



441 G St. N.W.  
Washington, DC 20548

B-337006

January 28, 2025

The Honorable Tim Scott  
Chairman  
The Honorable Elizabeth Warren  
Ranking Member  
Committee on Banking, Housing, and Urban Affairs  
United States Senate

The Honorable French Hill  
Chairman  
The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
House of Representatives

Subject: *Consumer Financial Protection Bureau: Residential Property Assessed Clean Energy Financing (Regulation Z)*

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Consumer Financial Protection Bureau (CFPB) entitled "Residential Property Assessed Clean Energy Financing (Regulation Z)" (RIN: 3170-AA84). We received the rule on January 10, 2025. It was published in the *Federal Register* on January 10, 2025. 90 Fed. Reg. 2434. The effective date of the rule is March 1, 2026.

According to CFPB, section 307 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), Pub. L. No. 115-174, 132 Stat. 1296 (May 24, 2018), directs CFPB to prescribe ability-to-repay rules for Property Assessed Clean Energy (PACE) financing (financing to cover the costs of home improvements that results in a tax assessment on the real property of the consumer) and to apply the civil liability provisions of the Truth in Lending Act (TILA), Pub. L. No. 90-321, title I, 82 Stat. 146, 146-59 (May 29, 1968), as amended, for violations. CFPB stated that the rule implements EGRRCPA section 307 and amends Regulation Z to address how TILA applies to PACE transactions.

Enclosed is our assessment of CFPB's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Charlie McKiver, Assistant General Counsel, at (202) 512-5992.

A handwritten signature in black ink that reads "Shirley A. Jones".

Shirley A. Jones  
Managing Associate General Counsel

Enclosure

cc: Edward J. Lovett  
Senior Congressional Liaison  
Consumer Financial Protection Bureau

REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE  
ISSUED BY THE  
CONSUMER FINANCIAL PROTECTION BUREAU  
ENTITLED  
“RESIDENTIAL PROPERTY ASSESSED CLEAN ENERGY FINANCING (REGULATION Z)”  
(RIN: 3170-AA84)

(i) Cost-benefit analysis

The Consumer Financial Protection Bureau (CFPB) prepared an analysis of the costs and benefits for this rule. 90 Fed. Reg. 2434, 2474–98 (Jan. 10, 2025). The analysis included a largely qualitative description of the benefits and costs to consumers and covered entities. *Id.* The discussion also included quantitative estimates for some specific types of impacts. *Id.*

(ii) Agency actions relevant to the Regulatory Flexibility Act (RFA), 5 U.S.C. §§ 603–605, 607, and 609

CFPB stated that the Director of CFPB has certified that this rule will not have a significant economic impact on a substantial number of small entities. 90 Fed. Reg. 2434, 2501.

(iii) Agency actions relevant to sections 202–205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532–1535

As an independent regulatory agency, CFPB is not subject to the Act.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 *et seq.*

On May 11, 2023, CFPB published a proposed rule. 88 Fed. Reg. 30388. CFPB stated that they received comments from various interested parties. See 90 Fed. Reg. 2434, 2442–74. CFPB responded to comments throughout the rule. See *id.*

Paperwork Reduction Act (PRA), 44 U.S.C. §§ 3501–3520

CFPB determined that this rule contains no information collection requirements under the Act. 90 Fed. Reg. 2434, 2501.

Statutory authorization for the rule

CFPB promulgated this rule pursuant to sections 2617 and 5512 of title 12 and sections 1604 and 1639c of title 15, United States Code, as well as the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, § 1405, 124 Stat. 1376, 2141–42 (July 21, 2010).

Executive Order No. 12866 (Regulatory Planning and Review)

As an independent regulatory agency, CFPB is not subject to the Order's regulatory review procedures.

Executive Order No. 13132 (Federalism)

As an independent regulatory agency, CFPB is not subject to the Order.