

# InfoSight Newsletter

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## League InfoSight Highlights:

### Final Rule - Credit Card Penalty Fees

It's here! We have the final rule from the CFPB on [Credit Card Penalty Fees](#) that will become effective 60 days after publication in the Federal Register! What does this mean for your credit union?

First, you need to determine if you are a "Larger Card Issuer" or a "Smaller Card Issuer" under the rule.

- **Smaller Card Issuer** – if the card issuer together with its affiliates had fewer than one million open credit card accounts for the entire preceding calendar year.
- **Larger Card Issuer** – if the card issuer together with its affiliates have one million or more open credit card accounts.

**Under the new rule, "Larger Card Issuers" will be limited to charging credit card late fees that do not exceed \$8.** The rule also eliminates the higher safe harbor penalty amount for subsequent violations of the same type. *Other fees* (returned payment, over-the-credit limit, etc.) will be subject to the safe harbor amount of **\$32** or **\$43** if the card issuer previously imposed a fee for a violation of the same type that occurred during the same billing cycle or one of the next six billing cycles.

If you are a **smaller card issuer** under the rules, your fees will be subject to the safe harbor threshold limitations of the **\$32** fee and **\$43** fee for subsequent violations. ***This includes late fees.***

There are other provisions outlined in Regulation Z under 1026.52 regarding limitations on fees that are not changing with this final rule, such as limitations during the first year after account opening and certain prohibited fees.

Credit unions should be on the lookout for these updates to be made within InfoSight and CU PolicyPro *Model Policy 7210 – Credit Cards*.

**Glory LeDu,**  
*CEO, League InfoSight and CU Risk Intelligence*

## Business Continuity Planning Education Series

League InfoSight is offering a Business Continuity Planning (BCP) education series to help credit unions learn more about the BCP process and how RecoveryPro can assist with the development, distribution, and maintenance of the credit union's plan.

***The training sessions are free and a RecoveryPro subscription is not required.***

- Building Your BCP - Wednesday, March 13, 2024 (2pm Eastern)
- Testing and Maintenance of your BCP - Wednesday, March 20, 2024 (2pm Eastern)

[Click here to register.](#)

Questions? Contact [info@leagueinfosight.com](mailto:info@leagueinfosight.com).

## Celebrating Women's History Month!

**Please join League InfoSight in celebrating Women's History Month!**



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**News and Alerts!**

## **CFPB Bans Excessive Credit Card Late Fees, Lowers Typical Fee from \$32 to \$8**

The Consumer Financial Protection Bureau (CFPB) finalized a rule to cut excessive credit card late fees by closing a loophole exploited by large card issuers. The rule will curb fees that cost American families more than \$14 billion a year. The CFPB estimates that American families will save more than \$10 billion in late fees annually once the final rule goes into effect by reducing the typical fee from \$32 to \$8. This will be an average savings of \$220 per year for the more than 45 million people who are charged late fees.

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## **CFPB Issues Guidance to Rein in Rigged Comparison-Shopping Results for Credit Cards and Other Financial Products**

The Consumer Financial Protection Bureau (CFPB) [issued a circular](#) to law enforcement agencies and regulators explaining how companies operating comparison-shopping tools can break the law when they steer consumers to certain products or lenders because of kickbacks. Consumers use comparison-shopping tools to evaluate the costs, features, and terms of many financial products, including credit cards, loans, and bank accounts. However, consumers often encounter manipulated results or digital dark patterns, fueled by behind-the-scenes incentive payments from lenders. The circular explains how these practices may violate federal law and highlights examples of illegal arrangements.

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## **FTC and Partners Kick Off National Consumer Protection Week 2024**

As part of National Consumer Protection Week (NPCW), the Federal Trade Commission (FTC) and its partners, including consumer organizations, national advocacy organizations, and other federal, state, and local government agencies will participate in several virtual and in-person events on issues such as avoiding scams, protecting people against identity theft, and reporting fraud for people in all communities.

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## **Financial Action Task Force Identifies Jurisdictions with Anti-Money Laundering, Combating the Financing of Terrorism, and Counter-Proliferation Deficiencies**

The Financial Crimes Enforcement Network (FinCEN) is informing U.S. financial institutions that the Financial Action Task Force (FATF), an intergovernmental body that establishes international standards for anti-money laundering, countering the financing of terrorism, and countering the financing of proliferation of weapons of mass destruction (AML/CFT/CPF), issued an additional public statement at the conclusion of its plenary meeting this month reiterating how the Russian Federation's war of aggression against Ukraine continues to run counter to FATF's principles, and, thus, the suspension of the membership of the Russian Federation continues to stand.

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## **Notice Regarding National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.)**

On March 1, 2024, in the case of National Small Business United v. Yellen, No. 5:22-cv-01448 (N.D. Ala.), a federal district court in the Northern District of Alabama, Northeastern Division, entered a final declaratory judgment, concluding that the Corporate Transparency Act exceeds the Constitution's limits on Congress's power and enjoining the Department of the Treasury and FinCEN from enforcing the Corporate Transparency Act against the plaintiffs. FinCEN is complying with the court's order and will continue to comply with the court's order for as long as it remains in effect.

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Questions, Comments, Concerns? We are here to help! Email us at  
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