

# CFPB Finalizes Rule to Supervise Digital Wallets and Mobile Payment Apps Ahead of Transition to Trump Administration

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Last Thursday, the Consumer Financial Protection Bureau (CFPB) [announced](#) a Final Rule authorizing the agency to supervise and conduct examinations of certain non-bank providers of digital wallets and payment apps for consumers' general use. The Final Rule, which takes effect 30 days after publication in the Federal Register, largely mirrors the agency's earlier proposed rule, which we blogged about [last year](#). Assuming it takes effect and is not overturned or cut back, the Final Rule will enable the CFPB to supervise companies in key areas such as privacy and information sharing, alleged banking errors and fraudulent and disputed transactions, and debanking or consumer loss of access to payment technologies or accounts.

In the Final Rule, the Bureau narrowed the number of providers who would be subject to supervision to those that handle more than 50 million transactions per year conducted in U.S. dollars. The CFPB now estimates that seven nonbanks will be subject to the Final Rule's supervisory authority, accounting for approximately 13.3 billion consumer payment transactions or 98 percent of consumer payment transactions in the nonbank market for general-use digital payment applications.

The Final Rule comes as agency officials and others ready to transition back to a Trump administration, leading to uncertainty around the direction the Bureau will follow over the next four years. Republican officials have historically expressed skepticism over the objectives and far-reaching authority of the CFPB, and the Supreme Court's decision in [Seila Law](#) affirming the President's authority to remove a CFPB director at will leaves little question that current Director Rohit Chopra will be headed out.

The incoming administration could follow the previous Trump administration's playbook in rolling back regulations like the Final Rule. A notable example is the [rollback](#) of the 2017 Payday Lending Rule. That rule, crafted under the Obama administration, required lenders to verify a borrower's ability to pay the loan before issuing certain short-term loans. However, in 2020, under the leadership of then CFPB Director Kathy Kraninger, a Trump appointee, the Bureau rescinded the rule's mandatory underwriting provisions (although it left other aspects of the rule intact, which were subsequently challenged in court but are slated to soon take effect).

Another option would be to work with Congress, where Republicans are slated to have narrow majorities in both the House of Representatives and the Senate. Pursuant to the Congressional Review Act (CRA), Congress can reject recent federal regulations within 60 legislative days by simple

majority vote in both chambers of Congress. Once CRA legislation is signed by the President, the rollback is not only complete with respect to the newly finalized rule, but in addition, an agency is prohibited from issuing a substantially similar rule going forward without explicit legislative authorization. The prior Trump administration, working with a Republican-led Congress, rescinded a number of Obama-era regulations, including the [CFPB's Arbitration Agreements Rule](#) (AAR). The Trump administration [supported](#), and ultimately signed the resolution regarding the AAR, stating that the CFPB's arbitration rule would "harm consumers by denying them the full benefits and efficiencies of arbitration" and "increase frivolous class-action lawsuits."

We'll continue to post updates to Ad Law Access following developments at the CFPB, including future regulatory rollback initiatives.