



Government Relations Working Group Government Update

A Publication for IPA Members
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I. ASSOCIATION UPDATE

IPA Webinar: Customer Retention in the Age of COVID19

Customers are the one thing that every successful business needs, and customer retention is easier than finding new ones. While this seems obvious, the pandemic has threatened the customer base for financial services. In this Webinar, SpringFour will present results from its research into how the pandemic has affected household finances of low and moderate income people. Their research reveals the needs of this segment of customers. We will talk about how companies can retain their customers and maintain their bottom lines by meeting those needs both directly and indirectly.

Please join us on September 16 at 3 PM ET. Registration and additional information can be found [here](#).

IPA Webinar: Understanding the New Paradigm for Regulators and Industry

The Conference of State Banking Supervisors is moving forward with several initiatives to support streamlining licensing, responding to findings in the FinTech Advisory Recommendations (02/2019) and networked supervision.

These changes are moving quickly in several areas and will affect state licensed entities in a number of areas from obtaining a license, participating in an exam and consumer complaints.

The Money Services Business Association (MSBA) is a key partner in the initiatives and we will provide an update on what the Industry can expect.

1. CSBS Uniform Money Transmission Modernization Act

- How did we get here?
- Participants
- Status
- Next Steps

2. State Examination System (SES)

- Another piece of the puzzle
- One Company – One Exam

3. Consumer Complaints

4. NMLS – Modernization

Please join us on September 23 at 3 PM ET! Registration and additional information can be found [here](#).

II. AGENCY AND REGULATORY NEWS

CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

CFPB Releases Guide For Intermediaries To Assist Non-Filers To Access Their Economic Impact Payments

On August 27, the Consumer Financial Protection Bureau released a guide for social service providers, community-based organizations, nonprofits, and other intermediaries who assist individuals in accessing their Economic Impact Payments (EIPs). The guide, *Helping Consumers Claim the Economic Impact Payment: A guide for intermediary organizations*, provides step-by-step instructions for frontline staff on how to:

- Discuss the EIP with their clients;
- Determine if clients need to take action; and
- Support clients with what to expect and how to troubleshoot common issues.

Additionally, in the press release announcing the guide, the Bureau notes that, in order to receive their EIP this year, the IRS requests that [eligible](#) individuals and families who have no tax filing obligation file a simple return through the [non-filer portal](#) on the IRS.gov website by October 15, 2020. The release further notes that individuals who miss this deadline can also file a 2020 tax return next year to receive the payment in 2021.

The Bureau's press release and additional information about the guide can be accessed [here](#).

Electronic Disclosure of Adverse Action Virtual Tech Sprint

On October 5-9, 2020, the Consumer Financial Protection Bureau will host its Adverse Action virtual Tech Sprint.

The Bureau seeks sprint participants to develop innovative electronic ways to notify consumers of, and inform them about, adverse credit actions. Innovations may concern any aspect, or potential aspect, of adverse action communication, including its development or use. Participants may—but do not have to—address adverse actions based on the use of machine learning algorithms or data not found in traditional credit reports. The application deadline is Friday, September 11, 2020, at 11:59 p.m. EDT.

[Learn more here](#).

IPA CFPB Trial Disclosure Program Application

The IPA is preparing an application for a waiver template under the CFPB's [Trial Disclosure Program \(TDP\)](#) on behalf of the IPA members. This waiver template seeks to allow approved applicants to offer prepaid accounts in accordance with the CFPB's Prepaid Account Rule ("Prepaid Rule") without the need to provide the long form disclosure required under the Rule.

If approved, interested IPA members would still be required to submit individual applications to the CFPB for permission to offer prepaid accounts without providing the long form disclosure but would be able to use the waiver template as a guide and to have a better understanding of what the CFPB would be looking for in successful applications.

The IPA's draft application can be accessed [here](#). If you have any questions or concerns, please let Brian Tate (btate@ipa.org), Eli Rosenberg (erosenberg@bairdholm.com), or Grant Hannah (ghannah@ipa.org) know.

OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC)

OCC Announces Plans to Begin Accepting Payments Charter Applications

Last week, [Politico reported](#) that the Office of the Comptroller of the Currency (OCC) is moving to begin offering a new Special Purpose National Bank Charter for Payment Companies (Payments Charter). OCC Acting Comptroller Brian Brooks told Politico that the OCC could be ready in short order to start processing applications for charters from payments companies. Acting Comptroller Brooks is also quoted as saying, “We’ve satisfied ourselves that we don’t need a new regulation or a new statute on it.”

In reaction to this news, the [Conference of State Bank Supervisors](#), the national trade association of state banking regulators, issued a press release stating their opposition to this step by the OCC. They also compare the Payments Charter to the OCC’s Fintech Charter, which the OCC has been blocked from moving forward with in federal court. The full press release can be found [here](#).

