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CFPB Delays Prepaid Account Rule Effective Date

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On March 9th, the **Consumer Financial Protection Bureau (“CFPB”)** issued a [proposed rule](#) to delay for six months the October 1, 2017 effective date of its sweeping **Final Rule** amending Regulation E and Regulation Z as applied to prepaid accounts. Under the proposed rule, the Final Rule would become effective on April 1, 2018.

The proposed rule would not revise any other aspect of the Final Rule, and comes as numerous prepaid account industry participants have expressed concerns about its scope and their ability to comply with key provisions by the current October 1 effective date. Additionally, the proposed delay follows the recent introduction of legislation in Congress that would use the Congressional Review Act to repeal the Final Rule. According to the CFPB, the proposed delay would “be sufficient for industry participants to ensure they can comply” with the Final Rule and would provide the CFPB the opportunity to receive public comments about any implementation challenges that might impact consumers, the prepaid account industry and other stakeholders.

After publication in the Federal Register, the public will have 21 days to comment on the proposed rule.

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