



Government Relations Working Group Government Update

A Publication for IPA Members
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Working Group Chair:
Brian Tate, President and CEO, IPA

I. ASSOCIATION UPDATE

IPA Launches New Website

Thank you so much for being a valued member of the IPA. As part of our ongoing commitment to providing you with the highest level of member value and engagement, we've recently launched a new website and Members' Only Area. This message--and more coming in the near future-- will help you get acquainted with the many self-service benefits you can manage from our website.

Our Log-In Area: Our new login page is located at: <https://web.ipa.org/Portal/>. If you have not already signed up for an IPA member account, the link can also be used to sign up by clicking "Click here for login information".

Please visit our Information Update area because you'll also be able to update several other key areas of information that will help us serve you better. Click here to update your profile: [Update Your Profile](#)

Once you are familiar with our Members' Only area, you'll also be able to manage a variety of other items, including:

- Accessing Members' Only Resources
- Register for upcoming events
- Paying your Renewal Invoices
- Selecting what communications you want to receive from us
- Taking Surveys
- Calculating your Membership ROI

To continue to access the Government Update, please look for it in the "Resources" section.

We hope you enjoy having more control over your IPA membership. If you have any questions or concerns, please feel free to contact our office at (202) 548-7200 or email us at info@ipa.org.

IPA Compliance Boot Camp

Immerse yourself in this virtual, interactive educational opportunity designed to help advance your compliance knowledge in these challenging times. The IPA has reimagined its Compliance Boot Camp as a one-day virtual event including 5 sessions that are most relevant to the community in the COVID-19 environment; all with chats and Q&A with presenters and attendees.

Please join us on June 3rd for the Boot Camp. Additional information, including the agenda, and registration can be found [here](#).

**COMPLIANCE
BOOT CAMP**
VIRTUAL EDITION
June 3, 2020 • Online
Registration Open!

JUNE 3
EARLY BIRD RATES AVAILABLE
ONLINE

IPA Blog Post: Oversight in the Age of Corona

Congress passed the [CARES Act](#) in March to help provide relief to individuals, businesses, state and local governments, and others during the ongoing COVID-19 Pandemic. This \$2 trillion package expanded unemployment insurance, provided over \$850 billion for loan, grant, and investment programs to rescue and bolster businesses of all sizes, and provided additional funding for state and local governments and the healthcare system. In addition, in order to help American households, the CARES Act authorized relief payments, called “Economic Impact Payments (EIP)”, of up to \$1,200 for individuals and \$2,400 for married couples and tasked the Department of the Treasury and the Internal Revenue Service with distributing these funds.

As of May 5th, the IRS reports that it has disbursed approximately \$207 billion to 130 million Americans.

Given the unprecedented size of the CARES Act, it is only natural that Congress would want to ensure that waste, fraud, and abuse are minimized and exercise as much oversight over the distribution of this money as is possible.

To do this, Congress created two new mechanism in the CARES Act for oversight of the business focused programs. First, they created a congressional oversight panel, called the “Congressional Oversight Commission (Commission)”. According to the legislative language that created it, the Commission is tasked with conducting oversight of the implementation of the business loan, grant, and investment programs under Title IV of the CARES Act by the Department of the Treasury and the Board of Governors of the Federal Reserve System. The Commission is also tasked with submitting reports on the findings of their oversight activity to Congress as well.

Congress also created an inspector general position at the Department of the Treasury to oversee the business loan, grant, and investment programs that were created by Title IV of the CARES Act and perhaps some of the other non-business

related programs as well. This new inspector general position is called the Special Inspector General for Pandemic Recovery (SIGPR). According to the statute the SIGPR shall:

“...conduct, supervise, and coordinate audits and investigations of the making, purchase, management, and sale of loans, loan guarantees, and other investments made by the Secretary of the Treasury under any program established by the Secretary under this Act, and the management by the Secretary of any program established under this Act...”

On April 3rd, President Trump [announced](#) that he would nominate Brian D. Miller to be Special Inspector General for Pandemic Recovery. Mr. Miller currently serves in the White House Counsel’s office and has previously served as Inspector General for the General Services Administration.

The Senate Banking Committee held a [hearing](#) on Mr. Miller’s nomination on May 5th. This is just the first step in the confirmation process. The full Senate Banking Committee will vote on whether or not to send Mr. Miller’s nomination to the full Senate for consideration. Only after a favorable vote from the Banking Committee would the full Senate consider his nomination.

