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What to Expect as Education Department Gets Ready to Resume Student Loan Payments

"After nearly two years of pausing student loan bills, the U.S. Department of Education is trying to figure out how to start collecting the payments again."

Why this is important: On March 13, 2020, near the beginning of the pandemic in the U.S., the CARES Act included a pause for all federal student loans. Nearly 90 percent of student borrowers accepted "the option of pressing the pause button on their" student loans. Thus, the U.S. Department of Education ceased loan payments, applied a 0 percent interest rate, and stopped collection on defaulted loans (including garnishments). For over 19 months, that pause has been extended. However, that is about to change – student loan payments begin normal repayment terms in January 2022. And, compounding the complexity, nearly 16 million borrowers (of the 24 million borrowers that paused payments) will either be restarting or soon remitting payments to a new loan servicer. **Borrowers should ensure that contact information is current and, if hardship may occur due to the upcoming payment restart, should proactively be prepared to contact their servicers for assistance, options, and, potentially, more time. Servicers should review policies and procedures and begin preparing now for a potential deluge of borrowers seeking information and assistance.** --- [Angela L. Beblo](#)

Modernizing Credit Card Collection Regulations: Updating the FDCPA

"November 30, 2021, is the kick-off date for modifying Regulation F, which governs collections' dos and don'ts."

Why this is important: Credit card issuers are not directly affected since the Fair Debt Collection Practices Act ("FDCPA") covers third-party collectors, but issuers must follow some essential documentation requirements. Although the new rules of the Consumer Financial Protection Bureau that take effect November 30 do not apply specifically to banks and other lenders seeking to collect debts, the rules require technology changes and the sharing of information for third-party debt collectors to take advantage of certain "safe harbors" that will protect them from legal liability. One significant set of

changes cover collector text and email communications with consumers. A second set of changes cover time-barred debt that, in the past, required a consumer to affirmatively assert a statute of limitations defense. In consumer credit cases, most collectors obtain default judgments because consumers fail to appear and do not assert the defense. **Under the new rules, while collectors can still pressure consumers to pay debts that are beyond the statute of limitations, they will be prohibited from suing or threatening to sue on time-barred consumer debts** --- [Bryce J. Hunter](#)

Outdated Hospital Billing Practices Present Challenge to Meeting New Debt Collection Rules

"Under a new Consumer Financial Protection Bureau law that takes effect Nov. 30, debt collectors are required to provide people a clear description of the debt owed and to whom they owe it, as well as provide a debt validation notice."

Why this is important: If you or a loved one has ever experienced a major medical procedure, you probably know how frustrating the billing process can be. In many cases, you will receive numerous notices or bills following the procedure, including a notice of claim from your insurance company, a bill from the medical facility, a bill from the anesthesiologist, a bill from radiology, a bill from the lab, etc. The CFPB's new law, which requires all debt collectors to provide a validation notice, may pose challenges for debt collectors who collect for physicians and hospitals and must therefore rely on information from those physicians and hospitals that may not be sufficient for a validation notice. **With the new law going into effect at the end of the month, debt collectors whose current clients do not provide sufficient information to support a validation notice need to determine whether to press their clients for the information required by law or stop collecting for those creditors until they meet compliance.** --- [Tai Shadrick Kluemper](#)

FHFA to Make Desktop Appraisals Permanent

"FHFA Acting Director Sandra Thompson also announced expansions to the eligibility requirements for refinance programs geared toward low-income borrowers."

