



## FOR IMMEDIATE RELEASE

July 8, 2025

### ***CCIA Applauds Eighth Circuit Decision to Vacate FTC's Negative Option Rule***

**WASHINGTON, D.C.** — The Consumer Credit Industry Association (CCIA) applauds today's decision by the U.S. Court of Appeals for the Eighth Circuit to vacate the Federal Trade Commission's (FTC) Negative Option Rule in its entirety.

The Eighth Circuit held that the FTC's failure to issue a required Preliminary Regulatory Analysis (PRA) before finalizing the Rule was a fatal procedural deficiency under Section 22 of the Federal Trade Commission Act. The Court emphasized that this omission was not harmless and resulted in real prejudice to regulated parties, depriving them of the opportunity to submit informed public comment and help shape the rule.

*"Vacating the Rule is appropriate because of the prejudice suffered by Petitioners as a result of the procedural error," the Court stated.*

In its opinion, the Court concluded that [FTCA Act] § 22 required the Commission to issue a preliminary regulatory analysis after the ALJ found the Rule would meet the \$100 million economic impact threshold, even though the Commission initially estimated it would not.

*"The ruling marks a major victory for CCIA members and the broader consumer financial protection industry," said CCIA President & CEO, Sarah Ferman Baker. "By vacating the rule, the Court upheld the principle that agencies must conduct rulemaking transparently and lawfully, particularly when regulations carry such significant economic implications."*

CCIA has consistently opposed the Rule, both during its development and through legal proceedings. The association submitted an amicus brief to the Court urging the very result issued today and filed detailed comment letters with the FTC, while also encouraging Congress to consider a Congressional Review Act (CRA) resolution to overturn the Rule legislatively.

The Court also cited the Fifth Circuit's 2025 decision vacating the FTC's CARS Rule for similar procedural failings, highlighting a broader judicial trend toward holding the Commission accountable for compliance with its statutory obligations.

For more information on CCIA's advocacy efforts, visit our [website](#) or contact John Euwema at [information@cciaonline.com](mailto:information@cciaonline.com).

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## **ABOUT CCIA**

For over 70 years, the Consumer Credit Industry Association (CCIA) has been the trusted advocate for consumer financial protection and security products, dedicated to enhancing consumer financial security by preserving the availability, value, and integrity of its members' products. CCIA promotes fair regulations that balance consumer protection with industry innovation to ensure financial products remain accessible and affordable for millions of Americans.