

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

August 28, 2014

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

CA 14-5 Interagency Guidance Regarding Unfair or Deceptive Credit Practices

On August 22, 2014, the Federal Reserve Board (Board), the Consumer Financial Protection Bureau, the Federal Deposit Insurance Corporation, the National Credit Union Administration (NCUA), and the Office of the Comptroller of the Currency (OCC) (collectively, the Agencies) issued the attached interagency guidance regarding certain consumer credit practices.

Prior to the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act), several rules prohibited banks, savings associations, and Federal credit unions from engaging in certain credit practices. The Dodd-Frank Act repealed the rulemaking authority for those credit practices rules and, consequently, the Board, the OCC, and the NCUA are repealing those former rules.¹ This guidance states the Agencies' view that the unfair or deceptive acts or practices described in these former credit practices rules, including those in the Board's former Regulation AA, could violate the prohibition against unfair or deceptive acts or practices in section 5 of the Federal Trade Commission Act (FTC Act) and Title X of the Dodd-Frank Act, even in the absence of a specific regulation governing the conduct.

The Board notes that the 2004 guidance, "Unfair or Deceptive Acts or Practices by State-Chartered Banks," which was transmitted with CA Letter 04-2, remains in effect. That guidance outlines the standards that are considered in determining whether specific acts or practices by state member banks are unfair or deceptive under the FTC Act. The Board continues to have supervisory and enforcement authority regarding unfair or deceptive acts or practices under section 5 of the FTC Act and sections 1031 and 1036 of the Dodd-Frank Act.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking-supervision/publications/district-circular-letters/>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(801) 322-7853

Attachments

[Interagency Guidance Regarding Unfair or Deceptive Credit Practices
Former Regulation AA, including the Board's former credit practices rules \(Subpart B\)
Former Federal Reserve Board "Staff Guidelines on the Credit Practices Rule"
FTC's Credit Practices Rule, including the FTC's analysis and findings regarding prohibited practices](#)

Cross References

[CA 04-2 Unfair or Deceptive Acts or Practices by State-Chartered Banks](#) (March 11, 2004)
[CA 07-8 Consumer Compliance Examination Procedures for the Unfair or Deceptive Acts or Practices
Acts or Practices Provisions of Section 5 of the Federal Trade Commission Act](#) (November 6, 2007)

¹ This guidance is being issued concurrently with a proposed repeal of the Board's Regulation AA, which contains the former credit practices rules applicable to banks. The former credit practices rule applicable to savings associations was effectively repealed by the OCC as of July 21, 2011. The NCUA plans to repeal its version of the credit practices rule, which was applicable to Federal credit unions.