

SCHWARTZ & BALLEN LLP
1990 M STREET, N.W. • SUITE 500
WASHINGTON, DC 20036-3465
WWW.SCHWARTZANDBALLEN.COM

TELEPHONE
(202) 776-0700

FACSIMILE
(202) 776-0720

MEMORANDUM

June 24, 2011

To Our Clients and Friends

Re: CFPB Proposal for Supervision of Larger Non-Bank Consumer Services Companies

The Consumer Financial Protection Bureau (“CFPB”) is requesting comment on how it should go about determining which non-bank companies should be regarded as “larger participants” in certain markets for consumer financial products and services. The comment period closes 45 days after publication of the CFPB’s notice in the *Federal Register*.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”), the CFPB will supervise, regardless of size, covered persons in the residential mortgage, private education lending and payday lending markets. For all other consumer financial products or services, the CFPB’s supervisory authority to determine compliance with Federal consumer financial laws applies only to persons that are “larger participants” in such markets. The Dodd-Frank Act authorizes the CFPB to require reports and conduct examinations of such companies.

The CFPB is considering including the following products and services within its supervisory program:

- debt collection
- consumer reporting
- consumer credit and related activities
- money transmitting, check cashing and related activities
- prepaid cards
- debt relief services

Designation as a “larger participant” under this supervisory program would not impose new consumer law requirements on non-bank companies, as all companies, regardless of size, are required to comply with applicable federal consumer protection laws with respect to the products and services they provide.

SCHWARTZ & BALLEEN LLP

A copy of the CFPB's notice can be found at our website at
<http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker or Lauren Bianchini at (202) 776-0700.