



# Government Relations Working Group Government Update

A Publication for IPA Members  
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## I. ASSOCIATION UPDATE

### *Innovative Payments Conference Coming Online in April 2021*

The IPA's Innovative Payments Conference is the must-attend annual event for the payments community. Benefit from two weeks of cutting-edge content, discussions and enhanced networking as you engage directly with those leading the way in prepaid compliance, legislation, regulation and innovation!

We're looking forward to putting on another great event for you. And even better, if you already know you'd like to attend, [subscribe](#) to our updates today so you will be one of the first to hear when our Early Bird rate launches.

The IPC program is designed to keep you ahead of an ever-changing industry and position you to succeed in tomorrow's payments environment. Year after year, the event is an unqualified success, attracting hundreds of attendees from across the country. [Download the brochure](#) today to learn more about what to expect at IPC 2021!

Click [here](#) for additional information.

**IPA INNOVATIVE PAYMENTS CONFERENCE**

**Register**

A Virtual Event  
April 12 - April 23

**Sessions Include**

- \* Paypal v CFPB
- \* Emerging Fraud Trends: What is Keeping You Up at Night?
- \* How to use the Recovery to Advance your Career
- \* Surviving a Cyber-Attack, from the Inside Out!

IPA INNOVATIVE PAYMENTS CONFERENCE | IPA.ORG/IPC | @IPAUPDATES

### *Card Forum Contactless*

There is only one week left to register for [CARD FORUM: Contactless](#), taking place on **March 16**, it is the first in a [three-event series](#). This premier forum brings together senior industry leaders from organizations such as: **Checkout.com, Best Buy, Wells Fargo, Visa, Astera Credit Union** and more to explore how banks and credit unions can stay at the forefront of the contactless movement. [View the agenda →](#)

[IPA Members: Register by March 15 to claim your complimentary pass →](#)

Use promo code: **IPAVIP**

# CARD FORUM: CONTACTLESS

March 16

## II. AGENCY AND REGULATORY NEWS

### FEDERAL RESERVE

#### *IPA Letter to Fed on Durbin Amendment*

A [notice](#) was recently added to the Federal Reserve's website regarding a letter from/meeting with The Clearing House Association on the Durbin Amendment. In brief, TCH raised strong concerns about how small issuers are evading Durbin by partnering with FinTechs/program managers and, in some cases, how the 3rd parties are bigger than the issuer.

After receiving approval from our Executive Committee, on March 4, the IPA submitted its final [letter](#) to the Federal Reserve regarding Regulation II (Durbin Amendment). In brief, the letter highlights the growth and importance of prepaid account products to the financial services industry, that changes to Regulation II have the potential negatively impact consumers and financial services providers, and finally urges the Federal Reserve to ensure that any revisions to Regulation II or its interpretation are made pursuant to a transparent process that includes open and public debate.

Thank you to all who provided feedback throughout the drafting process.

### CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

#### *CFPB Files Notice of Appeal in PayPal Case*

On March 1, the Consumer Financial Protection Bureau (CFPB) filed [notice](#) with the United States District Court for the District of Columbia that they are appealing Judge Richard Leon's [ruling](#) in the *PayPal* case to the United States Court of Appeals for the District of Columbia Circuit. The notice reads as follows:

#### NOTICE OF APPEAL

The Consumer Financial Protection Bureau and David Uejio, in his official capacity as Acting Director of the Consumer Financial Protection Bureau, Defendants in the above-captioned case, hereby give notice that they appeal this Court's Memorandum Opinion and Order of December 30, 2020 (Documents 27 and 28), granting

Plaintiff's Motion for Summary Judgement, to the United States Court of Appeals for the District of Columbia Circuit.

This notice is the only filing that the CFPB submitted to the court. We expect a more substantive filing to come from the CFPB in the future.

### ***CFPB Files Suit Against Payment Processor for Supporting Internet-Based Technical-Support Scams***

On March 3, the Consumer Financial Protection Bureau (CFPB) filed a lawsuit in federal court against BrightSpeed Solutions Inc. and its founder and former chief executive officer, Kevin Howard, for knowingly processing payments for companies engaged in internet-based technical-support fraud. Chicago-based BrightSpeed was a privately owned, third-party payment processor founded and operated by Howard in 2015 and wound down business operations in March 2019.

The CFPB alleges that between 2016 and 2018, Howard and BrightSpeed knowingly processed payments for client companies that purported to offer technical-support services and products over the internet, but instead tricked consumers into purchasing expensive and unnecessary antivirus software or services.

