



# Government Relations Working Group Government Update

*A Publication for IPA Members*  
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## I. ASSOCIATION UPDATE

### ***IPA Podcast: Payments for Good with Blackhawk Network: How a pandemic led to a new vertical for the company***

The pandemic created problems for individuals, governments, and businesses, but as the old saying goes, every problem brings new opportunities.

For Blackhawk Network, that opportunity began when it channeled its payments expertise into helping distribute relief money for governments and nonprofits. It used both closed-loop and open-loop prepaid cards as a way to deliver aid. The plastic and virtual cards were used to replace checks so that people could get access to funds quickly and inexpensively.

As the pandemic begins to subside, Blackhawk plans to continue working to deliver funds to vulnerable populations. The company has created a new vertical that it calls Payments for Good to work with governments and nonprofits who need new ways to disburse money.

In this episode, we talk with Tyler Gentry, the director of Payments for Good, about the work that led to its creation and the company's future plans.

Listen [here!](#)

*IPA Summer of Learning*

## Join Us Thursday

The Summer Learning Series is provided as a complimentary benefit to the payments community. There is no cost to register for these events.

Join the IPA at our next Summer of Learning event with special guest, Ron Shevlin.

Ron is the Managing Director of Fintech Research at Cornerstone Advisors, the author of the book *Smarter Bank*, and a Senior Contributor at [Forbes](#) where he authors the Fintech Snark Tank blog.



Please join us on Thursday, July 8th at 2 pm (EST) as Ron shares his insights on the innovations occurring in the financial services marketplace and where things might be headed in the future.

**Speaker:** Ron Shevlin, Forbes

**When:** July 8th, 2pm Eastern

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And more!

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

## II. AGENCY AND REGULATORY NEWS

### FEDERAL RESERVE (THE FED)

#### *Federal Reserve Board Extends Comment Period on Proposed Changes to Regulation II*

On June 22, the Federal Reserve Board announced that it will [extend](#) until August 11, 2021, the comment period for its [proposed changes to Regulation II](#) regarding network availability for card-not-present debit card transactions. Originally, comments were due by July 12, 2021.

The IPA sent a [letter](#) to the Federal Reserve Board requesting an extension of the comment period on June 11<sup>th</sup>. In addition, the IPA is working to incorporate feedback received from IPA members into our larger comment letter to the Fed on the proposed rule.

#### *Federal Reserve Files Motion to Dismiss / Motion to Transfer N.D. Retailer Interchange Litigation*

On July 2, the Federal Reserve filed a motion to dismiss or, in the alternative, a motion to transfer to D.C. the litigation brought by North Dakota retailers in the U.S. District Court for the District of North Dakota challenging the Federal Reserve's Reg. II rulemaking. In the motion, the Fed moves to dismiss or transfer based on a lack of subject matter jurisdiction or failure to state a claim on grounds that the six-year limitations period applicable to this action under the Administrative Procedure Act has expired. In addition, in support of its motion to transfer, the Fed cites that a transfer is appropriate in this case because the ND retailers complaint raises virtually identical claims to those that were fully litigated in litigation brought by the NRF and others previously challenging the Fed's Reg. II rulemaking in 2011 in the U.S. District Court for the District of Columbia and appealed to the D.C. Circuit, which ordered a limited remand for additional clarification by the Board on one narrow issue without vacating any part of the Final Rule.

The Fed's brief can be found [here](#).

### CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

#### *CFPB Releases July CFPB Consumer Complaint Bulletin*

On July 1, the Consumer Financial Protection Bureau (CFPB) released a new [complaint bulletin](#) covering several areas related to relief provided in response to the COVID-19 pandemic. Specifically, the bulletin focuses on consumer complaints around EIPs, eviction protections, and student loan servicing.

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

## **Financial Crimes Enforcement Network (FinCEN)**

### ***FinCEN Completes Assessment on the Use of No-Action Letters***

On June 30, the Financial Crimes Enforcement Network announced that it has completed a report on its assessment of whether to establish a process for the issuance of no-action letters in response to inquiries concerning the application of the Bank Secrecy Act (BSA) and other anti-money laundering and countering-the-financing-of-terrorism laws to specific conduct. Pursuant to Section 6305 of the Anti-Money Laundering Act of 2020 (AML Act), the report was delivered on June 28, 2021, to the Senate Committee on Banking, Housing, and Urban Affairs and the House Committee on Financial Services. FinCEN's assessment included consultation with the Attorney General, the Federal functional regulators, State bank supervisors, State credit union supervisors, and other Federal agencies, as required by the AML Act.

"FinCEN concludes that a no-action letter process would be a useful complement to its current forms of regulatory guidance and relief," said Acting Director Michael Mosier. "FinCEN looks forward to continuing to engage with our government partners and the public during a future rulemaking process to ensure all constructive feedback is considered on this important issue."

A copy of the report can be found attached and additional information can be found [here](#).

