

What Happens if the CFPB Arbitration Rule Isn't Overturned? - Ten Practical Tips to Think About Now

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Since the CFPB issued its Arbitration Rule in July, most commentators have focused on ways the rule may be blocked from going into effect. Chief among these is the possibility that Congress will vote to overturn the rule under the Congressional Review Act, and the House did promptly vote in favor of overturning the rule on July 25, 2017. Last week, however, the Senate began its August recess without a vote on the CFPB Arbitration Rule and with no indication for when it would take the matter up again.

In light of that uncertainty and with a compliance date of March 19, 2018, it is now time for financial institutions to consider contingency planning and prepare for the possibility that the rule may go into effect. We set forth in this memo ten practical tips we think covered providers should consider taking to prepare for compliance.

If you have any questions regarding the matters covered in this publication, please reach out to any of the lawyers listed below or your usual Davis Polk contact.

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