



FEDERAL TRADE COMMISSION

PROTECTING AMERICA'S CONSUMERS



FTC Seeks Public Input in Review of Holder Rule

FOR YOUR INFORMATION

November 25, 2015

TAGS: Bureau of Consumer Protection | Consumer Protection

As part of the Federal Trade Commission's systematic review of all current FTC rules and guides, the FTC is seeking public comment on the efficiency, costs, benefits, and impact of the Holder Rule, which protects the rights of consumers who make a purchase using credit obtained through a merchant.

The Rule, formally called the "Trade Regulation Rule Concerning Preservation of Consumers' Claims and Defenses," protects consumers when merchants sell a consumer's credit contract to other lenders. Specifically, it preserves consumers' right to assert the same legal claims and defenses against anyone who purchases a credit contract, as they would have against the seller who originally provided the credit. Under the Rule, consumers can cite a seller's misconduct in order to defend themselves against a creditor's lawsuit for money owed under a contract, or to seek a refund of money they have paid under the contract.

The Commission vote approving the Federal Register Notice was 4-0. It is available on the FTC's website and will be published in the Federal Register soon. Instructions for filing comments appear in the Federal Register Notice. Comments must be received by February 12, 2016; they will be posted at <https://www.ftc.gov/policy/public-comments>. (FTC File No. P164800; the staff contact is Stephanie Rosenthal, Bureau of Consumer Protection, 202-326-3332)

The Federal Trade Commission works for consumers to prevent fraudulent, deceptive, and unfair business practices and to provide information to help spot, stop, and avoid them. To file a complaint in English or Spanish, visit the FTC's online Complaint Assistant or call 1-877-FTC-HELP (1-877-382-4357). The FTC enters complaints into Consumer Sentinel, a secure, online database available to more than 2,000 civil and criminal law enforcement agencies in the U.S. and abroad. The FTC's website provides free information on a variety of consumer topics. Like the FTC on Facebook, follow us on Twitter, and subscribe to press releases for the latest FTC news and resources.

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