



BOARD OF GOVERNORS  
OF THE  
**FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

DIVISION OF CONSUMER AND  
COMMUNITY AFFAIRS

**CA 14-5**

**August 22, 2014**

**TO THE OFFICERS AND MANAGERS IN CHARGE OF CONSUMER AFFAIRS  
SECTIONS AND STATE MEMBER BANKS:**

**SUBJECT: Interagency Guidance Regarding Unfair or Deceptive Credit Practices**

**Applicability to Community Banking Organizations:** This guidance applies to all state member banks, including those with \$10 billion or less in consolidated assets.

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”) are issuing 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 The Dodd–Frank Act repealed the rulemaking authority for these credit practices rules and, consequently, the Board, the OCC, and the NCUA are repealing those former rules.<sup>1</sup> 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.

Institutions and supervisory staff may reference the attachments to this CA letter in order to help determine whether a certain credit practice could be unfair or deceptive.

If you have any questions, please contact Mandie Aubrey, Counsel, or Maureen Yap,

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<sup>1</sup> 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. *See* footnote 9 of the guidance.

Special Counsel/Manager, at (202) 452-3667.

Sincerely,

Eric S. Belsky  
Director

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"
- Federal Trade Commission's Credit Practices Rule, including the FTC's analyses and findings regarding the prohibited practices

Cross Reference:

- CA 04-2 "Unfair or Deceptive Acts or Practices by State-Chartered Banks" (March 11, 2004)
- CA 07-08 "Consumer Compliance Examination Procedures for the Unfair or Deceptive Acts or Practices Provisions of Section 5 of the Federal Trade Commission Act" (November 6, 2007)