



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

IPA Podcast: When Direct Deposit is not an Option, Prepaid Cards Come to the Rescue for Stimulus Funds

When the U.S. government decided to provide funds to struggling Americans in the pandemic, it needed a way to move a lot of money to a lot of people quickly. While direct deposit information from tax returns helped, some people who most needed assistance weren't in the system.

So, the Department of Treasury used a combination of paper checks and prepaid cards from a program it calls the U.S. Debit Card. That program was part of an existing contract that allowed the government to use prepaid cards for disbursements.

IPA members Fiserv and Metabank are instrumental in that program, and in this episode, we talk with Kim Ford, Senior Vice President for Government Relations at Fiserv about how the cards work and how they came to be used for stimulus funds.

Prepaid cards have been a tool for benefits distribution for years, and the Economic Impact Payments show how they can quickly be implemented for new programs when the need arises.

[You can listen to the podcast here. Please make sure to subscribe, share this with your friends, and leave us a review on your favorite podcast app.](#)

IPA Podcast: What is the most important question in virtual exams?

When the COVID19 pandemic forced businesses to operate virtually, bank examinations moved into cyberspace.

This change likely will last beyond the pandemic, so bankers need to figure out how to be effective in this new environment. For institutions involved in non-traditional businesses like prepaid issuing, the problems of effectively conveying information and answering questions from examiners can be more complicated if they need to explain a new type of business.

IPA member Bancorp has successfully navigated virtual exams, and in this episode, we talk with Mandi Lermond, the director and chief of staff, and Mike Althouse, the chief compliance officer about the lessons they have learned, and the best practices they have uncovered. For them, the most important exam question, both internally and externally has been "how goes it?" [Find out why.](#)

They have also written an article for the ABA Compliance Journal that explores these topics in more detail. You can find that article here: [Navigating Virtual Examinations | ABA Banking Journal](#)

II. AGENCY AND REGULATORY NEWS

INTERNAL REVENUE SERVICE (IRS)

More Economic Impact Payments set for disbursement in coming days; taxpayers should watch mail for paper checks, debit cards

On March 22, the Internal Revenue Service announced that the next batch of Economic Impact Payments will be issued to taxpayers, with many of these coming by paper check or prepaid debit card.

For taxpayers receiving direct deposit, this batch of payments began processing on Friday, March 19 and will have an official pay date of Wednesday, March 24, with some people seeing these in their accounts earlier, potentially as provisional or pending deposits. A large number of this latest batch of payments will also be mailed, so taxpayers who do not receive a direct deposit by March 24 should watch the mail carefully in the coming weeks for a paper check or a prepaid debit card, known as an Economic Impact Payment Card, or EIP Card.

No action is needed by most people to obtain this round of Economic Impact Payments (EIPs). People can check the Get My Payment tool on IRS.gov on to see if the their payment has been scheduled.

"The IRS continues to send the third round of stimulus payments in record time," said IRS Commissioner Chuck Rettig. "Since this new set of payments will include more mailed payments, we urge people to carefully watch their mail for a check or debit card in the coming weeks."

Following enactment of the American Rescue Plan Act on March 11, the IRS moved quickly to start delivering the third round of Economic Impact Payments. The IRS initiated the first batch of the \$1,400 stimulus payments, mostly by direct deposit, on March 12.

Today marks the second batch of payments, with additional payments anticipated on a weekly basis going forward. The vast majority of taxpayers receiving EIPs will receive it by direct deposit. In addition, the IRS and the Bureau of the Fiscal Service leveraged data in their systems to convert many payments to direct deposits that otherwise would have been sent as paper checks or debit cards. This accelerated the disbursement of these payments by weeks.

More information can be found [here](#) and an update IRS Fact Sheet can be found [here](#).

CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

Scheduling Order in PayPal Case Appeal Issued by DC Appeals Court

On March 10, the United States Court of Appeals for the District of Columbia Circuit issued a scheduling order for the appeal filed by the CFPB in the *PayPal case*. The order lays out the timeline of motions/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.

The scheduling order requires that both parties file initial documents by April 9, 2021. Dispositive motions would subsequently be due by April 26, 2021 for both parties. In addition, the order defers briefing in this case pending further order of the court.

The scheduling order can be accessed [here](#).

CFPB Rescinds 2020 Abusiveness Policy Statement

On March 11, the Consumer Financial Protection Bureau (CFPB) announced it is rescinding its January 24, 2020 policy statement, "[Statement of Policy Regarding Prohibition on Abusive Acts or Practices](#)." The Bureau says the 2020 Policy Statement was inconsistent with its duty to enforce Congress's standard and rescinding it will better serve the CFPB's objective to protect consumers from abusive practices. Going forward, the CFPB intends to consider good faith, company size, and all other factors it typically considers as it uses its prosecutorial discretion.

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

III. CONGRESSIONAL NEWS

Senate Banking Committee Vote on CFPB Director Nominee

On March 10, the Senate Banking Committee voted on advancing Rohit Chopra's nomination to be the next director of the Consumer Financial Protection Bureau. The vote ended in a 12-12 tie. According to Senate rules, Chairman Brown will transmit a notice of the tie vote to the Secretary of the Senate. This gives the Majority or Minority Leader the authority to make a motion to discharge the nomination from the Committee and, if approved, bring it to the floor for consideration by the full Senate.

SAFE Banking Act Introduced in 117th Congress

On March 18, Rep. Ed Perlmutter (D-CO) reintroduced his legislation to reform federal cannabis laws. H.R. 1996, the [Secure and Fair Enforcement \(SAFE\) Banking Act of 2021](#) - sponsored by Reps. Nydia M. Velázquez (D-NY-07), Steve Stivers (R-OH-15), and Warren Davidson (R-OH-08) and cosponsored by more than 100 members – would allow marijuana-related businesses in states with some form of legalized marijuana and strict regulatory structures to access the banking and payments system.

The bill has 109 co-sponsors, with 15 of them being Republican. The bill got a floor vote in the 116th Congress and passed in 321-103 vote.

IV. MISC.

None.

V. STATE NEWS

Gift Card Bill Introduced in New Jersey

On March 9, [SB 3498](#) was introduced in the New Jersey Senate. Specifically, the bill requires that gift card issuers:

- Prohibit the use or validation of a gift card worth more than \$100 for 48 hours following the purchase or issuance of the gift card;
- Immediately freeze the funds on a gift card upon receiving a report of fraud; and
- Provide a full refund to the purchaser after 48 hours of the purchase or issuance of the gift card if fraud is reported by the purchaser within 48 hours of purchase or issuance of the gift card.

The bill would impose new record keeping and disclosure requirements as well. It was introduced on March 9th and referred to the Commerce Committee. The bill's sponsor, Sen. Nellie Pou, is the chair of the Commerce Committee.

We will track this bill in our State Legislative Tracker. If you would like to sign up to receive Tracker, please let Grant Hannah (ghannah@ipa.org) know.

VI. FEDERAL BILLS, AND LAWS

NEW FEDERAL LAWS

None.

PENDING FEDERAL BILLS

[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: Referred to the Committee on Financial Services, and in addition to the Committee on the Budget on 3/9/21

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.

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Status: Referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary on 3/18/21
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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