While there are no oversight provisions in the CARES Act that directly address Economic Impact Payments, in order to prepare for the road ahead, it is best to assume that a broad approach to oversight will be taken by the Commission and the SIGPR. It is possible these two entities will examine how Treasury and IRS implemented the Economic Impact Payment program, how financial institutions assisted Treasury/IRS in this process, and how financial institutions ensured their customers had access to their full funds expeditiously.

Regardless of what happens with the Commission and SIGPR though, congressional committees will also play a part in the CARES Act oversight. The House Oversight and Reform Committee, House Ways & Means Committee, the House Financial Services Committee, the Senate Finance Committee, the Senate Banking Committee, and the Senate Homeland Security and Governmental Affairs Committee will all likely hold oversight hearings and issue reports on the CARES Act.

When it comes to the Economic Impact Payment program, the House Ways and Means Committee, Senate Finance Committee, House Financial Services, and Senate Banking Committee are the most likely to examine the Economic Impact Payment program. The House Financial Services and Senate Banking Committees would be the ones to examine how financial institutions aided both Treasury and IRS in the distribution of Economic Impact Payments and ensured that their customers were able to access their full payment expeditiously.

The IPA will be keeping track of all hearings, reports, etc. from the various entities discussed above and will be keeping our membership updated through our Government Relations Working Group (GRWG). Additionally, the IPA will continue the conversation with policymakers on how the prepaid industry serves governments, businesses, and Americans of all backgrounds and how the industry responded to the COVID-19 crisis.

If you would like to join to the GRWG, please contact Grant Hannah, Director of Government Affairs, at ghannah@ipa.org.

II. AGENCY AND REGULATORY NEWS

CONSUMER FINANCIAL PROTECTION BUREAU

PayPal Files Motion for Summary Judgement in Lawsuit Challenging Prepaid Rule

On May 6, PayPal filed a [motion for summary judgement](#) in their lawsuit challenging the CFPB’s Prepaid Account Final Rule. In the motion, it appears that PayPal expands and focuses on the argument made in their initial complaint that digital wallets are “fundamentally” different from GPR cards, while also touching on, among other things, the Final Rule’s disclosure requirements and prohibition on linked credit. In addition, PayPal filed a proposed order (attached), which lays

out the relief PayPal is seeking from the Court. The requested relief includes vacating the Final Rule and prohibiting the CFPB from enforcing it.

PayPal's initial complaint can be found [here](#) and the CFPB's response to PayPal's complaint can be found [here](#). According to the case's scheduling order, the CFPB has until July 7th to respond to PayPal's motion for summary judgement.

DEPARTMENT OF THE TREASURY/INTERNAL REVENUE SERVICE

IPA Signs Joint Trade Letter on Relief Payments

The IPA signed a [joint trade letter](#), led by the American Bankers Association (ABA), that was sent to Steve Mnuchin, Secretary of the U.S. Department of Treasury on April 29. In brief, the letter urges maximizing electronic disbursements and minimizing paper payments to Americans, which will help get much needed to relief payment to the recipients faster. Further, the letter also lists a variety of clarifying questions for Treasury to consider as the banking industry assists the agency in disbursing COVID-19 relief funds. The letter has also been signed by a diverse group of financial services trade associations, including: Independent Community Bankers Association (ICBA), Consumer Bankers Association (CBA), The Clearing House, and the Credit Union National Association (CUNA).

III. CONGRESSIONAL NEWS

Rep. French Hill (R-AR) Introduces Legislation for Signatureless Payments

Rep. French Hill (R-AR) has introduced the "Touchless Transactions Act" ([H.R. 6241](#)). In brief, this legislation would eliminate signatures for swipe, dip, or tap point-of-sale transactions. Rep. Hill has indicated he introduced this legislation in response to the COVID-19 Pandemic in order to reduce the amount of direct contact during point-of-sale transactions. He has also indicated that he hopes the bill will raise awareness around and bring modernization to the payments infrastructure.

The bill was introduced on March 12 and referred to the House Financial Services Committee. Rep. Hill is a member of the House Financial Services Committee and serves as the Ranking Member of the Subcommittee on National Security, International Development, and Monetary Policy and as a member of the Task Force on Financial Technology.

