

Wiley Consumer Protection Download (May 6, 2025)

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Welcome to Wiley's update on recent developments and what's next in consumer protection at the Consumer Financial Protection Bureau (CFPB), Federal Trade Commission (FTC), and at the state level. CFPB activity continues to be scaled back in the new Administration, and we are closely watching leadership changes, as the Senate Banking Committee approved the nomination of Jonathan McKernan as the next CFPB Director on March 6, 2025. The FTC has been active under new Chairman Andrew Ferguson, while State Attorneys General (AGs) and other state agencies have signaled stronger enforcement.

Wiley also has launched a Trump Administration Resource Center and Resource Guide to track Executive branch priorities during the second Administration of President Trump. With Wiley's deep-rooted understanding of Washington and today's evolving regulatory landscape, the Resource Center and Resource Guide provide critical insights, actionable intelligence, practical solutions, and guidance across key industries to help businesses stay ahead of the curve and manage challenges in 2025 and beyond. Please reach out to any of our authors with any questions about recent Trump Administration actions and the potential impact on regulations or enforcement activity.

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Practice Areas

Advertising and Marketing
Cyber and Privacy Investigations, Incidents & Enforcement
FTC and Consumer Protection
Privacy, Cyber & Data Governance
Telecom, Media & Technology

Join us on **May 20, 2025** for a webinar on FTC advertising and privacy compliance for health service providers, including in emerging areas of FTC and State Attorney General interest. The webinar will also feature Mary Engle, Executive Vice President, Policy, at BBB National Programs. To RSVP, click [here](#).

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Federal and State Regulatory Announcements

CFPB Deprioritizes Enforcement of Small Business Lending Rule. On **April 30**, the CFPB announced that it will not prioritize enforcement or supervision actions with respect to all parties subject to the Small Business Lending Under the Equal Credit Opportunity Act (Regulation B). The Rule, which requires covered financial institutions to collect and report to the CFPB data on applications for credit for small businesses, was stayed on February 5 under *Texas Bankers Association v. CFPB*, No. 24-40705 (5th Cir.). The Bureau stated that “[e]ven absent resource constraints, the Bureau would deprioritize enforcement of this rule because of the unfairness of enforcing it against entities not protected by the court’s stay but similarly situated to parties that are protected by the stay.”

Select Federal Enforcement Actions

FTC and Nevada AG Sue Investment Training Company and Its Owners and Salespeople for Allegedly Deceptive Business Practices. On **May 1**, the FTC and Nevada Attorney General filed a complaint in the U.S. District Court for the District of Nevada against an investment training company and its owners and top salespeople for alleged violations of the FTC Act, Telemarketing Sales Rule, the Restore Online Shoppers’ Confidence Act, and Nevada’s deceptive trade practices statute. The FTC and Nevada AG allege that the defendants deceived consumers in claiming to provide training on investing and other financial topics for monthly fees and marketing their products as easy ways to make money, but had salespeople serve as the educators for these trainings and did not have records of customers successfully using these trainings to make money. The FTC and Nevada AG seek monetary and injunctive relief.

FTC Settles with Debt Collections Company and Its Owner for Allegedly Deceptive Business Practices. On **April 30**, the FTC filed an amended complaint and stipulated order in the U.S. District Court for the Northern District of Georgia against a debt collection company and its owner for alleged violations of the FTC Act, FDCPA, Impersonation Rule, and the Gramm-Leach-Bliley Act. In October 2024, the FTC filed a complaint and ex parte application for a temporary restraining order and asset freeze alleging that the defendants misrepresented their identities to contact customers and collect money for debts that did not exist. The court granted the FTC’s request for a temporary restraining order and asset freeze. In the amended complaint, the FTC added Impersonation Rule allegations against the defendants for allegedly claiming to be affiliated with specific lenders to collect money from consumers. The defendants agreed to pay \$9.6 million in addition to injunctive relief.

FTC Settles with AI Content Detector for Allegedly Misleading Marketing. On April 28, the FTC issued a complaint and proposed order against a company marketing a product that it claimed could be used to detect AI-generated content for alleged violations of the FTC Act. The FTC alleges that the company misled consumers by claiming that its product was 98% accurate when independent testing showed that its accuracy was 53%. The company agreed to injunctive relief and compliance reporting.

FTC Finalizes Order Against Software Company for Deceptive Marketing. On April 22, the FTC voted 3-0 to approve the final consent order against a website accessibility software company for alleged violations of the FTC Act. In January, the FTC alleged that the company overstated its software's abilities to use artificial intelligence (AI) to make a website compliant with the Web Content Accessibility Guidelines (WCAG) for people with disabilities without evidence that the software could do so in every instance, and formatted its claims to look like reviews. The company has agreed to pay \$1 million in civil penalties in addition to injunctive relief.

Select State Enforcement Actions

Colorado AG Sues Realtor for Alleged Deceptive Marketing. On April 30, the Colorado Attorney General filed a complaint against two realty companies for allegedly utilizing deceptive acts to convince homeowners to enter into unlawful "Homeowner Benefit Agreements" (HBAs) in violation of the Colorado Consumer Protection Act. According to the Colorado AG, the companies used high pressure sales tactics, including calling sales leads over 20 times within several days, and misrepresented certain terms of the HBAs. Additionally, the HBAs themselves allegedly contained unlawful terms, including decades-long contract terms, illegal commissions, and early termination fees. The complaint seeks to end certain marketing practices by both companies, release Colorado homeowners from the allegedly unlawful agreements, and obtain restitution and civil penalties of \$20,000 to \$50,000 per violation.

