



Government Relations Working Group Government Update

A Publication for IPA Members
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I. ASSOCIATION UPDATE

IPA FinTech Elevator

Can you make it to the top?

Submit your best 5-minute pitch for a chance to present to investors and partner companies in the payment space.

All application materials are due by 5pm Eastern on June 23rd. The Top 6 will present on July 21, 2021.



5 MINUTE PITCH

Post a 5 minute pitch on YouTube and send us the link with your completed application



TOP 6 SELECTED

A selection committee of various industry experts will select the top 6 applications



LIVE PITCH EVENT

The Top 6 will join investors & partner companies in the payments space for a virtual pitch event

Apply Today!

IPA Podcast: A Pandemic Can Change All the Rules When it Comes to Fraud Prevention

Over the last 18 months, the dramatic changes in the ways that people live, work, and pay have meant that fraud prevention rules that were once very effective have lost some of their power.

In the latest episode of the IPA Payments Pod, we talk with Brian Grech, vice president of sales and marketing for Deep Labs, which uses persona-based artificial intelligence to predict behavior and prevent fraud. We cover how the pandemic created new risks that were not covered by old models, so what once looked like fraud could be a legitimate transaction, and what once looked legitimate could be fraud.

We also talk about what artificial intelligence is and how it can help companies adapt to rapidly changing environments. As we come out of the pandemic, the business environment is evolving rapidly. So, as we adjust to a new normal, companies will once again need to think ahead and figure out what lessons still apply, and what has changed now that the pandemic is over.

[Listen now!](#)

IPA Summer of Learning



Summer of Learning Series

JOIN US FOR VIRTUAL EVENTS ALL SUMMER LONG!
SESSION TOPICS INCLUDE:

NFT	LendUp on Digital Banking
White Labeling	Digital banking
Fintech & Payments Market	And more!

[Register at IPA.org/SLS](https://ipa.org/SLS)

II. AGENCY AND REGULATORY NEWS

FEDERAL RESERVE (THE FED)

Federal Reserve Board Invites Public Comment on Proposed FedNow Rule

On June 1, the Federal Reserve Board issued a request for comment on a proposed rule to govern funds transfers over the Federal Reserve Banks' FedNowSM Service. The FedNow Service will support instant payments in the United States and is expected to be available in 2023.

The proposed rule would establish a new and comprehensive set of rules governing funds transfers over the FedNow Service and set out the legal rights and obligations of the Reserve Banks and FedNow Service participants. Many of the concepts in the proposed rule are similar to existing provisions that govern the Fedwire Funds Service, which is the payments service currently operated by the Federal Reserve System.

Comments are due within 60 days of the proposal's publication in the *Federal Register*. Additional information can be found [here](#).

CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

Scheduling Order in PayPal Case Appeal Issued by DC Appeals Court

The United States Court of Appeals for the District of Columbia Circuit has issued a scheduling order for the appeal filed by the CFPB in the *PayPal case*. The order lays out the timeline of filings for the appeal. As a reminder, the CFPB filed [notice](#) with the United States District Court for the District of Columbia on March 1st that they appeal Judge Richard Leon's [ruling](#) in the case.

In summary, the scheduling order requires that the CFPB files its initial brief by August 2, 2021, and that PayPal files its initial brief by September 29, 2021. Additional documents will be due in early-mid November, with final briefs being due on November 24, 2021.

A copy of the scheduling order can be found [here](#).

CFPB issues Electronic Fund Transfers FAQs on compliance aid webpage

On June 4, the CFPB issued Electronic Fund Transfers Frequently Asked Questions (FAQs). The FAQs address the unauthorized transfer and error resolution provisions under the Electronic Fund Transfer Act and Regulation E, including situations when a consumer is fraudulently induced by a third party to provide their account information or private network rules conflict with the regulation.

The FAQs can be accessed [here](#).

OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC)

Appeals Court Issues Ruling in OCC FinTech Charter Lawsuit

On June 3, the U.S. Court of Appeals for the Second Circuit issued a ruling in the New York Department of Financial Services' (DFS) suit challenging the Office of the Comptroller of the Currency's (OCC) decision to begin accepting applications for special-purpose national bank charters from FinTechs engaged in the "business of banking," including those that do not accept deposits. In brief, the Court ruled in favor of the OCC and reversed a lower court ruling that blocked the OCC from issuing charters to FinTechs on the grounds that the DFS failed to show that the OCC's decision caused it to suffer an actual or imminent injury and that DFS's claims are constitutionally unripe for substantially the same reason.

The full decision can be accessed [here](#).

III. MISC.

June Congressional Hearings of Note

- June 9 at 2:30 PM ET: The Senate Banking Subcommittee on Economic Policy will convene for a virtual hearing entitled, “[Building A Stronger Financial System: Opportunities of a Central Bank Digital Currency.](#)”
- June 15 at 10:00 AM ET: The House Financial Services Task Force on Financial Technology will convene for a virtual hearing entitled, “[Digitizing the Dollar: Investigating the Technological Infrastructure, Privacy, and Financial Inclusion Implications of Central Bank Digital Currencies.](#)”
- June 30 at 10:00 AM ET: The House Financial Services Subcommittee on Oversight and Investigations will convene for a virtual hearing entitled, “[America on “FIRE”: Will the Crypto Frenzy Lead to Financial Independence and Early Retirement or Financial Ruin?](#)”

Capital Clues

Below is latest intelligence the IPA has received on recent activity on Capitol Hill:

- The Senate returns this week while the House remains in a committee work period. Both the House and the Senate will begin a busy period with dozens of hearings and markups scheduled between now and the start of the July Fourth recess.
- Negotiations on a comprehensive infrastructure proposal continue between Senate Republicans and the Biden Administration. While both sides have expressed some degree of optimism towards achieving a bipartisan compromise, there is still a considerable amount of daylight between what House and Senate Republicans would be willing to agree to and where the Biden Administration currently stands.
- The Democrats expanded their slim majority in the House last Tuesday with the election of Melanie Stansbury to New Mexico’s 1st Congressional District. Stansbury defeated State Senator Mark Moores (R) in a special election for the seat previously held by Interior Secretary Deb Haaland. As a result, the Democrats now maintain a 220-211 majority. There are currently four vacant seats in the House.

IV. FEDERAL BILLS, AND LAWS

NEW FEDERAL LAWS

None.

PENDING FEDERAL BILLS

[H.R.963](#) - Forced Arbitration Injustice Repeal (FAIR) Act

Summary: This bill prohibits a pre-dispute arbitration agreement from being valid or enforceable if it requires arbitration of an employment, consumer, antitrust, or civil rights dispute.

Status: Referred to the Subcommittee on Antitrust, Commercial, and Administrative Law on 04/23/2021.

Sponsor: Rep. Hank Johnson (D-GA)

[H.R. 1711](#) – To amend the Consumer Financial Protection Act of 2010 to direct the Office of Community Affairs to identify causes leading to, and solutions for, under-banked, un-banked, and underserved consumers, and for other purpose

Summary: This bill would direct the CFPB to conduct research on barriers to financial inclusion and identify hurdles under- and un-banked consumers. It would also require the Bureau to identify best practices to increase participation in the financial system and included a reporting requirement.

Status: Passed/agreed to in House on 5/18/21. Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs on 5/19/21.

Sponsor: Rep. David Scott (D-GA)

[H.R. 1996](#) – SAFE Banking Act

Summary: This bill would allow marijuana-related businesses in states with some form of legalized marijuana and established regulatory structures to access the banking and payments system.

Status: Passed/agreed to in House on 4/19/21. Received in the Senate and Read twice and referred to the Committee on Banking, Housing, and Urban Affairs on 4/20/21.

Sponsor: Rep. Ed Perlmutter (D-CO)

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

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