Why this is important: The pandemic forced rapid change across a wide swath of industries and some of those changes are now here to stay. One of those industries was the appraisal industry. Traditionally, pre-pandemic, appraisers would physically visit homes, take measurements and pictures, and view a home's condition or upgrades. However, "[d]esktop appraisals, a temporary flexibility implemented in March 2020 to keep the mortgage industry afloat amid lockdowns and social distancing, will become permanent, the Federal Housing Finance Agency" announced on October 18, 2021. So what, exactly, is a "desktop appraisal"? They are remote appraisals, "using public records such as listings and tax appraisals" to value property as part of the purchase loan process. The process was such a success that, after the permissive program expired earlier this year, significant feedback on the issue was submitted to the FHA – and the overwhelming amount of feedback led the FHA to approve the desktop appraisals starting in 2022. This is particularly important for rural and sparsely populated areas where travel to and from a property takes an exceeding amount of time. According to the FHA, "[t]his can help each appraiser complete more loans in a day, and it can also help rural communities more readily obtain a necessary appraisal when the borrower is purchasing a property[.]" Additionally, "[t]his certainty should allow lenders, borrowers, and appraisers alike to take advantage of the efficiency gains that desktop appraisals can provide." **For those in rural and sparsely populated areas, the program should benefit borrowers, lenders, and the real estate market in more quickly and efficiently closing loans. Only time will tell, however, if such remote valuations are as accurate, reliable, and trustworthy as in-person appraisals.** --- [Angela L. Beblo](#)

Consumer Watchdog to Probe Big Tech Payment Systems

"In its first significant action under a new director, the Consumer Financial Protection Bureau is ordering Apple, Amazon, PayPal and other tech giants to reveal how their proprietary payment networks function."

Why this is important: In past issues of *All Consuming*, we discussed the prediction that the CFPB during the Biden administration would be more active than during the previous administration. This prediction is beginning to come to pass. The CFPB has rescinded or altered several policies put in place during the previous administration and hired additional staff in anticipation of taking a more active role in

regulation and enforcement. Another signal of a more active CFPB is its recent order to Apple, Amazon, and PayPal compelling them to reveal how they store consumer information, how that information is sold or shared, and how that information is used to sell consumers other products. In the past decade, the payment systems developed by those companies and others have capitalized on the ability to integrate those systems into smart phones. Bank groups worry that this activity puts consumers at risk because it largely happens beyond the purview of bank regulators. Trade groups representing Apple, Amazon, and PayPal focus on the convenience to consumers these systems give and advise they plan to cooperate with the CFPB order to show the efforts those companies and others make to protect consumer information. **This issue is one to watch as it sits at the crossroads of the more active CFPB that was previously predicted and the growing digital payment space that became a priority for consumers during the pandemic.** --- [Nicholas P. Mooney II](#)

Featured Spilman Attorney Profile



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Ron is a corporate, securities and commercial transactions lawyer with extensive experience in mergers and acquisitions, public offerings, private placement financings, and numerous types of contracts for clients within the energy, software, cryptocurrency, biotechnology and technology industries.

He is a Fellow of the American Bar Foundation and AV® Preeminent™ Peer Review Rated by Martindale-Hubbell. He was named the Best Lawyers® 2015 "Lawyer of the Year" for Mergers and Acquisitions Law in Pittsburgh and has been selected by his peers for inclusion in *The Best Lawyers in America* in the areas of Corporate Law and Mergers and Acquisitions Law. Ron has been recognized by Pennsylvania Super Lawyers and recognized by *Chambers USA: America's Leading Lawyers for Business* for Corporate/M&A & Private Equity Law. The *Pittsburgh Business Times* has named him "Who's Who in Energy," one of 50 "Fast Trackers" who have made significant contributions to the region's business and civic enterprises, and one of 25 "Changemakers."

Ron is a member of the Allegheny County Bar Association, the Hispanic National Bar Association, the Hispanic Bar Association of Pennsylvania, the Eastern Mineral Law Foundation, and the National Association of College and University Attorneys. He also serves on the Pittsburgh Public Media Board of Advisors. He previously was a member of the McGowan Institute for Regenerative Medicine Advisory Council; the Pittsburgh Life Sciences Greenhouse Technology Advisory Committee; the Commonwealth of Pennsylvania, Governor's Life Sciences Greenhouse Committee; the University of Connecticut Foundation Research & Development Corporation Board of Directors; the Carlow College Business and Technology Management Program Advisory Committee; and the Coordinator, Forbes Field II Task Force, Office of the Mayor of the City of Pittsburgh.

Ron received his B.A. from Pomona College and his J.D. from Cornell Law School. He is admitted to the Pennsylvania Bar and the District of Columbia Bar.

Thank you for reading this issue of *All Consuming!* We hope you found the information timely and useful. If you have topics you would like us to cover or would like to add someone to our distribution list, please [email us](#).

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