

# Daily Privacy & Consumer Regulatory Alert

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## FEDERAL DEVELOPMENTS

### Proposed Debt Collection Rules

On May 7<sup>th</sup>, the Consumer Financial Protection Bureau (CFPB) [issued](#) a Notice of Proposed Rulemaking to implement the Fair Debt Collection Practices Act (FDCPA). According to the CFPB, the [proposed rule](#) is intended to clarify consumers' rights under the FDCPA and enact certain requirements for how debt collectors may communicate with consumers. On May 8<sup>th</sup>, the CFPB hosts a [town hall](#) in Philadelphia, Pennsylvania, during which Director Kathy Kraninger will discuss the proposed rule with stakeholders. Specifically, the rule proposes to:

- Limit call attempts to a consumer to no more than seven attempts per week about a specific debt;
- Require debt collectors to send consumers plain-language disclosures itemizing their debts and providing options to dispute the debt;
- Clarify how debt collectors may communicate with consumers using modern technologies, such as voicemail, email, and text messages, and
- Require debt collectors to allow consumers to unsubscribe to future communications; and
- Prohibit a debt collector from suing or threatening to sue a consumer to collect a debt if the statute of limitations on collecting the debt has expired.

### Federal Legislation

Recently introduced federal legislation regarding debt collection includes:

- [S. 1354](#) – introduced by Senator Richard Durbin (D-IL), which requires certain protections for student loan borrowers;
- [H.R. 2431](#) – introduced by Representative John Katko (R-NY), the Mental Health Professionals Workforce Shortage Loan Repayment Act, which would authorize a student loan repayment program for mental health professionals; and
- [H.R. 2441](#) – introduced by Representative John Sarbanes (D-MD), the What You Can Do For Your Country Act, which would improve the public service student loan forgiveness program.

In addition, the following legislation regarding federal agencies has been introduced:

- [S. 1335](#) – introduced by Senator Ted Cruz (R-TX), which would eliminate the CFPB;
- [S. 1336](#) – introduced by Senator Elizabeth Warren (D-MD), which would create an Office of Cybersecurity at the Federal Trade Commission to regulate and supervise data security programs at consumer reporting agencies. Representative Elijah Cummings introduced the companion bill, [H.R. 2545](#).

## STATE DEVELOPMENTS

### Massachusetts AG Ban-the-Box Enforcement

On May 6<sup>th</sup>, Massachusetts Attorney General (AG) Maura Healey [announced](#) that her office found two businesses in violation of the state's ban-the-box law, which prohibits most employers from asking job applicants about their criminal history on an initial employment application. The AG found that the employers asked job applicants if they had ever been convicted of a felony or misdemeanor. The AG reached an agreement with clothing retailer Brooks Brothers and manufacturing company DesignWerkes, under which the companies agreed to each pay the state \$5,000 and comply with the ban-the-box law. The AG sent warning letters to seventeen other employers.

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## OTHER DEVELOPMENTS

### Data Breach Investigations Report

On May 8<sup>th</sup>, *HIPAA Journal* published an [article](#) about the 2019 Verizon Data Breach Investigations Report, which is a comprehensive summary of 41,686 security incidents reported from 86 countries. The report emphasized the increasing number of phishing scams targeting C-Suite executives, who are twelve times more likely to be targeted than other employees. Other key takeaways include:

- 90 percent of malware is distributed via email;
- 43 percent of cyberattacks targeted small businesses;
- Phishing is involved in 32 percent of data breaches;
- Ransomware accounted for 24 percent of malware-related breaches; and
- Misconfiguration of cloud platforms accounted for 21 percent of data breaches.

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