

Wiley Consumer Protection Download (October 15, 2024)

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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 select 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 groundbreaking technologies. Please reach out if there are other topics you'd like to see us cover or for any additional information.

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Regulatory Announcements

CFPB Issues Supervisory Highlights on Automobile Loan Servicing Practices. On **October 7**, the CFPB published a new edition of Supervisory Highlights detailing the agency's findings related to identified unlawful auto finance practices, such as lenders repossessing consumers' cars after the borrower either allegedly made timely payments or obtained extensions on loan payment dates. The Supervisory Highlights also covers findings of deceptive auto loan term advertising due to inaccurate or incomplete disclosures at origination, and misapplied payments or inaccurate

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Practice Areas

Cyber and Privacy Investigations, Incidents
& Enforcement
FTC Regulation
Privacy, Cyber & Data Governance
Telecom, Media & Technology

reports made to consumer reporting agencies.

CFPB Issues Medical Debt Collection Guidance. On **October 1**, the CFPB issued an advisory opinion concluding that debt collectors can be held strictly liable under the Fair Debt Collection Practices Act (FDCPA) and Regulation F for engaging in certain practices when collecting medical bills. Such practices include: collecting an amount not owed because it was already paid; collecting amounts not owed due to applicable federal or state laws; collecting amounts above what can be charged under federal or state law; collecting amounts for services not received; misrepresenting the nature of certain legal obligations, such as collecting on uncertain payment obligations; and collecting medical bills that are unsubstantiated. The CFPB separately issued a consumer advisory with information about steps that consumers can take if they have received medical bill collection notices.

CFPB, DOJ, and FTC Issue Warning to Consumers About Scams and Price Gouging Following Natural Disasters. On **October 9**, the CFPB, Department of Justice (DOJ), and FTC issued a warning to consumers about a potential rise in fraud and price gouging in the wake of natural disasters, such as hurricanes. FTC Chair Lina Khan stated that the agency is “hearing troubling reports of price gouging for essentials that are necessary for people to get out of harm’s way – from hotels to groceries to gas.” DOJ Deputy Assistant Attorney General Manish Kumar warned that the DOJ and its partners “will act quickly to root out anticompetitive behavior and use every tool available to hold wrongdoers accountable,” and CFPB Director Rohit Chopra, meanwhile, stated that “excessive price increases can be unfair under the law.” The CFPB and FTC also provided portals for consumers to report potential fraud.

Select Enforcement Actions

CFPB Settles with Online Arbitration Platform for Allegedly Deceptive Business Practices. On **October 10**, the CFPB issued a consent order and stipulation against a private arbitration company with an online dispute resolution platform for alleged violations of the Consumer Financial Protection Act. The CFPB alleges that the company was paid by a student loan provider and misrepresented its relationship with the loan servicer to consumers who had allegedly defaulted on their student loan payments and also initiated arbitration proceedings without consumer consent. The company agreed to injunctive relief, including a ban from arbitrating disputes relating to a consumer financial product or service.

Upcoming Comment Deadlines and Events

CFPB and Other Agencies Seek Comment on Proposed Rule to Standardize Data Submissions. Comments are due **October 21** on the CFPB’s proposed rule seeking comment on establishing data standards “to promote interoperability of financial regulatory data across these agencies.” The other participating agencies include the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Federal Housing Finance Agency, Commodity Futures Trading Commission, Securities and Exchange Commission, and the Department of the Treasury. The agencies are proposing the rule as required by the Financial Data Transparency Act of

2022.

CFPB Seeks Comment on Revisions to Remittance Transfer Rule. Comments are due **November 4** on the CFPB's proposed rule seeking comment on amendments to the agency's Remittance Transfer Rule. The Electronic Fund Transfer Act and Regulation E require remittance companies to provide senders a disclosure at the time of payment, including a receipt and contact information for both state regulators and the CFPB. If adopted, the proposed rule would amend certain Regulation E disclosures to clarify that consumers should contact their remittance company for issues specific to their money transfer.

FTC Seeks Comment on Petition Asking for Clarification of Amplifier Rule. Comments are due **November 8** on a Petition asking the FTC to either: (a) clarify its application of the amended Trade Regulation Rule Relating to Power Output Claims for Amplifiers Utilized in Home Entertainment Products (the "Amplifier Rule"); or (b) revise the amended Amplifier Rule to apply only prospectively to products designed, tested, and manufactured on or after the August 12, 2024 effective date. The FTC issued final amendments to the Amplifier Rule on June 5, 2024. The Amplifier Rule regulates power-output-related claims for home entertainment amplifiers.

FTC to Hold Virtual Workshop to Examine the Impact of Digital Platform Design Features on Kids and Teens. The FTC will hold a virtual workshop on **February 25, 2025** to "examine the use of design features on digital platforms aimed at keeping kids, including teens, online longer and coming back more frequently." The workshop, titled "Attention Economy: Monopolizing Kids' Time Online," will feature researchers, technologists, child development and legal experts, consumer advocates, and industry professionals. According to the FTC, topics discussed will include: (1) how certain website design features may result in more engagement or time spent on digital platforms, and what relevant scientific research exists on the topic; (2) the physical and psychological impacts of the design features on children and teens; and (3) potentially beneficial measures or design considerations that might be effective, feasible, and consistent with current legal practice. Individuals interested in participating as panelists, or individuals with relevant information to provide, may contact the FTC AttentionEconomy@ftc.gov by **November 15**.

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FCC Proposes New Rules for AI-Generated Calls and Texts

Key Takeaways from Our Conversation with Oregon and Texas Regulators About Privacy Enforcement

Podcast: Navigating State Privacy Laws: A Conversation with Oregon and Texas Regulators about Privacy Enforcement

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