



FEDERAL RESERVE BANK *of* KANSAS CITY

August 16, 2016

Repeal of Regulation AA and Publication of Revised Examination Procedures
for Section 5 of the Federal Trade Commission (FTC) Act

To the Chief Executive Officer of Each Tenth District State Member Bank:

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) provides the Consumer Financial Protection Bureau authority over rules to identify and prohibit unfair, deceptive, or abusive acts or practices. As a result, the Federal Reserve Board of Governors (Board) has repealed its Regulation AA, which contained the “credit practices rule”. However, it should be noted that it is the Board’s view that the unfair or deceptive acts or practices described in its former credit practices rule could violate the prohibition against unfair or deceptive acts or practices in Section 5 of the FTC Act and Title X of the Dodd-Frank Act, even in the absence of a specific regulation governing the conduct. In conjunction with the repeal of Regulation AA, the Board is publishing a revised version of the examination procedures for Section 5 of the FTC Act.

The revised examination procedures as well as a copy of the CA 16-4 letter are available on the Board of Governors of the Federal Reserve System’s public web site at:

<http://www.federalreserve.gov/bankinfo/reg/caletters/caltr1604.htm>

Please direct any questions concerning the revised examination procedures to the Consumer Affairs Department of the Federal Reserve Bank of Kansas City at (800) 333-1010, extension 881-2802, or via email to Sandy.Williams@kc.frb.org.

Sincerely,

Trina L Parsley
Assistant Vice President