

Daily Privacy & Consumer Regulatory Alert

Published by the Privacy and Consumer Regulatory Practice | Washington, DC Office

June 17, 2019

FEDERAL DEVELOPMENTS

CFPB Student Loan Settlement

On June 14th, the Consumer Financial Protection Bureau (CFPB) announced a [settlement](#) with Student CU Connect CUSO, LLC, which managed the private student loans for ITT Technical Institute. According to the complaint, CUSO engaged in unfair and deceptive acts and practices when it provided student loan assistance to ITT Technical Institute until it filed bankruptcy in 2016. The CFPB alleged that CUSO created a loan program that encouraged students to take out loans that CUSO knew the students could not afford and did not understand the terms and conditions of the CUSO loans. Under the terms of the settlement, CUSO must cease collecting all outstanding CUSO loans and notify consumers that their debt has been discharged. CUSO must also ask consumer reporting agencies to which CUSO furnished information to delete information relating to CUSO loans. The CFPB estimates the total amount of student loan forgiveness to be \$168 million.

FTC EU-U.S. Privacy Shield Action

On June 14th, the Federal Trade Commission (FTC) announced a [settlement](#) with background screening company SecurTest, Inc. for allegedly falsely claiming to participate in the EU-U.S. Privacy Shield framework. According to the complaint, SecurTest falsely claimed on its website that it participated in the EU-U.S. Privacy Shield and Swiss-U.S. Privacy Shield frameworks, which allow certified companies to transfer data between EU countries and Switzerland to the U.S., in compliance with EU and Swiss law. SecurTest did not complete the necessary certification steps and misrepresented its status on its website.

On June 14th, the FTC also sent warning letters to thirteen companies for falsely claiming participation in the U.S.-EU Safe Harbor and the U.S.-Swiss Safe Harbor privacy frameworks, which were replaced by the Privacy Shield frameworks in 2016. The Safe Harbor agreements have expired, so the FTC warned the thirteen companies to remove any statements claiming to participate in either the EU or Swiss Safe Harbor agreement. The FTC also sent warning letters to two companies falsely claiming to participate in the Asia-Pacific Economic Cooperation Cross-Border Privacy Rules system.

Recent Legislation

Legislation introduced in the Senate on June 13th includes:

- Senator Amy Klobuchar (D-MN) introduced [S. 1842](#), which would protect consumers' personal health data.
- Senator Tim Scott (R-SC) introduced [S. 1828](#), which would amend the Fair Credit Reporting Act regarding the reporting of certain consumer credit information to consumer reporting agencies.
- Senator Catherine Cortez Masto (D-NV) introduced [S. 1826](#), which would modify the penalties for violations of the Telephone Consumer Protection Act.
- Senator Richard Blumenthal (D-CT) introduced [S. 1850](#), which would direct the FTC to prescribe rules to protect consumers from unfair and deceptive acts and practices in connection with primary and secondary ticket sales.

INTERNATIONAL DEVELOPMENTS

Swedish Data Inspection Authority GDPR Investigation

On June 12th, the Swedish Data Protection Authority announced an [investigation](#) into music streaming company Spotify for its handling of customer requests under the EU General Data Protection Regulation (GDPR). Spotify allegedly failed to provide the necessary information when consumers requested copies of all the data that Spotify collects on them, in violation of the GDPR right to access.

GDPR Study

On June 13th, the European Commission published the results of a [study](#) which found that 73 percent of Europeans are aware of at least one of their rights under the GDPR – such as the right to access their own data, correct any errors, object to direct marketing, or have their own data deleted. The European Commission announced that it will launch a privacy awareness campaign to encourage citizens to read privacy statements and optimize privacy settings.

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