



**Interpretive Rule published in Federal Register (87 FR 31940)**  
May 23, 2022 (Rev. May 26, 2022)

**To:** Clients and Friends

**From:** David F. Dulock

**Subject:** CFPB Issues Interpretive Rule on State Enforcement of Federal Consumer Financial Laws

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On May 26, 2022, the Consumer Financial Protection Bureau published in the *Federal Register* its [Interpretive Rule](#) providing the following interpretations to clarify the scope of State enforcement under Section 1042<sup>1</sup> and related provisions of the Consumer Financial Protection Act (CFPA)<sup>2</sup>.

(1) Section 1042 of the CFPA) allows States (i.e., State attorneys general and State regulators) to enforce any provision of the CFPA, or regulations issued under the CFPA, including section 1036(a)(1)(A)<sup>3</sup> that makes it unlawful for covered persons or service providers to violate the Federal consumer financial laws and section 1036(a)(1)(B)<sup>4</sup> that makes it unlawful for covered persons or service providers to engage in any unfair, deceptive, or abusive act or practice.

(2) The limitations on the CFPB’s authority in sections 1027<sup>5</sup> and 1029<sup>6</sup> of the CFPA generally do not constrain States’ enforcement authority under section 1042.

(3) Section 1042 does not restrict States from bringing concurrent enforcement actions with the CFPB.

The Interpretive Rule is effective on May 26, 2022. After it is published, this memorandum will be updated to add a hyperlink to the Federal Register. In the meantime, readers are advised to read the copy of the interpretive rule hyperlinked in this memorandum.

<sup>1</sup> [12 U.S.C. 5552.](#)

<sup>2</sup> Title X of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, 12 U.S.C. Chap. 53.

<sup>3</sup> [12 U.S.C. 5536\(a\)\(1\)\(A\).](#)

<sup>4</sup> [12 U.S.C. 5536\(a\)\(1\)\(B\).](#)

<sup>5</sup> [12 U.S.C. 5517.](#)

<sup>6</sup> [12 U.S.C. 5519.](#)

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