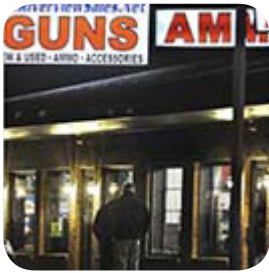


# To the Point!

legal, operations, and strategy briefs for financial institutions

July 18, 2013



## Illinois Firearms Concealed Carry Act

The Illinois legislature has passed legislation to permit licensed individuals to carry concealed weapons in Illinois. The law requires the Illinois State Police (“ISP”) to make license applications available to the public within 180 days and gives the ISP 90 days to process an application. The ISP has indicated that in the interim it will continue to enforce current law that prohibits individuals from carrying concealed weapons.

A series of compromises resulted in prohibitions against carrying concealed firearms in specified places, including schools, libraries, courtrooms, and restaurants where over 50% of the revenues come from the sale of alcohol. Other establishments can prohibit the carrying of concealed firearms by posting a sign on the building or premises. Among its other responsibilities under the law, the ISP is charged with establishing rules related to such signs.

We recommend banks closely monitor the actions of the ISP during the next six months as it adopts rules to implement the new law, including rules related to signage that allows a property owner to prohibit a licensed individual from carrying a concealed firearm on its premises.



## FinCEN Eases CTR Reporting Requirements for Certain Armored Car Deposits

Under a new FinCEN administrative ruling, banks are no longer required to collect and report on a Currency Transaction Report (“CTR”) personal identifying information about armored car drivers and couriers who, as an agent of the bank customer or a third party, deliver or pick up currency in excess of \$10,000. Banks are now only required to identify the armored car service and its corporate information (corporate name, address, EIN, etc.) on the CTR. In conjunction with the new ruling,

FinCEN issued an appendix providing examples of how the CTR should be completed when an armored car service performs deliveries and pick ups.

This administrative ruling supersedes the 2009 ruling that required such personal information be collected and reported. The new administrative rule is effective immediately with a mandatory effective date of September 30, 2013.

Banks should become familiar with the new ruling and the appendix and revise their policies and procedures to ensure that beginning September 30th, CTRs will be completed correctly when an armored car service is involved in the transaction.



## Debt Collection Activity and UDAAP

The CFPB continues to focus on debt collection activities. On July 10th the CFPB issued two bulletins, FAQs for consumers, and a series of action letters for consumers to use to respond to debt collectors. Additionally, the CFPB began to accept consumer complaints regarding debt collection.

In its bulletins the CFPB identified debt collection conduct it has determined may constitute an unfair, deceptive or abusive act or practice under the Dodd-Frank Act, a deceptive practice under the Fair Debt Collection Practices Act (“FDCPA”), or both. The CFPB was careful to note that the list of activities identified was a “non-exhaustive list”, and that whether particular conduct is a prohibited practice will be determined by an analysis of the facts and circumstances surrounding the action.

The CFPB specifically identified claims made by creditors and debt collectors that payment of a debt will improve a debtor’s credit report or credit score or enhance the debtor’s creditworthiness as a potentially deceptive practice. In explaining why such claims may be deceptive, the CFPB noted that some creditors and debt collectors may not report information about payments to the credit bureaus or may be prohibited from reporting certain obsolete information under the Fair Credit Reporting Act; and even if reported, the payment will be only one of numerous factors that can influence the consumer’s credit score or a potential lender’s evaluation of the consumer’s creditworthiness. When the effect of the payment on the consumer’s credit score or creditworthiness is unknown, the CFPB cautioned that such claims may be deceptive.

To ensure compliance with the guidance, all creditors should become familiar with the CFPB’s bulletins and action letters and review their (and their servicers’) policies for reporting information to the credit bureaus and collection practices, including call center scripts and written debtor communications. Creditors should also review their policies and procedures related to receipt and handling of complaints and become familiar with the CFPB’s complaint process and timeframes for response.

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