III. CONGRESSIONAL NEWS

House Financial Services Committee Chairwoman Waters Announces September Hearing Schedule

On August 28, Congresswoman Maxine Waters (D-CA), Chairwoman of the House Committee on Financial Services, announced the hearing schedule for the month of September. The IPA will be closely following these hearings:

- September 22 at 10:30 AM – The full Committee will convene for a hybrid hearing entitled, “Oversight of the Treasury Department’s and Federal Reserve’s Pandemic Response.”
- September 29 at 12:00 PM – The Task Force on Financial Technology will convene for a virtual hearing entitled, “License to Bank: Examining the Legal Framework Governing Who Can Lend and Process Payments in the Fintech Age.”

The complete list of September hearings can be found [here](#)

Senate Banking Committee Chairman Crapo Sends Letter to OCC on Crypto

On September 2, Senate Banking Committee Chairman Mike Crapo (R-ID) sent a letter to the Office of the Comptroller of the Currency (OCC) regarding their [Advanced Notice of Proposed Rulemaking \(ANPR\)](#) on the digital activities of banks and federal savings associations. In brief, Chairman Crapo’s letter encourages the OCC to develop rules of the road for the use of cryptocurrencies and/or distributed ledger technology (DLT) in payments for national banks. Chairman Crapo additionally requests an update on the OCC’s findings from the ANPR and information regarding next steps the OCC intends to take with this technology.

A copy of the letter can be accessed [here](#).

Rep. Trey Hollingsworth (R-IN) Sends Letter to the FDIC on Brokered Deposits

On August 21, Rep. Trey Hollingsworth (R-IN), a member of the House Financial Services Committee, sent a letter to the FDIC regarding their [Notice of Proposed Rulemaking on Brokered Deposits](#). In the letter, Rep. Hollingsworth expresses concern with the definition of “facilitating the placement of deposits” in the proposed rule and its potential impacts. He further outlines his belief that, as long as banks establish, own, and control the depositor relationship, the institutions should not be penalized from outsourcing ancillary activities and services provided that the financial institution retains the direct relationship with the depositor.

A copy of the letter can be accessed [here](#).

House Energy and Commerce Committee to Markup Fraud Bills

On September 9, the House Energy and Commerce Committee is expected to markup two pieces of legislation that deal with fraud. Please find additional information on the bills below.

H.R. 2610 - [Stop Senior Scams Act](#)

The Stop Senior Scams Act would establish a Senior Scams Prevention Advisory Council (“Advisory Council”) at the FTC. The Advisory Council, while considering public comment, would collect existing information and guidance on identifying and preventing scams affecting seniors and create improved model educational materials and programs. The bill would direct the FTC to make the improved materials public and encourage their use and distribution. The bill would also amend the Elder Abuse Prevention and Prosecution Act, 34 U.S.C. § 21711, to include information, findings, and recommendations from the Advisory Council in the annual report to Congress.

*Note: the IPA sent a [letter of support](#) when the Senate companion ([S. 149](#)) was being marked-up.

H.R. 6435 – [Combating Pandemic Scams Act Of 2020](#)

The Combating Pandemic Scams Act of 2020 would require the FTC to inform the public about mail, telemarketing, and internet scams related to COVID-19 and disseminate information on how to report COVID-19-related scams to the appropriate agency. The FTC would also be required to establish a national database for such information.

Additional information as well as a livestream of markup can be found [here](#).

IV. MISC.

IPA Election Snapshot – Post Convention Polling

The Democratic National Convention took place from August 17 – August 20 and the Republican National Convention took place from August 24 – August 27.

Now that the conventions are over, we wanted to pass along the results of the latest polling as part of our Election Snapshot series, which can be found below.

Election Snapshot – 9.3.20

Presidential:

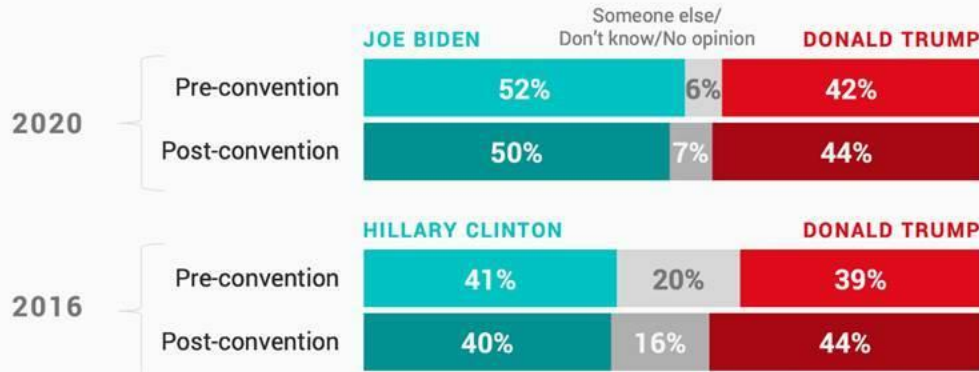
A [Morning Consult](#) poll conducted on Friday, August 28 that asked 4,035 likely voters which candidate they would pick found:

- Former Vice President Joe Biden leads President Trump 50% to 44% among likely voters following the Republican National Convention vs. a lead of 52% to 42% before it began.
- President Trump cut into Biden’s lead among suburbanites and grew his support among white voters, though he worsened his standing with voters of color.
- Biden’s favorability numbers weakened while the president’s remained steady.

POLITICAL INTELLIGENCE: PRESIDENTIAL ELECTION

Biden's Lead Slightly Diminished Following RNC

Voters were asked whom they would vote for if the presidential election were held today



MORNING CONSULT

Polls conducted in July 2016 among roughly 2,000 registered voters each and in August 2020 among roughly 4,000 likely voters each, with margins of error ranging from +/-1% to +/-2%. Values may not add up to 100% due to rounding.

Source: [Morning Consult](#)

Major Dates on Presidential Calendar:

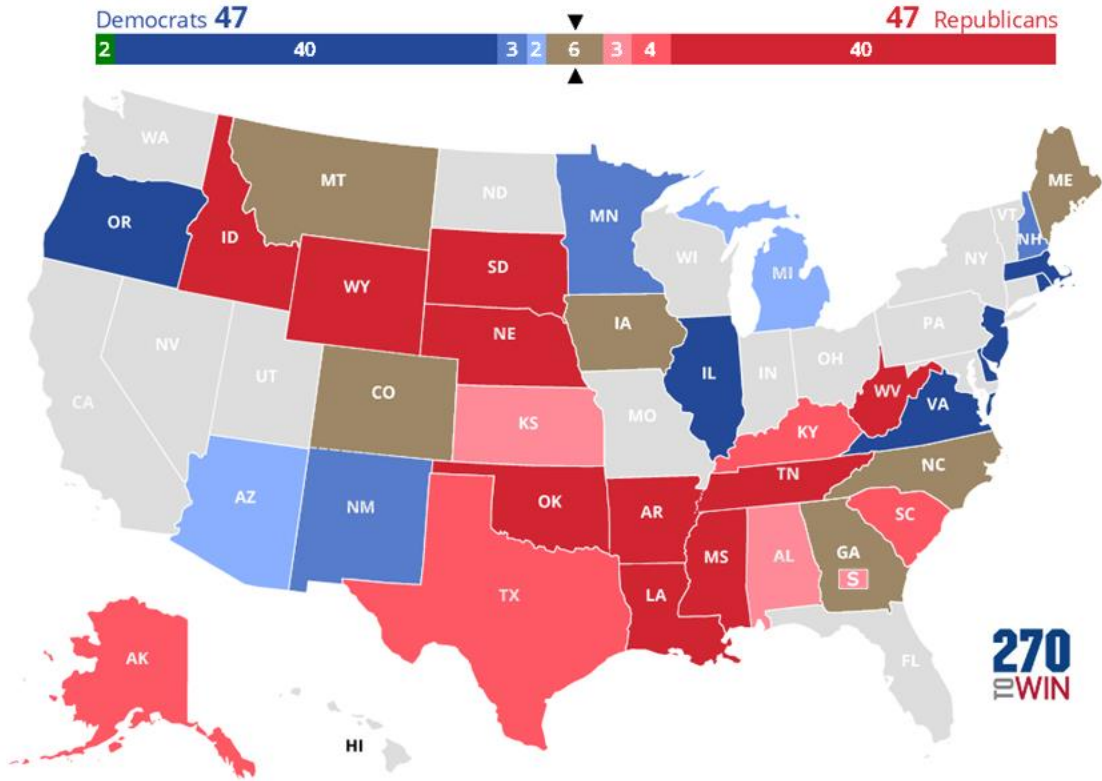
- Sept. 29: 1st presidential debate (Cleveland, Ohio)
- Oct. 7: Vice presidential debate (Salt Lake City, Utah)
- Oct. 15: 2nd presidential debate (Miami, Fla.)
- Oct. 22: 3rd presidential debate (Nashville, Tenn.)
- Nov. 3: Election Day

Senate:

[270toWin](#) has compiled a map of the 2020 Senate elections using the current ratings of Sabato's Crystal Ball, The Cook Political Report, and Inside Elections to find a consensus.

