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Biden Administration to Cancel \$1 Billion in Student-Loan Debt Held by Scammed Borrowers

"Borrowers who requested loan forgiveness but got only partial relief under former Secretary of Education Betsy DeVos will have their debts wiped away."

Why this is important: Since 2015, there have been numerous federal and state investigations into several for-profit colleges that allegedly defrauded students. The students, who had significant federal and private student loan debt, alleged the schools deceived them about, among other things, the quality of the education, graduation rates, and potential job prospects. Some schools shuttered their doors, including ITT and Corinthian; yet the students were still required to repay thousands of dollars of student loan debt. "Under DeVos, the Department heightened the burden of proof for borrowers seeking debt cancellation under the law and implemented the partial relief rule." Thus, some borrowers still remained obligated to repay thousands of dollars of student loan debt. President Biden recently announced that student who were scammed by these education institutions will have the entirety of their federal student loans forgiven (instead of just part of the loans). That forgiveness amounts to an estimated \$1 billion in student loan relief. **Student loan servicers should look for forthcoming guidance from the Department of Education on how to approach and handle the backlog of requests currently pending as well as any claims that were previously denied.** --- [Angela L. Beblo](#)

ACA Supports Intent of Bill to Remove Paid Medical Debts from Consumers' Credit Reports

"U.S. Rep. Patrick McHenry reintroduces legislation seeking to improve consumers' access to credit and amend the Fair Credit Reporting Act."

Why this is important: H.R. 1645, which if enacted, would create the Protecting Consumer Access to Credit Act. The bill explains its purpose as making improvements to the regulation of consumer reporting agencies and protecting consumers. Recently, ACA International, a trade group representing debt collection agencies, creditors, debt buyers, collection attorneys, and debt collection industry service providers worldwide, announced that it supports several key points of H.R. 1645, including the removal

from consumers' credit reports of all paid, non-elective medical debt. Several key players currently are considering changes to credit reporting agencies and how credit reports work, including President Biden, who previously stated he favors creating a public credit reporting agency to compete with Equifax, TransUnion, and Experian. **The support of a large industry group for a bill aimed at revising the credit reporting system may help this bill continue to work its way through Congress and onto the President's desk.** --- [Nicholas P. Mooney II](#)

CFPB Rescinds Abusiveness Policy Statement

"Going forward, the CFPB said it intends to exercise its supervisory and enforcement authority consistent with the full scope of its statutory authority under the Dodd-Frank Act as established by Congress."

Why this is important: By rescinding the policy statement, the CFPB under the Biden administration signals a return to the more aggressive enforcement and rulemaking position that characterized the agency under the Obama administration.

The CFPB has broad authority to prohibit "unfair, deceptive, or abusive acts or practices." While the Federal Trade Commission Act dealt with the unfairness and deception standards, the new abusiveness standard was undefined. The uncertainty created by the abusiveness standard creates confusion and unnecessary compliance burdens among affected industry. In an effort to provide guidance, the CFPB's January 2020 policy statement identified three principles that would govern the abusiveness standard (focus on consumer harm; avoid duplicative claims; seek monetary relief only from bad actors).

In rescinding its January 2020 policy statement, the CFPB said the statement did "not actually deliver clarity to regulated entities" and added "uncertainty to market participants" and that it "undermined deterrence and was contrary to the CFPB's mission of protecting consumers." **This policy shift signals that the CFPB is committed to exercising "the full scope of its supervisory and enforcement authority."** --- [Bryce J. Hunter](#)

Political TCPA Suits Continue to Pour In: Latest TCPA Suit Targets Trump Make America Great Again PAC and "Save America"

"Flores complaint alleges that PACs supporting Trump blasted her with unwanted robotexts although her number was on the national DNC list."