### ***FinCEN Issues First National AML/CFT Priorities***

On June 30, the Financial Crimes Enforcement Network issued the first government-wide priorities for anti-money laundering and countering the financing of terrorism (AML/CFT) policy (the "Priorities"), following consultation with other relevant Department of the Treasury offices, as well as Federal and State regulators, law enforcement, and national security agencies. The Priorities identify and describe the most significant AML/CFT threats currently facing the United States. In no particular order, these include corruption, cybercrime, domestic and international terrorist financing, fraud, transnational criminal organizations, drug trafficking organizations, human trafficking and human smuggling, and proliferation financing. FinCEN today also issued two statements (attached) to provide guidance to covered institutions on how to approach the Priorities.

Additional information can be found [here](#).

## **III. MISC.**

### ***July House Financial Services Committee Hearing Schedule Announced***

On June 28, House Financial Services Committee Chairwoman Maxine Waters (D-CA) announced the Committee hearing schedule for the month of July. Highlights from the schedule can be found below and the full schedule can be found [here](#).

- July 14 at 12:00 PM ET: The full Committee will convene for a virtual hearing entitled, "Monetary Policy and the State of the Economy." (Fed Chair Jerome Powell will appear)
- July 16 at 12:00 PM ET: The Task Force on Artificial Intelligence will convene for a virtual hearing entitled, "I Am Who I Say I Am: Verifying Identity while Preserving Privacy in the Digital Age."
- July 21 at 10:00 AM ET: The Subcommittee on Consumer Protection and Financial Institutions will convene for an in-person hearing entitled, "Banking the Unbanked: Exploring Private and Public Efforts to Expand Access to the Financial System."

- July 27 at 10:00 AM ET: The Subcommittee on National Security, International Development and Monetary Policy will convene for an in-person hearing entitled, “The Promises and Perils of Central Bank Digital Currencies.”

### ***Rep. Maloney (D-NY) Introduces Overdraft Legislation***

On June 30, Rep. Carolyn Maloney (D-NY) announced the introduction of the [Overdraft Protection Act of 2021](#). This bill is aimed at limiting overdraft fees and would establish a set of practices for overdraft coverage programs. Rep. Maloney has introduced a version of this legislation since 2009.

Specifically, the Overdraft Protection Act of 2021 would:

- require that fees be “reasonable and proportional” to the cost of processing these transactions and the amount of the overdraft;
- prevent institutions from re-ordering transactions to artificially increase their fees;
- limit the number of fees that can be charged to 1 per month and 6 per year;
- require that consumers proactively opt-in to overdraft programs – rather than automatically being enrolled;
- improve transparency and disclosures; and
- prohibit charging overdraft fees for “debit holds” that exceed actual transaction amounts, among other strong measures.

Legislative text has not been made available yet but will likely be made available [here](#) in the next few business days. In the meantime, the bill as introduced in the 116<sup>th</sup> Congress can be found [here](#).

### ***Capital Clues***

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

- The Senate is in recess until Monday, July 13. The Senate will begin a four-week session upon its return.
- The House will be in recess July 5-9.
- Significant progress was made the week of June 22 when a bipartisan group of senators, together with President Biden, announced agreement on an infrastructure framework. President Biden’s support for the deal was clouded, however, when just hours later, he indicated that his support for the deal is contingent upon passage of a larger multi-trillion-dollar budget reconciliation bill. Things appeared back on track over the weekend with the key negotiators after Biden issued a statement on Saturday clarifying his comments.
- Beyond infrastructure, there are three policy areas which are generating bipartisan collaboration at the moment: (1) immigration reform; (2) police reform; (3) and China competitiveness. A bill relating to China competitiveness ([U.S. Innovation and Competition Act](#)) has cleared the Senate and components have begun moving through the House. Notably, the bill provides \$52 billion in emergency subsidies for semi-conductor manufacturers. In addition, there was a bipartisan breakthrough announced on policing reform recently, though some sticking points still remain. Bipartisan discussions continue on immigration reform.

## **IV. FEDERAL BILLS, AND LAWS**

### **NEW FEDERAL LAWS**

[S.J. Res 15](#) – A joint resolution providing for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Office of the Comptroller of Currency relating to "National Banks and Federal Savings Associations as Lenders" (True Lender Congressional Review Act Resolution)

*Summary:* This disapproval resolution invalidates the OCC's True Lender Rule, which addressed lending arrangements between banks and non-bank third party lenders. Additionally, the Resolution prevents the OCC from issuing the Rule, or one like it, again.

*Status:* Signed by the President on 6/30/20.

*Sponsor:* Sen. Chris Van Hollen (D-MD)

## **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)

### [H.R. 3968](#) - Municipal IDs Acceptance Act

*Summary:* This bill would require that the banking regulators update their guidance on Customer Identification Programs to state that an identification card issued by a municipality may be used by a bank to verify the identity of a customer, if such identification card enables the bank to form a reasonable belief that the bank knows the true identity of the customer.

*Status:* 06/23/2021 Ordered to be Reported from the Financial Services Committee in the Nature of a Substitute (Amended) by the Yeas and Nays: 27 - 23.

*Sponsor:* Rep. Richie Torres (D-NY)

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

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