



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!

The IPC program is designed to keep you ahead of an ever-changing industry and position you to succeed in tomorrow's payments environment. The IPA has reimagined its IPC as a two-week virtual event featuring 27 concurrent sessions that are most relevant to the community in the COVID-19 environment, chats and Q&A with presenters and attendees, and a moderated virtual happy hour. 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: Step by Step Cyber Security With Consumer Reports

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As people's lives become more digital and they add more connected devices to their lives, their risks for identity theft, fraud, and other cyber-crime grows. Everything from computers to smart phones to baby monitors to fitness trackers can all introduce risks.

The average person is often unaware of these risks, and so they are unprepared to manage them. To help address this issue, Consumer Reports, a nonprofit focused on consumer protection and education, has created [the Security Planner](#). The site helps individuals create a personal plan for protecting themselves and their devices by asking them a series of questions about their devices and any security concerns they might have. Based on the answers, the planner creates a checklist of steps to take to defend against the risks identified. While it can't provide perfect security, it can increase people's overall security.

[In the latest episode of the IPA Payments Pod](#), we speak with Yael Grauer, the lead content creator for the planner, about how it was created, who it is designed to help, and how it works. We also talk about some of the best practices that people can follow while navigating cyberspace.

The planner is a free resource, and one that companies can share with their customers if they want to provide resources on protecting against fraud.

[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.](#)

II. AGENCY AND REGULATORY NEWS

INTERNAL REVENUE SERVICE (IRS)

IRS, Treasury disburse more Economic Impact Payments under the American Rescue Plan; total tops 130 million with more to come

On April 1, the Internal Revenue Service, the U.S. Department of the Treasury and the Bureau of the Fiscal Service announced they are disbursing several million more payments in the third batch of Economic Impact Payments from the American Rescue Plan. This brings the total disbursed so far to more than 130 million payments worth approximately \$335 billion.

As announced on March 12, Economic Impact Payments continue to roll out in batches to millions of Americans. The third batch of payments began processing on Friday, March 26, with an official payment date of March 31, with some people receiving direct payments in their accounts earlier as provisional or pending deposits. Here is additional information on this batch of payments:

This batch includes the first of ongoing supplemental payments for people who earlier in March received payments based on their 2019 tax returns but are eligible for a new or larger payment based on their recently processed 2020 tax returns. These "plus-up" payments could include a situation where a person's income dropped in 2020 compared to 2019, or a person had a new child or dependent on their 2020 tax return, and other situations.

The payments announced also include payments for people for whom the IRS previously did not have information to issue a payment but who recently filed a tax return and qualify for an Economic Impact Payment. Payments to this group -- and the "plus-up" payments noted above -- will continue on a weekly basis going forward, as the IRS continues processing tax returns from 2020 and 2019.

In total, this third batch includes more than 4 million payments, with a total value of more than \$10 billion.

This batch of payments contains more than 2 million direct deposit payments (with a total value of more than \$5 billion) and approximately 2 million paper check payments (with a total value of nearly \$5 billion).

In addition, on April 2, a large set of payments were sent to Social Security and other federal beneficiaries who didn't file a 2020 or 2019 tax return and didn't use the Non-Filers tool last year. These payments will go to Social Security retirement, survivor or disability (SSDI), Supplemental Security Income (SSI), and Railroad Retirement Board (RRB) beneficiaries. The projection is that the majority of these payments will be sent electronically and received on April 7.

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

CONSUMER FINANCIAL PROTECTION BUREAU (CFPB)

Initial Documents in PayPal Case Appeal Due by April 9

As laid out in the scheduling order issued last month by the United States Court of Appeals for the District of Columbia Circuit, initial documents are required to be filed by April 9, 2021 in the appeal filed by the CFPB in the *PayPal case*.

The scheduling order can be accessed [here](#). The IPA will make all documents filed in the case available to members as soon as they are released to the public.

CFPB Rescinds Temporary Policy Statements

On March 31, the CFPB announced it is rescinding seven policy statements issued last year that provided temporary flexibilities to financial institutions in consumer financial markets including mortgages, credit reporting, credit cards and prepaid cards. The seven rescissions, effective April 1, provide guidance to financial institutions on complying with legal and regulatory obligations.