House Democrats Release Proposed Phase 4 Coronavirus Relief Bill

On May 12, House Democrats released their proposed "Phase 4" Coronavirus relief package, called the [Health and Economic Recovery Omnibus Emergency Solutions Act](#) (HEROES Act). From our initial reading, it appears the package follows the general architecture of the CARES Act. Specifically, the bill would provide additional funding for:

- Nutrition assistance programs
- State, local, and tribal governments
- Hospitals and other elements of the healthcare system
- COVID-19 testing and tracing
- Elections
- Housing assistance programs
- Small business grant programs
- The United States Postal Service
- The extension of the expanded unemployment insurance provided by the CARES Act

The bill would provide an additional \$1,200 stimulus payment for each family member that would be paid out similar to the Economic Impact Payments (EIP) in the CARES Act. The payments would be \$1,200 for a single taxpayer (\$2,400 for joint filers), in addition to \$1,200 per dependent up to a maximum of 3 dependents. The payment phases out starting at \$75,000 of modified adjusted gross income (\$112,500 for head of household filers and \$150,000 for joint filers) at a rate of \$5 per \$100 of income. The bill would also protect these payments and EIP from garnishment, levy, offsets, etc.

Finally, the bill would provide additional funding for the Department of Health and Human Services to provide prepaid debit cards to families to help meet emergency needs under the Early Childhood Home Visiting program.

The House is expected to vote on the bill on Friday, May 15, though it is unlikely to become law. The bill is meant to establish Democratic priorities and positions as negotiations begin in earnest with Republicans on the Phase 4 Coronavirus relief package.

House Financial Services Chair Waters Releases Priorities for Phase 4 Coronavirus Relief Bill

On May 5, House Financial Services Committee (HFSC) Chairwoman Maxine Waters (D-CA) has released a list of priorities for HFSC Democrats for the next coronavirus relief package (“CARES 2.0”). These priorities include: providing assistance and protections during the COVID-19 pandemic to individuals, families, renters and homeowners, people experiencing homelessness, consumers and investors, students, small businesses and non-profits, community financial institutions, municipal governments, global markets and developing countries, and the U.S. taxpayer. It is estimated that these priorities would cost \$292 billion.

Specifically, Chairwoman Waters lists the following as priorities:

- Creating monthly direct payments of \$2,000 for adults and \$1,000 for children funded by the Federal Reserve and requiring CARES Act stimulus checks be cashed for free and not subject to garnishment.
- Suspending negative credit reporting and debt collection; ensuring forbearance and loan modifications for consumer debt; providing creditors access to a Fed liquidity facility during the pandemic; and waiving big bank fees like overdrafts.
- Imposing additional conditions on large corporations that receive government assistance to protect workers, including by providing paid sick leave, family and medical leave, maintaining employee levels and compensation, and providing an equity stake in the company; eliminating Treasury’s authority to waive existing CARES Act conditions on businesses; and temporarily banning stock buybacks for all publicly traded companies.
- Providing \$1 billion to the Community Development Financial Institutions (CDFI) Fund; strengthening minority depository institutions (MDIs) through a new capital investments, technical assistance and federal government contracts and deposits; enabling credit unions to make more business loans; enhancing the Federal Home Loan Banks’ support for banks; and making changes to the PPP to ensure robust participation by community financial institutions, including non-bank CDFIs.
- Prohibiting debt collection; requiring forbearance and loan modifications; prohibiting “confessions of judgement” clauses from being included in loan contracts; and providing a liquidity facility for creditors and landlords until the pandemic ends.
- Requiring the Treasury and the Federal Reserve to submit quarterly summaries of CARES activities.

Again, these are merely priorities for HFSC Democrats for CARES 2.0, which is still in the early stages of being negotiated and written.

House to Vote on Proxy Voting Proposal

The House of Representatives will likely vote on rule change that would allow remote voting during the COVID-19 pandemic on Friday, May 15. The specifics of what this rule change would entail have not been released but, based off previous proposals and discussions, it is likely lawmakers would be allowed to vote by proxy and designate another member to vote at their direction and on their behalf. The rule may also lay out a procedure to allow committee activity to resume.

Specifics on this rule change, when made available, will be posted [here](#).

IV. STATE NEWS

None.

V. FEDERAL BILLS, AND LAWS

NEW FEDERAL LAWS

None.

PENDING FEDERAL BILLS

H.R. 189—Financial Institution Customer Protection Act of 2019

Summary: This bill specifies that a federal banking agency cannot request or order a financial institution to close a customer account unless the agency has a valid reason for doing so, and that reason cannot be only reputational risk.

