

## **The Give Useful Information to Define Effective (GUIDE) Compliance Act:**

**Summary:** The GUIDE Compliance Act amends the Consumer Financial Protection Act of 2010 to require the CFPB director to establish clear guidance, standards, and timelines for compliance with federal consumer financial laws.

- Requires the Director of the CFPB to issue guidance, including written interpretative rules, bulletins, statements of policy, and frequently asked questions to help facilitate compliance;
- Mandates that the CFPB publish in the Federal Register the definitions, criteria, timelines and process for issuing each type of guidance the Bureau shall provide, within 30 months of the legislation's enactment;
- Protects businesses from liability for relying, in good faith, on guidance issued by the CFPB in effect at the time of such action;
- Requires the CFPB to establish a process and timeframes for requests for guidance, including time limits to provide answers in response to requests for guidance, and a process for amending or revoking guidance;
- Requires the CFPB to develop guidelines for determining the size of any civil money penalties and publish these guidelines in the Federal Register within 30 months of enactment;

**Need for Legislation:** Businesses and financial institutions needs clear and concise guidance from regulators to ensure full compliance with the intent of federal rulemakings. Ambiguous interpretations or reliance on informal processes can often lead to unfair enforcement actions on stakeholders acting in good-faith. Additionally, federal examiners determining compliance benefit from clear guidance to ensure appropriate application of the rulemaking. The GUIDE Compliance Act ensures accountability and clarity to all involved in guidance compliance.