



UNITED STATES OF AMERICA
Federal Trade Commission
WASHINGTON, D.C. 20580

Bureau of Consumer Protection
Division of Financial Practices

April 12, 2021

Staff Note Regarding the Holder Rule and Large Transactions

The Commission's Trade Regulation Rule Concerning Preservation of Consumers' Claims and Defenses, 16 C.F.R. Part 433 (commonly known as "the Holder Rule"), does not contain a maximum transaction limit. In 1976, however, FTC staff issued guidelines, which were never adopted by the Commission, that stated that the Holder Rule "incorporates" an

The argument that the transaction limit in the TILA applies to the Holder Rule has arisen because the Rule borrows the definitions of “Finance Charge” and “Credit Sale” from the TILA

incorporated the \$25,000 limit in TILA's exemptions was not supported by the Holder Rule or canons of construction, and was contrary to the intent stated by the Commission when it adopted the Rule.

/s
Division of Financial Practices

compliance-among-auto-dealers-rule-protects. For the reasons stated above, the assumption in this release that the Holder Rule incorporates the TILA's tratioe g2 (a)(e g2 (am(I)11a)(e g2 (a (t)-2.6on A)6.6as uco)12.9)-4 (ash[(a)-1.6vs hel rdateap6e(t)-4.6 (he)-1.6 , arumhettatume 4-1.6fore 4-1.6 (e)-1.7 (a)9.2 (t)-4.6 (i)-4.6 e (s)-2.3(e)-11 (6 - eret2.8em(I)11apttosilthe H2.8 (l)-2.6 (d)2 (r)-1.9 (R)5.9 (-)12.9 (l)-2.6e.-4 (ee.)]TJ0 Tc 0Tj()T/TT 72 TfTJ0.002 Tc-0.00