

Hudson Cook July 2018 Update

August 8, 2018 |

Tom Hudson and Eric Johnson

This past month RV News published [Tom Hudson](#) and [Eric Johnson's](#) article on handling customer complaints. Tom and Eric stressed that mishandling customer complaints can lead to serious outcomes for your business, suggesting that every business should establish a Compliance Management System (CMS). [Click here](#) to read the full article in the July 2018 RV News (page 102).

Tom and Eric also published an article, "[Maryland Case Highlights Reasons to Distinguish Between Loans and Installment Contracts](#)," in *Compli* on July 3.

Tom Hudson's article, "[Requiring Buyers to Buy Service Contracts? Read This](#)" was featured in the July issue of *F&I and Showroom*.

Michael Benoit

[Michael Benoit](#) was quoted in a *Law360* article that ran on July 2. The article discussed how Associate Justice Anthony Kennedy's retirement from the U.S. Supreme Court is unlikely to lead to a sharp swing in the high court's ideological balance when it comes to financial services issues. Subscribers to *Law360* can [click here](#) to read the article.

Justin Hosie

Auto Finance News quoted [Justin Hosie](#) several times during the month, starting with an [article](#) on July 3 that quoted him regarding actions taken by the Consumer Financial Protection Bureau (CFPB) against Citibank.

On July 6, in an [Auto Finance News](#) article regarding CFPB director nominee Kathy Kraninger, Justin said, "You begin with the assumption that her approach would be Mulvaney-like and that she's going to take stances Mulvaney and the president want. It'll be interesting to see her testimony to find out how she thinks and might be different from Mulvaney."

On July 23, *Auto Finance News* quoted Justin on Supreme Court nominee Brett Kavanaugh's likely reform - but not complete elimination - of the CFPB if he is confirmed. According to Justin, "While Kavanaugh overall looks like he could be a more conservative judge than Justice Kennedy, on this particular issue[,] he wasn't exactly at the extreme

fringes."

To read the article, [click here](#).

Cathy Brennan

On July 11, *Bloomberg Law* quoted Hudson Cook partner [Cathy Brennan](#) in an article titled "[N.Y. Regulator Challenges Bank-Fintech Partnership Model](#)." According to Cathy, the report tries to conflate online lenders as the true lender in cases where it may not be appropriate. She called the report a "political document" that, in many respects, "does not reflect what businesses do...If DFS wants to take actions against specific partnerships because it feels those are sham partnerships, it should do so directly instead of impugning an entire industry."

Cathy spoke to the [LA Daily Journal](#) about the California unconscionability case pending before the California Supreme Court. During the podcast, Cathy and her co-presenters offered competing perspectives about whether the doctrine of unconscionability renders certain consumer loans unenforceable due to high interest rates.

You may also access Cathy's "Author Spotlight" interview on the American Bar Association Business Law Section's You Tube channel by [clicking here](#). The interview was a follow up to the article Cathy wrote for [businesslawtoday.com](#) on new fintech legislation and the "Madden" and "true lender" bills currently in Congress.

Lucy Morris

A *Bloomberg Law* article quoted [Lucy Morris](#) in an article titled "[CFPB Wields Light Touch on Credit Card Law Enforcement](#)" that discusses how the CFPB has exerted a light touch in enforcing a 2009 credit card law that imposed significant restrictions on rate hikes and fees.

Allen Denson

On July 18, *Law360* quoted partner [Allen Denson](#) in an article informing attorneys on what to expect from CFPB director nominee Kathy Kraninger's Senate Banking Committee hearing on July 19th. According to Allen, "'She's going to get challenged pretty heavily on her background ... Thursday's hearing could also wind up adding more fuel to the debate over whether to turn the CFPB into a commission, in part because of the volatility that comes with a leadership turnover under the agency's current design.'" Subscribers to *Law360* can [click here](#) to read the article.

Allen was also a source in a July 25 *American Banker* article highlighting the current enforcement actions in the CFPB's pending lawsuits and probes, and how these actions seem to conflict with the deregulatory stance of acting director Mick Mulvaney. Allen observed that "... the actual content of the enforcement actions has not changed that much." Subscribers to *American Banker* can [click here](#) to read the entire article.

On July 27, Allen's remarks were featured in an *Auto Finance News* article discussing the hearing before the Senate on Kathy Kraninger, the president's nominee to lead the CFPB.

Subscribers to *Auto Finance News* can [click here](#) to read the entire article.

On the Road

Washington, DC

Hudson Cook partners [Lisa DeLessio](#) and [Rebecca "Becki" Kuehn](#) spoke at the Consumer Data Industry Association (CDIA) [Inaugural Law Symposium](#) on July 17, 2018, in Washington, DC. The symposium addressed current and important issues affecting the credit reporting industry.

Lisa was on a panel entitled "Examining the Enforcement Landscape." The panel discussed the regulatory enforcement and examination process. The panelists also highlighted lessons from the financial crisis and opportunities for structural reform and covered reports from the field, including an assessment of current enforcement trends and how they will affect data furnishers and consumer reporting agencies.

Becki's panel examined the latest litigation developments and trends, including the concept of "harm" in the context of Fair Credit Reporting Act (FCRA) litigation and the impact of the 11th Circuit's recent decision in [LabMD](#). The panelists also explained the interplay between regulatory and private litigation and provided insights and predictions into upcoming issues.

Partners Allen Denson and [Blake Sims](#) spoke at the [Online Lenders Alliance \(OLA\)](#) 2018 Compliance University, July 31 to August 1 in Washington, DC. OLA's annual event is geared towards compliance officers and heads of companies who need to safeguard their operations with compliance programs. Allen also served as chancellor of the event.

Raleigh, NC

Hudson Cook partner [Patty Covington](#) was a featured speaker at the inaugural [Automotive Intelligence Summit \(AIS\)](#), held July 24-26 in Raleigh, NC. AIS 2018 was an executive-level meeting designed for C-suite leaders in the automotive industry who wanted access to the best intelligence, data and analysis available. Patty's session, presented twice during the conference, was entitled, "The Endless Opportunities to Get and Use Data - Are There Legal Implications?" She discussed the legal issues businesses should consider when collecting, purchasing, handling, analyzing and using data.

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