Upcoming Events and Comment Deadlines

FTC "Junk Fees" Rule Goes Into Effect on May 12. On May 12, the FTC's final Trade Regulation Rule on Unfair or Deceptive Fees, or "Junk Fees Rule," goes into effect. The Junk Fees Rule, which we summarize here, requires companies that offer ticket services for live-event tickets or short-term lodging to disclose a "Total Price" that includes mandatory fees. The Junk Fees Rule also requires covered companies to disclose any additional fees before payment and prohibits misrepresentations about fees or charges.

FTC "Click-to-Cancel" Rule Compliance Deadline on May 14. The FTC's upcoming May 14 deadline is approaching for companies to comply with the amended Negative Option Rule, or "Click to Cancel" Rule. The Click-to-Cancel Rule, which we summarize here, requires companies to provide a "simple mechanism" to cancel a negative option or subscription feature. The Rule also requires companies to make certain disclosures and obtain consumer express informed consent before charging a consumer for the negative option. Regulated entities have until May 14 to comply with §§ 425.4 through 425.6 of the Rule, which detail cancellation, disclosure, and consent requirements.

California DFPI Seeks Comment on NPRM to Implement the DFAL. Comments are due **May 19, 2025** on a California Department of Financial Protection and Innovation (DFPI) Notice of Proposed Rulemaking (NPRM) seeking comment on the implementation of California's Digital Financial Assets Law (DFAL). The DFAL, which was signed into law in October 2023, prohibits a person or entity from engaging in digital financial asset business activity, or holding themselves out as being capable of engaging in such an activity, unless the person or entity has submitted a license application to the California DFPI on or before July 1, 2026, and is awaiting approval or denial of that application or is exempt from licensure. The DFAL defines a digital financial business activity to include activities such as exchanging, storing, or transferring a digital financial asset, including a cryptocurrency asset. According to the California DFPI, the purpose of the NPRM is to implement the DFAL by establishing exemptions to licensure, explaining the process and requirements for obtaining a license, requiring applicants and licensees to notify the California DFPI in the event of any subsequent change in information in an application, and explaining how a licensee can surrender their DFAL authorization.

FTC Seeks Comments on Tech Content Moderation. Comments are due **May 21, 2025** on a Request for information (RFI) on tech content moderation policies to better understand how technology platforms may "deny or degrade" access to services. The RFI, which we summarize here, seeks public comments on "how consumers may have been harmed by technology platforms that limited their ability to share ideas or affiliations freely and openly." While the RFI does not announce any investigations or enforcement actions, it specifically notes that "[c]omments submitted in response to this RFI could inform the FTC's enforcement priorities and future actions."

FTC Reschedules Virtual Workshop to Examine Impact of Big Tech Firm Practices on Kids and Families. The FTC will hold a virtual workshop on **June 4, 2025**, originally scheduled for May 28, 2025, to "discuss how Big Tech companies impose addictive design features, erode parental authority, and fail to protect children from exposure to harmful content." The workshop, titled "The Attention Economy: How Big Tech Firms Exploit Children and Hurt Families," will feature parents, child safety experts, and government leaders. Experts will discuss potential approaches to protect kids online, including age verification and parental consent requirements.

More Analysis from Wiley

Is Your Company Prepared for the FTC's May 14 "Click-to-Cancel" Compliance Deadline?

Trump Directs FTC to Lead Government-Wide Rescission and Modification of Anticompetitive Federal Regulations

Navigating FTC Health Care Advertising and Privacy Compliance in the Trump Administration: Key Insights for Health Service Providers

5 Key Privacy Enforcement Insights Shared by State Regulators at IAPP's #GPS25

FTC Commissioner Holyoak Highlights Privacy Priorities in IAPP Keynote

New DOJ Task Force Seeks Input on State and Federal Laws that Impede Competition and Innovation

Virginia Enacts Amendments to Consumer Protection Act

Executive Order on Ticket Resale Market Calls for Greater FTC Enforcement

Trump Administration Revamps Guidance on Federal Use and Procurement of AI

Key Takeaways from the California Privacy Agency's First CCPA Enforcement Action

What Comes Next at the FTC, After Removal of Two Commissioners

What to Expect from New FTC Leadership on Digital Health Care

Trump Administration Revamps Guidance on Federal Use and Procurement of AI

Chinese AI Firm DeepSeek Triggers a Wide U.S. Policy Response

March Privacy Forecast: A Weekly Series

FTC Announces New Labor Market Task Force and Prioritizes Worker Protections

New DOJ Restrictions on Cross-Border Data Transactions Take Effect April 8: Ten Questions as Your Business Prepares to Comply

FTC Seeks Comment on Tech Content Moderation Policies

Wiley Welcomes Former FTC Deputy Director Ian Barlow, Strengthening Regulatory, Enforcement, and Compliance Capabilities

CES 2025: FTC Commissioners Discuss Approach to AI in New Administration

FTC Adopts Amended Children's Online Protection Act Rule

FTC Announces Rule on "Junk Fees" and Pricing Disclosures in Certain Industries

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