Introduced: Jan. 3, 2019

Status: The bill was referred to the House Committee on Financial Services on Jan. 3, 2019.

Sponsor: Rep. Blaine Luetkemeyer (R-MO); 0 co-sponsors. 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/189/all-actions?q=%7B%22search%22%3A%5B%22hr+189%22%5D%7D&s=2&r=1>

H.R. 758—Cooperate with Law Enforcement Agencies and Watch Act of 2019

Summary: The bill would protect institutions from regulatory action for keeping accounts open at the request of law enforcement.

Introduced: Jan. 24, 2019

Status: The bill was received in the Senate, read twice, and referred to the Committee on Banking, Housing, and Urban Affairs on March 12, 2019.

Sponsor: Rep. J. French Hill (R-AR); 2 co-sponsors. 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/758/cosponsors?q=%7B%22search%22%3A%5B%22hr+758%22%5D%7D&r=1&s=1>

H.R. 907—To Clarify Exclusions from the Definition of a Deposit Broker

Summary: The bill would amend the Federal Deposit Insurance Act (“FDIA”) to clarify the exemptions from the definition of a “deposit broker.” Specifically, the bill would amend FDIA Section 29(g)(2)(I) to provide that a deposit broker does not include an agent or nominee (i) whose primary business purpose is not the placement of deposits with an insured financial institution; or (ii) who is an exclusive agent of an insurance company or insured depository institution affiliated with an insurance company, provided that the agent or nominee is, among other things, contractually prohibited from placing funds with any other unaffiliated depository institution.

Introduced: Jan. 30, 2019

Status: The bill was referred to the House Committee on Financial Services on Jan. 30, 2019.

Sponsor: Rep. Darin LaHood (R-IL); 2 co-sponsors. 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/907/text?r=55&s=1>

H.R. 1423—Forced Arbitration Injustice Repeal (FAIR) Act

Summary: The bill would prohibit forced arbitration agreements and any agreements that would preclude class action lawsuits.

Introduced: Feb. 28, 2019

Status: Received in the Senate and Read twice and referred to the Committee on the Judiciary on September 24, 2019.

Sponsor: Rep. Johnson, Henry C. “Hank,” Jr. (D-GA); 222 cosponsors. 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/1423>

H.R. 2514—COUNTER ACT OF 2019

Summary: This bill would make changes to the Bank Secrecy Act and anti-money laundering laws. It would require the financial regulators and Financial Crimes Enforcement Network to each appoint a civil liberties and privacy officer who would need to consult on any new regulations. It would create a public-private information sharing program between FinCEN and the financial services industry, and it would require AML training for examiners.

Introduced: May 3, 2019

Status: The bill passed the House of Representatives on October 28, 2019 and was received in the Senate and referred to the Senate Banking Committee on October 29, 2019.

Sponsor: Rep. Emanuel Cleaver (D-MO); 2 co-sponsors, 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/2514?q=%7B%22search%22%3A%5B%22hr2514%22%5D%7D&r=1&s=2>

H.R. 2630—CASH ALWAYS SHOULD BE HONORED (CASH) ACT

Summary: This bill would make it unlawful for any physical retail establishment to refuse to accept cash as payment.

Introduced: May 9, 2019

Status: The bill was referred to the House Committee on Energy and Commerce on May 9, 2019.

Sponsor: Rep. David Cicilline (D-RI); 10 co-sponsors. 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/2630>

H.R. 4501— CONSUMER TRANSACTION ACCOUNT PROTECTION ACT OF 2019

Summary: This bill would specify that consumer transaction account deposits of an insured depository institution shall not be considered to be funds obtained through a deposit broker.

Introduced: September 26, 2019

Status: The bill was referred to the House Committee on Financial Services on September 26, 2019.

Sponsor: Rep. Roger Williams (R-TX); 1 co-sponsor. 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/4501?r=11&s=1>

H.R. 4767—FINANCIAL SERVICES INNOVATION ACT OF 2019

Summary: The bill requires federal regulators to create Financial Services Innovation Offices (FSIOs) within their agencies to foster innovation in financial services. Companies would also be able to apply for an “enforceable compliance agreement” with the FSIOs that, if accepted, will allow them to provide an innovative product or service under an alternative compliance plan.

Introduced: Oct. 21, 2019

Status: The bill was referred to the House Financial Services Committee and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned. On Nov. 11, 2019 it was referred to the Subcommittee on Commodity Exchanges, Energy, and Credit of the Committee on Agriculture.

