InfoSight

Compliance eNewsletter

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InfoSight News

Payday Alternative Loans

In light of the recent extension to November 19, 2020 by the CFPB to the mandatory provisions of the Payday Lending Rule and mentioned in an article in this newsletter, the **Payday Alternative Loans page** in the Loans and Leasing channel has been updated to reflect this change.

Compliance News

CFPB Delays Compliance Date For Mandatory Underwriting Provisions In Payday Lending Rule

The Consumer Financial Protection Bureau (CFPB) issued a final rule to delay the August 19, 2019 compliance date for the mandatory underwriting provisions of the November 17, 2017 final rule governing Payday, Vehicle Title, and Certain High-Cost Installment Loans (Payday Lending Rule). The compliance date is delayed by 15 months, to November 19, 2020.

The Payday Lending Rule governs the underwriting of certain personal loans with short term or balloon-payment structures, as well as lenders' payment withdrawal practices for those loans and certain additional installment loan products. Based on comments received in response to two separate February 6, 2019 notices of proposed rulemaking (NPRM) regarding whether the CFPB should rescind the mandatory underwriting provisions of the 2017 Final Rule (Reconsideration NPRM) and on whether it should delay the compliance date for those same provisions (Delay NPRM), the CFPB issued this final rule to delay the August 19, 2019 compliance date for the mandatory underwriting provisions, to November 19, 2020. This delay will allow for an orderly conclusion to its separate rulemaking process to reconsider the mandatory underwriting provisions.

After reviewing the comments received in response to the February 2019 Delay NPRM, the CFPB decided to revisit the mandatory underwriting provisions on the grounds set out in the Reconsideration NPRM because if the mandatory underwriting provisions went into effect while the CFPB was in the process of reconsidering these provisions, potential consequences could undermine effective reconsideration of the 2017 Final Rule. In addition, the CFPB is making certain corrections to address several clerical and non-substantive errors it has identified in the 2017 final rule.

For more information, see the CFPB's Final Rule page. And for a Table of Contents for the Payday Delay Final Rule, see Table of Contents.

Source: CFPB

FCC Clarifies That Voice Providers Can Block Robocalls By Default

The Federal Communications Commission on Thursday approved a declaratory ruling allowing voice service providers to block calls by default (as opposed to a consumer opt-in) based on call analytics that target unwanted calls, as long as their customers are informed and have the opportunity to opt-out of the blocking.

The ruling clarified that Telecom providers may also offer their customers the choice to opt-in to tools that block calls from any number that does not appear on a customer's contact list or other "white lists." This option would allow consumers to decide directly whose calls they're willing to receive, based on the contact list in a person's smart phone.

The FCC is urging voice providers to implement the so-called "SHAKEN/STIR" caller ID authentication framework by the end of 2019. Failure to do so could result in further rulemaking to require implementation of the technology. SHAKEN/STIR stands for Signature-based Handling of Asserted Information Using toKENs (SHAKEN) and the Secure Telephone Identity Revisited (STIR) -- it is a protocol for authenticating phone calls with the aid of cryptographic certificates.

In addition, the FCC is seeking comment on whether to:

- Create a safe harbor for providers that block maliciously spoofed calls (so that caller ID cannot be authenticated) and that block calls that are "unsigned";
- Require voice service providers that block calls to ensure that emergency calls reach consumers; and
- Provide protections and remedies for callers whose calls are erroneously blocked.

Source: FCC

CUNA backs BSA, NFIP, financial literacy bills prior to markup

CUNA wrote in support of four regulatory relief bills being marked up by the House Financial Services Committee this week.

The bills are:

- **The Corporate Transparency Act of 2019** (H.R. 2513), which would address the redundancies, unnecessary burdens, and opportunities for efficiencies within the Bank Secrecy Act/Anti-Money Laundering (BSA/AML) statutory framework. CUNA notes that regulatory regimes like BSA should be a scalable framework to help smaller institutions;

- **The National Flood Insurance Program (NFIP) Administration Reform Act of 2019**(H.R. 3111), which would make administrative reforms to the NFIP;
- **The NFIP Reauthorization Act of 2019** (H.R. 3167), which would extend NFIP through Sept. 30, 2024. While CUNA supports this bill and H.R. 3111, it also called for a long-term, sustainable solution to restore certainty to the market; and
- **The House Financial Literacy Act of 2019** (H.R. 2162), which would require the Secretary of the Department of Housing and Urban Development to provide a 25-basis point discount in FHA insurance premiums for first-time homebuyers that complete a financial counseling course.

Source: CUNA

Advocacy Highlight

CUNA's Advocacy Resources

- This Week in Washington – June 10, 2019
- NCUA's Proposed, Pending and Recently Final Regulations
- CUNA's 2019 Advocacy Agenda
- Input to lawmakers and regulators
- CUNA Advocacy page
- CUNA's Removing Barriers blog
- CUNA's Priorities
- Actions You Can Take

Compliance Calendar

- June 21st, 2019: Return for Questionable Transaction (Effective Date)
- July 1st, 2019: Loans in Areas Having Special Flood Hazards (Effective Date)
- July 4th, 2019: Independence Day - Federal Holiday
- September 2nd, 2019: Labor Day - Federal Holiday
- September 20th, 2019: Providing Faster Funds Availability (Effective Date)

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