Of note, the CFPB is rescinding its March 2020 “[Statement on Supervisory and Enforcement Practices Regarding Bureau Information Collections for Credit Card and Prepaid Account Issuers](#)”, which provided that the Bureau, until further notice, did not intend to cite in an examination or initiate an enforcement action against any entity for failure to submit to the Bureau certain information collections relating to credit card and prepaid accounts required by TILA, Regulation Z, and Regulation E. The [rescission](#) also provides guidance as to how entities should now meet the specified information collections requirements relating to credit card and prepaid accounts.

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

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC)

FDIC Launches Webpage with Information on Brokered Deposits Regulation

On April 1, the FDIC’s [Brokered Deposits Final Rule](#) took effect. To facilitate the implementation of the new regulations, the FDIC announced the addition of a Brokered Deposits webpage to the [Banker Resource Center](#) to provide information about the new Brokered Deposits regulation, including filing instructions for the notice and application process.

As a reminder, the Final Rule, issued in December 2020, establishes a new framework for analyzing the primary purpose exception (“PPE”) that includes a notice process for certain designated exceptions and an application process for entities that wish to invoke the PPE but do not meet one of the designated exceptions. The full compliance date with respect to the Final Rule is January 1, 2022.

Additional information can be found [here](#). The IPA thanks all of our members for making this update to the Brokered Deposits regime possible.

Financial Crimes Enforcement Network (FinCEN)

FinCEN Announces Acting Director and New Deputy Director

On April 2, Financial Crimes Enforcement Network (FinCEN) Director Kenneth A. Blanco announced several leadership changes impacting the bureau. Director Blanco announced he will depart FinCEN on April 9, after serving as the organization's director since December 2017. Michael Mosier, former FinCEN Deputy Director and current Counselor to the Deputy Secretary of the Treasury, will return to FinCEN as Acting Director. AnnaLou Tirol, former Associate Director of FinCEN's Strategic Operations Division, is serving as FinCEN Deputy Director.

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

III. CONGRESSIONAL NEWS

House Financial Services Committee April Hearing Schedule

On March 31, Congresswoman Maxine Waters (D-CA), Chairwoman of the House Committee on Financial Services, announced the Committee's hearing schedule for April. Notably, on April 15 at 10:00 AM ET, the Subcommittee on Consumer Protection and Financial Institutions will convene for a virtual hearing entitled, "Banking Innovation or Regulatory Evasion? Exploring Trends in Financial Institution Charters."

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

IV. MISC.

None.

V. STATE NEWS

IPA Letter Opposing Gift Card Bill in New Jersey

IPA has drafted a letter opposing New Jersey [Senate Bill 3498 \(Gift Cards\)](#). In brief, the IPA's draft letter discusses how the limitations aimed at combating gift card fraud in the bill would be harmful to New Jerseyans. In addition, it highlights current federal anti-money laundering laws that protect consumers, as well as the payments industry's efforts to combat fraud. The letter closes by offering to work with the bill's sponsor to improve SB 3498 so that it protects consumers and allows gift card providers to continue to provide a safe and popular product in New Jersey.

As a reminder, 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.

The IPA is working with the IPA Executive Committee to finalize the letter. Thank you to all who provided feedback.

IPA Draft Template Letter Opposing High-Volume Seller Bills

The IPA has drafted a template letter opposing bills that have been introduced in various states, which would require online marketplaces to verify certain information with respect to high-volume third-party sellers, to include bank account information. In particular, the bills generally require the online marketplace to confirm the accuracy of bank account information directly, or through a payment processor or other third-party contracted by the online marketplace. Arkansas Senate Bill 470 is attached as an example.

In brief, the IPA’s draft letter outlines that the inclusion of the term “payment processor” is unnecessary as the bill authorizes the online marketplace to verify such information through a third-party which has contracted with the marketplace to confirm the accuracy of the required information. The letter further discusses that the IPA does not believe that payment processors will have access to the information described in the bill, and that the inclusion of any reference to such entities will only lead to uncertainty as to the roles and responsibilities for verification set forth in the bills.

The IPA is working with the IPA Executive Committee to finalize the letter. Thank you to all who provided feedback.

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.

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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