Sponsor: Rep. Patrick McHenry (R-NC); 1 co-sponsor; 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/4767?q=%7B%22search%22%3A%5B%224767%22%5D%7D&s=1&r=1>

H.R. 6116— CONSUMER FINANCIAL PROTECTION COMMISSION ACT

Summary: The bill would eliminate signatures for swipe, dip, or tap point-of-sale transactions.

Introduced: March 5, 2020

Status: The bill was referred to the House Financial Services Committee.

Sponsor: Rep. Blaine Luetkemeyer (R-MO); 25 co-sponsors; 4% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/house-bill/6116/cosponsors?r=4&s=1&searchResultViewType=expanded&KWICView=false>

H.R. 6241— TOUCHLESS TRANSACTIONS ACT OF 2020

Summary: The bill would convert the leadership structure of the CFPB from a sole director to a commission. The commission would be made up of 5 members who are appointed by the president and approved by the Senate to serve 5-year terms. No more than 3 members of the commission would be allowed to be from the same political party. The name of the Bureau would also be changed to the Consumer Financial Protection Commission.

Introduced: March 12, 2020

Status: The bill was referred to the House Financial Services Committee.

Sponsor: Rep. French Hill (R-AR); 10 co-sponsors; 4% chance of enactment (according to [govtrack](#)).

S. 142—The American Data Dissemination Act

Summary: The bill would impose privacy requirements on providers of internet services similar to the requirements imposed on federal agencies under the Privacy Act of 1974.

Introduced: Jan. 16, 2019

Status: The bill was referred to the Senate Commerce, Science, and Transportation Committee on Jan. 16, 2019.

Sponsor: Sen. Marco Rubio (R-FL), 0 co-sponsors, 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/senate-bill/142/text?q=%7B%22search%22%3A%5B%22S.142%22%5D%7D&r=1&s=3>

S. 149—Stop Senior Scams Act

Summary: The bill would establish an advisory council made up of federal regulators and industry representatives from, among others, gift card and prepaid card companies, to collect and review information in the development of model materials to provide to retailers, financial services companies, and wire-transfer companies to be used to educate employees on how to identify and prevent scams affecting seniors.

Introduced: Jan. 16, 2019

Status: The Senate Commerce, Science, and Transportation Committee ordered the bill to be reported with an amendment in the nature of a substitute favorably on July 10, 2019. It was reported out of the Commerce Committee on December 19, 2019.

Sponsor: Sen. Robert Casey (D-PA); 2 co-sponsors, 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/senate-bill/149/text?q=%7B%22search%22%3A%5B%22S.149%22%5D%7D&r=1&s=2>

S. 189—The Social Media Privacy Protection and Consumer Rights Act of 2019

Summary: This bill requires online platform operators to inform a user, prior to a user creating an account or otherwise using the platform, that the user's personal data produced during online behavior will be collected and used by the operator and third parties.

Introduced: Jan. 17, 2019

Status: Read twice and referred to the Committee on Commerce, Science, and Transportation on Jan. 17, 2019

Sponsor: Sen. Amy Klobuchar (D-MN); 3 co-sponsors, 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/senate-bill/189/text?q=%7B%22search%22%3A%5B%22S.189%22%5D%7D&r=1&s=1>

S. 453—A Bill to Amend the Consumer Financial Protection Act of 2010 to Subject the Bureau of Consumer Financial Protection to the Regular Appropriations Process

Summary: The bill would amend the Consumer Financial Protection Act of 2010 to subject the Consumer Financial Protection Bureau to the regular appropriations process.

Introduced: Feb. 12, 2019

Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs on Feb. 12, 2019.

Sponsor: Sen. David Perdue (R-GA); 18 cosponsors. 3% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/senate-bill/453>

S. 3108— CONSUMER TRANSACTION ACCOUNT PROTECTION ACT OF 2019

Summary: This bill would specify that consumer transaction account deposits of an insured depository institution shall not be considered to be funds obtained through a deposit broker.

Introduced: December 19, 2020

Status: The bill was referred to the Committee on Banking, Housing, and Urban Affairs on December 19, 2019.

Sponsor: Sen. Doug Jones (D-AL); 2 co-sponsors. 4% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/senate-bill/3108?q=%7B%22search%22%3A%5B%22brokered+deposits%22%5D%7D&s=4&r=2>

The *Government Update* is issued by the Innovative Payments Association twenty times a year as a service to members.

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