide further clarity regarding the scope of State enforcement action under section 1042 and related provisions of the CFPA.'' Specifically, the Bureau clarified that: (1) section 1042 ''allows states to enforce any provision of the CFPA, including section 1036(a)(1)(A)''; (2) ''the limitations on the Bureau's authority in sections 1027 and 1029'' of the CFPA ''do not constrain States' enforcement authority under section 1042''; and (3) ''section 1042 does not restrict States

from bringing concurrent enforcement actions with the Bureau.'' These interpretations were improper. The Bureau is accordingly issuing this interpretive rule to rescind the May 26, 2022, interpretive rule, ''Authority of States to Enforce the Consumer Financial Protection Act of 2010,'' 87 FR 31940.

II. Analysis

A. Restoring Statutory Limits to States' Authority Under Section 1042

Section 1042 of the CFPA generally authorizes the States to ''bring a civil action or other appropriate proceeding to enforce the provisions of this title or regulations issued under this title . . .'' 12 U.S.C. 5552(a) (emphasis added); *see id.* (authorizing State attorneys general to ''enforce provisions of this title . . .''). The ''title'' referenced is title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act, also called the CFPA. State authority under section 1042 is therefore limited to actions to enforce the CFPA.

In the May 26, 2022, interpretive rule, the Bureau ignored this limitation and interpreted section 1042 to allow States to bring an action whenever ''a covered person or service provider violates *any* of the Federal consumer financial laws,'' not just the CFPA. Were this the case, however, the authorization under section 1042—that States may enforce *this title* and regulations promulgated pursuant thereto—would be surplusage. The Bureau believes a more appropriate interpretation of section 1042 is that it permits States, subject to the limitations imposed thereby, to enforce title X of Dodd-Frank (*i.e.,* the CFPA) and the regulations issued pursuant thereto. If Congress had intended the CFPA to permit States to enforce *any provision of any Federal consumer financial law,* it would have said so explicitly.

The Bureau emphasizes that, in rescinding the May 26, 2022, interpretive rule related to States' authority under the CFPA, it is not altering, limiting, or affecting the authority of States to take any action authorized by any separate provision of State or Federal law.

B. Preserving Limits on CFPA Enforcement Authorities

The interpretive rule also claimed that States' enforcement authority under section 1042 is not subject to the limits on the CFPB's enforcement authority under sections 1027 and 1029 of the CFPA. Under those sections, the CFPB is subject to limits on its enforcement authority with respect to certain entities (*e.g.,* merchants and motor vehicle dealers). 12 U.S.C. 5517, 5519. The limits under sections 1027 and 1029 are generally directed to ''the Bureau'' or ''the Bureau's ''Director.'' The interpretive rule concluded that because Congress applied these limitations only to the Bureau, they do not extend to States exercising their enforcement authority under section 1042.

This is not the best interpretation of the CFPA. ''[A] statute is to be read as a whole, since the meaning of statutory language, plain or not, depends on context.'' *King* v. *St. Vincent's Hosp.,* 502 U.S. 215, 221 (1991). Sections 1027 and 1029 clearly limit the CFPB's enforcement authority over certain entities. Although section 1042 does not specifically address whether States are also subject to those limits, section 1042 authorizes States to enforce and seek remedies under the provisions of the CFPA. Because sections 1027 and 1029 establish important limits on how the CFPA can be enforced, section 1042 should be read consistently with those limits. Had Congress intended for State enforcement authority under section 1042 not to be subject to these limits (even though the Bureau is subject to those limits), it would have said so explicitly.[1]

Indeed, the enforcement scheme that Congress carefully crafted in section 1042 would make little sense if States were not subject to the limits in section 1027 and 1029. Before a State can bring an enforcement action under section 1042, it must notify the CFPB, which may intervene in the action as a party, be heard on all matters arising in the action, and appeal any order or judgment in the proceeding. 12 U.S.C. 5552(b). However, if a State were to bring an enforcement action against an entity over which the CFPB lacks enforcement authority under sections 1027 and 1029, the CFPB would not be able to intervene in the action under section 1042.

Because the most natural reading of the CFPA is that the limits in sections 1027 and 1029 apply to State enforcement under section 1042, the CFPB rescinds the portion of the May 26, 2022, interpretive rule that took the contrary (and incorrect) position.

C. Aligning State Action With Statutory Limitations

The Bureau is also rescinding its prior interpretation of section 1042 insofar as it permitted States to ''bring (or continue to pursue) actions under section 1042 even if the Bureau is pursuing a concurrent action against the same entity.''

It is the policy of the Bureau to reduce regulatory and compliance burdens, and to eliminate wasteful, duplicative, and unnecessary regulatory and enforcement activity. Interpreting section 1042 to permit States and the Bureau to take parallel enforcement actions against the ''same entity'' is out of step with this policy.

Further, this interpretation from the May 26, 2022, interpretive rule is not compelled by section 1042. Section 1042(b) contemplates *joint,* rather than concurrent, actions by States and the Bureau. Indeed, that subsection requires States to notify the Bureau of ''administrative or regulatory proceedings'' taken pursuant to section 1042 and provides that—upon notification of a State action—the Bureau may ''intervene in the action as a party.'' 12 U.S.C. 5552(b)(1). The Bureau accordingly believes its previous interpretation of section 1042—that States ''may bring (or continue to pursue) actions under section 1042 even if the Bureau is pursuing a concurrent action against the same entity''—is improper. The notification and intervention provisions of the CFPA contemplate joint, not parallel, State and Bureau actions.

This rescission does not affect States' ability to undertake independent enforcement or regulatory action when the Bureau has not initiated its own action against an entity.

III. Regulatory Matters

This is an interpretive rule issued under the Bureau's authority to interpret the CFPA, including under section 1022(b)(1) of the CFPA, which authorizes guidance as may be necessary or appropriate to enable the Bureau to administer and carry out the purposes and objectives of Federal consumer financial laws, such as the CFPA.

[1] The May 26, 2022, interpretive rule made much of the fact that one of the exceptions in section 1027 applies expressly to States. See 12 U.S.C. 5517(a)(2)(E) (''To the extent that the Bureau may not exercise authority under this subsection with respect to a merchant, retailer, or seller of nonfinancial goods or services, no action by a State attorney general or State regulator with respect to a claim made under this titlemay be brought under [section 1042], with respect to an activity described in any of clauses (i) through (iii) of subparagraph (A) by such merchant, retailer, or seller of nonfinancial goods or services.''). According to the interpretive rule, because Congress did not similarly extend the other exceptions in sections 1027 and 1029 to States, those remaining limits do not apply to States. That was a strained reading of the CFPA. As noted above, the most natural reading of the entire statute is that the section 1027 and 1029 limits do apply to States. To be sure, there may be some redundancy introduced by section 1027(a)(2)(E), but ''[r]edundancies across statutes are not unusual events in drafting. *Connecticut Nat. Bank* v. *Germain,* 503 U.S. 249, 253 (1992).

As an interpretive rule, this rule is exempt from the notice-and-comment rulemaking requirements of the Administrative Procedure Act pursuant to 5 U.S.C. 553(b)(4)(A). Because no notice of proposed rulemaking is required, the Regulatory Flexibility Act, see 5 U.S.C. 603, does not require an initial or final regulatory flexibility analysis. The Bureau has also determined that this interpretive rule does not impose any new or revise any existing recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of information requiring approval by the Office of Management and Budget under the Paperwork Reduction Act.

Russell Vought,

Acting Director, Consumer Financial Protection Bureau.

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