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## Court Stays CFPB Payday Loan Rule Compliance Date

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Yesterday, the court reversed course in the lawsuit filed by two industry trade groups challenging the CFPB's final payday/auto title/high-rate installment loan rule (Payday Rule). On its own initiative, the Texas federal district court [granted a stay of the Payday Rule's August 19, 2019 compliance date](#) and continued in force its stay of the lawsuit. Unfortunately, the court did not specify a termination date for the stay of the compliance date, as the trade groups and CFPB originally requested. Instead, the compliance date is stayed "pending further order of the court."

To my mind, the court's failure to specify how long the stay of the compliance date will remain in effect leaves the Rule's status hopelessly muddled. The CFPB has stated that [its current plan](#) is to revisit the Payday Rule's ability-to-repay (ATR) provisions but not its payment provisions. CFPB officials have indicated that the Bureau intends to propose a delay of the Payday Rule's ATR provisions but not the payment provisions. What happens if the CFPB follows through with that plan? When the parties report that development to the court, might the court just lift its stay of the compliance date, without affording lenders additional time to address the payment provisions?

My guess is that the court intends its stay to function like the tolling of a statute of limitations—meaning that, for each day the stay remains in effect, the August 19 compliance deadline is extended for an additional day. But alas, the court's order does not specify this intent. I hope the parties in the case ask for clarification that the compliance date will be extended day-for-day so long as the stay remains in effect. Alternatively, the CFPB could announce that it will propose a delay in the compliance date for the payment provisions when it moves forward with its rule-making next January.

Unless and until the court and/or the CFPB clarify their intentions, prudent lenders will continue to prepare for the advent of the payment provisions of the Payday Rule. As Ned Stark from The Game of Thrones might say (if he were alive): "August 19 is coming."

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