Why this is important: There is sometimes a mistaken belief that political calls and messages are not subject to the Telephone Consumer Protection Act. However, "[w]hile campaign calls and texts are exempt from the Do Not Call List requirements, the Telephone Consumer Protection Act contains specific rules they must follow." During election years and in between, people often receive calls and messages from various political campaigns and political action groups. As these political calls and messages increase, lawsuits making TCPA claims against these political calls are increasing as well. **Campaigns and PACs should familiarize themselves with the FCC's guidance on the TCPA to ensure compliance.** --- [Angela L. Beblo](#)

CFPB Publishes New Reverse Mortgage Guide for Consumers

"It also discusses how the loan can be paid off; what happens to the home when the borrower moves out or passes away and how that affects the loan; what defaulting on a reverse mortgage means and how to find help if it occurs; and common components that should be known by a borrower's heirs."

Why this is important: The recently published guide explains things such as the effect of a borrower's death, the need to timely pay property charges (like property taxes, insurance, HOA fees, etc.), and what happens when a borrower defaults. When asked about the guide, the National Reverse Mortgage Lenders Association responded with encouragement that the guide provides consumers with another resource to evaluate when making the decision about whether to get a reverse mortgage. As readers of *All Consuming* will remember, we previously reported on the increase in the number of reverse mortgages being originated during the pandemic as people seek to take advantage of equity in their homes. Also, we reported on the fact that consumers considering reverse mortgages are more educated and informed on the available products. **Now, with the publication of the resource guide, those consumers will have more information available to them when they start talking with a reverse mortgage lender.** --- [Nicholas P. Mooney II](#)

Three Reasons Legacy Banks Need Customer-Facing Tech Now

"Legacy banks need to adapt or see their customer base dwindle."

Why this is important: Any business that has survived the global pandemic deserves a pat on the back, but the challenges for legacy banks were here before COVID-19, and they're not going away. This article highlights the importance of legacy banks increasing their digital presence or running the risk of becoming obsolete. While there's certainly something to be said for having a brick and mortar institution to conduct business in, the trend is undoubtedly moving in the opposite direction. The pandemic has recently given this phenomenon a name -- social distancing -- but the truth is we've already been distancing for years, relying on no-contact ways to work, socialize, and make purchases. **If legacy banks refuse to provide services that allow more no-contact ways to engage in banking transactions, their most recognized legacy will be of failure.** --- [Tai Shadrack Klumper](#)

PayPal is Trying to Make the "Inevitable Shift" to Cryptocurrency More Inclusive with This Acquisition

"PayPal announced it will acquire Curv, a leading provider of cloud-based infrastructure for digital asset security."

Why this is important: PayPal has announced that it will acquire Curv as part of its plan to expand customers' access to cryptocurrencies as a payment option. This acquisition and PayPal's plan are important for a couple reasons. Readers of *All Consuming* will remember that we previously reported on the increased use of contactless payments as the pandemic raged. Customers viewed cash as dirty, and credit cards were being increasingly cleaned by users based on the same fear. Customers simply feel safer if they can purchase goods without having to come into physical contact with anyone or anything during the transaction. Despite the rise of contactless payments, cryptocurrencies haven't yet been adopted for wide-scale use as a payment method because of the limited applications that make them a viable alternative for customers and merchants. PayPal is working to change that, **and as its CEO put it, the "inevitable" shift to digital forms of currency will bring with it "clear advantages in terms of financial inclusion and access; efficiency, speed and resilience of the payments system; and the ability for governments to disburse funds to citizens quickly."** --- [Nicholas P. Mooney II](#)

Featured Spilman Attorney Profile



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Victoria is an associate in our Charleston office. Her primary area of practice is civil litigation where she focuses on a variety of different areas including consumer finance. Victoria currently assists in different phases of pre-trial litigation, including drafting pleadings, drafting dispositive and evidentiary motions, and conducting discovery.

She is a graduate of Davidson College and received her J.D. from the University of South Carolina School of Law. Victoria is admitted to the West Virginia State Bar.



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