wiley

NEWSLETTER

Wiley Consumer Protection Download (August 30, 2021)

August 30, 2021

*Published August 30, 2021

Regulatory Announcements
Significant Enforcement Actions
Upcoming Comment Deadlines and Events
More Analysis from Wiley

Welcome to Wiley's update on recent developments and what's next in consumer protection at the Consumer Financial Protection Bureau (CFPB) and Federal Trade Commission (FTC). In this newsletter, we analyze recent regulatory announcements, recap key enforcement actions, and preview upcoming deadlines and events. We also include links to our articles, blogs, and webinars with more analysis in these areas. We understand that keeping on top of the rapidly evolving regulatory landscape is more important than ever for businesses seeking to offer new and ground-breaking technologies. Please reach out if there are other topics you'd like to see us cover or for any additional information.

To subscribe to this newsletter, click here.

Regulatory Announcements

CFPB Finds That Access to New Credit for Credit Cards Decreased, While Access to Mortgages and Auto Loans Increased During Pandemic. On **August 26**, the CFPB published a blog post finding that consumer access to new credit card credit fell notably over the course of the COVID-19 pandemic, while access to mortgages and

Authors

Duane C. Pozza
Partner
202.719.4533
dpozza@wiley.law

Stephen J. Conley
Associate
202.719.4572
sconley@wiley.law

Practice Areas

Cyber and Privacy Investigations, Incidents & Enforcement

FTC and Consumer Protection

auto loans increased. Specifically, the success rate of consumer credit card inquiries fell from approximately 45 percent in January 2020 to about 30 percent in May 2020. While there was a small decrease in the auto loan success rate during March and April 2020, the success rates for both auto loans and mortgages rose to well above pre-pandemic levels by February 2021. As the blog post notes, these findings mark a clear divergence from access to credit during the 2008 recession, when creditors broadly pulled back on access to credit.

New CFPB Report Finds That Mortgage Refinance Loans Led to an Increase in Originations in 2020. On **August 19**, the CFPB released a new Home Mortgage Disclosure Act (HMDA) report on residential mortgage lending trends, which found that the total number of closed-end originations and applications increased substantially between 2019 and 2020. Specifically, the CFPB report found that closed-end originations increased in 2020 by 65.2%, from 8.3 million in 2019 to 13.6 million in 2020. Most of the increase in originations was driven by the 2020 refinance boom. The 2020 boom mostly continued trends from the second quarter of 2019, which also reflected a large number of originations.

Significant Enforcement Actions

CFPB Files Proposed Settlement with Debt Collector for Failing to Investigate Identity Theft and Misrepresenting Consumer Debt. On **August 17**, the CFPB filed a proposed settlement with Fair Collections & Outsourcing (FCO) after the company allegedly failed to establish or implement reasonable written policies and procedures pertaining to the accuracy of information provided to consumer reporting agencies. The CFPB also alleges that FCO violated the Fair Credit Reporting Act when it did not have a reasonable basis to assert that consumers owed certain debts. If entered by the court, the proposed settlement would require FCO to implement reasonable policies and procedures and to pay a $850,000 civil money penalty.

FTC and Georgia Attorney General File Suit Against Stem Cell Therapy Institute for Making Deceptive Health Claims. On **August 17**, the FTC and the Georgia Attorney General filed suit against the co-founders of the Stem Cell Institute of America (SCIA) for falsely claiming that stem cell therapy treatments are effective in treating arthritis, joint pain, and a number of other orthopedic issues. The complaint, which was filed in the U.S. District Court for the Northern District of Georgia, also alleges that the defendants falsely claimed that stem cell therapy is either comparable or better than surgery, steroid injections, and painkillers for treating such ailments. Additionally, the FTC and the Georgia Attorney General argue that defendants trained their client clinics on how to recruit patients and use newspaper ads, fact sheets, and PowerPoint slides for marketing.

Upcoming Comment Deadlines and Events

Federal Reserve Board, FDIC, and OCC Seek Comment on Third Party Risk Management Principles. Comments are due **September 17** on proposed interagency guidance issued by the Board of Governors of the Federal Reserve (the Board), the Federal Deposit Insurance Corporation (FDIC), and the Office of the

Comptroller of the Currency (OCC). The proposed interagency guidance is focused on risk management practices for banking organizations to consider when developing risk management strategies for third party relationships. The Board, FDIC, and OCC intend for the proposed interagency guidance to take "into account the level of risk, complexity, and size of the banking organization and the nature of the third-party relationship." If adopted, the proposed guidance would replace each agency's existing guidance and would be directed to all banking organizations regulated by the agencies.

More Analysis from Wiley

Legal 500 US Recognizes 44 Wiley Lawyers Across Seven Practice Areas Nationally

The FTC's Public Meeting Forecasts an Active and Far-Reaching Agenda Under Chair Lina Khan

FTC Adopts Policy Statement on Consumer Device Repairs and Announces That Enforcement Approach Will Be a Priority

Biden Administration Signals Tech and Telecom Priorities in EO on Competition

Under New FTC Rule, "Made in USA" Violators Will Face Monetary Penalties

Duane Pozza Discusses Colorado Privacy Law's Potential Impact on Compliance

Privacy in Focus: All Data Is Not HIPAA Data – Healthcare Covered Entities Should Pay Close Attention to State Privacy Laws Regulating the Health IoT Ecosystem

Privacy in Focus: U.S. Supreme Court Clarifies Circuit Split – Privacy Suits Require Concrete Harm for Article III Standing

Implementing AI Governance: An International Perspective

Duane Pozza Discusses FTC's Focus on Rulemaking After Supreme Court's AMG Decision

Key Takeaways from the AMG Capital Management v. FTC Decision

Supreme Court Curbs FTC Power to Seek Monetary Relief

Legal 500 US Recognizes Wiley's Telecom, Media & Technology Practice as Tier 1. Read more here.

Download Disclaimer:Information is current as of August 30, 2021. This document is for informational purposes only and does not intend to be a comprehensive review of all proceedings and deadlines. Deadlines and dates are subject to change. Please contact us with any questions.