Accordingly, the consensus polling indicates that the Senate is a tossup right now. There are 6 seats that are rated tossups which will determine which party wins the majority in the Senate:

- Colorado
- Georgia
- Iowa
- Maine
- Montana
- North Carolina



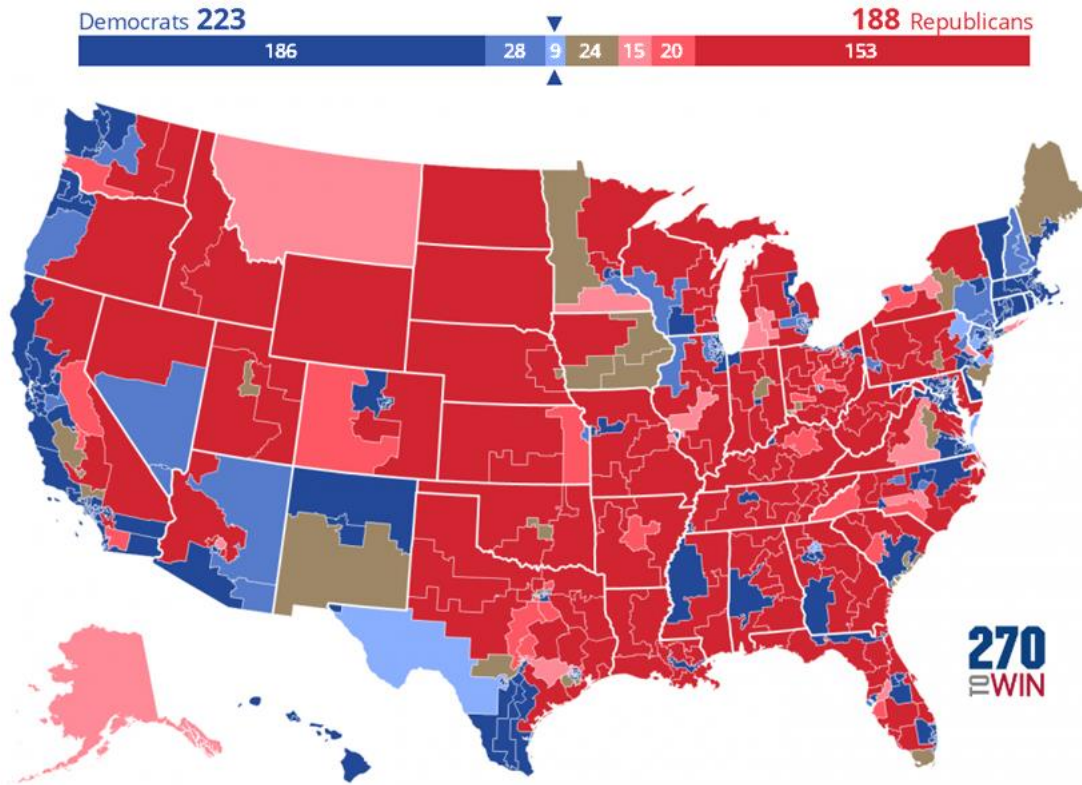
Map Updated: Aug. 31, 2020

Source: [270toWin](https://www.270towin.com)

House of Representatives:

[270toWin](https://www.270towin.com) has also compiled a map of the 2020 House elections using the current ratings of Sabato's Crystal Ball, The Cook Political Report, and Inside Elections to find a consensus.

Accordingly, the current consensus polling indicates that the House is likely to remain in Democratic control.



Map Updated: Sept. 3, 2020

Source: [270toWin](https://www.270towin.com/)

V. STATE NEWS

None.

VI. 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. 2% chance of enactment (according to [govtrack](https://www.govtrack.us/congress/bills/116/189)).

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. 2% 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. 2% 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. 2% 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, 2% 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. 2% 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. 2% 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; 2% 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; 2% 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; 2% 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, 2% 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: Passed the Senate on June 16, 2020 by unanimous consent and was sent to the House of Representatives for further consideration.

Sponsor: Sen. Robert Casey (D-PA); 2 co-sponsors, 83% 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, 2% 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. 2% 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. 2% 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>

S. 3962— ASSET GROWTH RESTRICTION ACT OF 2020

Summary: The bill would strike the current legal framework for brokered deposits and replace it with an authorization for the FDIC to limit the asset growth of financially troubled banks by regulation, rule, or order.

Introduced: June 15, 2020

Status: The bill was referred to the Committee on Banking, Housing, and Urban Affairs on June 15, 2020.

Sponsor: Sen. Jerry Moran (R-KS); 0 co-sponsors. 2% chance of enactment (according to [govtrack](#)).

Details: <https://www.congress.gov/bill/116th-congress/senate-bill/3962?s=7&r=9>

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

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