Additional information can be found in the press release below and a copy of the complaint can be accessed [here](#).

## **III. CONGRESSIONAL NEWS**

### ***Update on COVID Relief Package***

After initial passage in the House on February 27, the Senate passed its version of the [American Rescue Plan](#) on Saturday after about 45 hours of consideration. There were some changes made to the package in the Senate, so it will now head back to the House for final passage this week. One of the changes made to the package relates to EIPs. The \$1,400 payments the phase-outs will start at \$75,000 and \$150,000 respectively and will now phase out completely at \$80,000 per year for individuals and \$160,000 for joint filers.

### ***Recap of Rohit Chopra Nomination Hearing***

On March 2, the Senate Banking Committee held a nomination hearing for Consumer Financial Protection Bureau (Bureau) Director nominee Rohit Chopra. Mr. Chopra mentioned student loan servicers, debt collectors, credit reporting, and mortgages a number of times as specific issues he believes need attention. He also mentioned that he believes it's important that the Bureau examine at how big tech is entering financial services and what impact that will have on consumer privacy. He was asked by Sen. Cotez Masto about his views on restitution for UDDAP violations. He responded that restitution is a critical element of the Bureau's enforcement work and that he has pushed hard against no fault, no money settlements at the FTC. He also said that it does not make sense not to provide restitution when a consumer is ripped off.

On the subject of enforcement, he also said that the Bureau should be focused on fixing harms and letting market participants know what's expected of them, pursuant its statutory authority. He was also asked about the use of guidance, Mr. Chopra responded that he believes that transparency and clear communication through the proper channels are key. Finally, he was asked by Sen. Jon Ossoff about Walmart's entry into the banking/fintech space. Mr. Chopra said that it's not a core issue of the CFPB but that generally, he believes dominant players should not be able to squash out competition and that he does not want to see a marketplace where new entrants are blocked.

Mr. Chopra's nomination is scheduled for a vote in the Banking Committee on March 10<sup>th</sup>, after which his nomination will make its way to the full Senate for consideration. A recording of the hearing can be accessed [here](#).

### ***Senate Banking Committee Subcommittee Assignments Announced***

On March 1, Senate Banking Committee Chairman Sherrod Brown (D-OH) and Ranking Member Pat Toomey (R-PA) announced the panel's subcommittee assignments for the 117<sup>th</sup> Congress. The roster for the Financial Institutions and Consumer Protection Subcommittee can be found below.

**FINANCIAL INSTITUTIONS AND CONSUMER PROTECTION**

Senator Raphael Warnock (D-GA) Chair	Senator Thom Tillis (R-NC) Ranking Member
Senator Robert Menendez (D-NJ)	Senator Tim Scott (R-SC)
Senator Jon Tester (D-MT)	Senator Mike Rounds (R-SD)
Senator Mark R. Warner (D-VA)	Senator Bill Hagerty (R-TN)
Senator Elizabeth Warren (D-MA)	Senator Cynthia Lummis (R-WY)
Senator Catherine Cortez Masto (D-NV)	Senator Jerry Moran (R-KS)
Senator Chris Van Hollen (D-MD)	Senator Kevin Cramer (R-ND)
Senator Kyrsten Sinema (D-AZ)	Senator Richard Shelby (R-AL)

The full list can be found [here](#).

**IV. MISC.**

***Brookings Overdraft Study***

On March 1, the Brookings Institution published an examination of overdraft fee revenue of community banks. It specifically focuses on a handful of larger community banks whose overdraft revenue is more than half their net income and lays out policy recommendations. Please find topline highlights below.

**Topline Summary**

- For six banks overdraft revenues accounted for more than half their net income
- Three had overdraft revenues greater than total net income
- Three rely on overdraft fees for more than half their profit
- Calls on regulators to collect and publicize overdraft data for all banks and credit unions regardless of size
- Calls for any institution for which overdraft is more than 50 percent of their total profit to be put under strict consent decree
- Calls for regulators to reconsider whether the overdraft product is really a loan, not a fee
- Calls for all banks and credit unions to be required to offer a basic, low-cost, no overdraft fee product

The full study can be found [here](#).

**V. STATE NEWS**

N/A

**VI. FEDERAL BILLS, AND LAWS**

**NEW FEDERAL LAWS**

None.

**PENDING FEDERAL BILLS**

None.

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