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May 10, 2013

**To:** Clients and Friends

**From:** David F. Dulock

**Subject:** CFPB Proposed Rule to Delay Effective Date of Prohibition on Financing Single-premium Credit Insurance (§1026.36(i) of Regulation Z)

In the May 10, 2013 issue of the *Federal Register* (Vol. 78 No. 91), [click here](#), the Consumer Financial Protection Bureau (CFPB) published a proposed rule proposing to temporarily delay the June 1, 2013, effective date of a prohibition on creditors financing credit insurance premiums in connection with certain consumer credit transactions secured by a dwelling (*i.e.*, §1026.36(i) of Regulation Z). (*See our memorandum dated April 10, 2013*) The prohibition was adopted in the Loan Originator Compensation Requirements under the Truth in Lending Act (Regulation Z) Final Rule, issued on February 15, 2013.

Temporary delay of the effective date would permit the CFPB to clarify, before §1026.36(i) takes effect, its applicability to transactions other than those in which a lump-sum premium is added to the loan amount at closing.

Comments on the proposed rule must be received on or before May 25, 2013. You may submit comments, identified by Docket No. CFPB-2013-0013 or RIN 3170-AA37, by any of the following methods:

- *Electronic:* <http://www.regulations.gov>. Follow the instructions for submitting comments.
- *Mail/Hand Delivery/Courier:* Monica Jackson, Office of the Executive Secretary, Consumer Financial Protection Bureau, 1700 G Street NW., Washington, DC 20552.

All submissions must include the agency name and docket number or Regulatory Information Number (RIN).

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