



CASE CHALLENGING LATE FEE RULE ORDERED TRANSFERRED TO DC

The Chamber of Commerce's case against the Consumer Financial Protection Bureau challenging the CFPB's late fee rule is moving to DC. See our ALERTS of [Mar. 6](#) and [Mar. 8, 2023](#). On March 28, after considering briefs by both the Chamber of Commerce and the CFPB, the Court granted the CFPB's motion to transfer venue from the District Court for the Northern District of Texas, Fort Worth Division to the District Court for the District of Columbia.

In the opinion announcing the decision on the motion, Judge Mark Pittman ruled that DC is a more appropriate venue for the case because (i) the majority of the parties and their attorneys live in or are based on DC, where the rule was promulgated, (ii) the Chamber of Commerce did not identify any substantial or practical issues with the case proceeding in DC and (iii) the DC Court will provide a more expeditious resolution of the time-sensitive matter, as the Northern District of Texas has a busier docket than DC and a longer median time to resolve cases. The Court states in summary that because the rule does not have a *unique* or *particular* effect felt in the Northern District of Texas, little if any of the events surrounding the rule occurred there and none of the banks or credit card companies directly affected by the rule are located in the Fort Worth Division, there was little reason for the case to have been filed in Texas in the first place and the case should be transferred.

The transfer does not, as yet, stop the clock on the rule's effective date, as the order did not include a stay. A hearing on the Chamber of Commerce's motion for a preliminary injunction to delay the effective date of the rule was scheduled for April 2 prior to the transfer order. The transfer adds to the uncertainty of the case. We will continue to monitor the case for a rescheduled hearing date, stay of the rule and other updates. □

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