

PREDICTING THE TOP REGULATORY ISSUES FOR 2019

By Mark Edelman

Gazing into a crystal ball from my office in Cleveland, here are some of the key issues I predict we'll grapple with in 2019:

First, what will the **Consumer Financial Protection Bureau** look like in its first full year with a new sheriff in town? **Kathy Kraninger** assumes the director role from a previous position outside the industry, as assistant director at the White House **Office of Management and Budget** under **Mick Mulvaney**. Although she has received praise for scrapping the bureau's proposed name change, there is uncertainty as to Kraninger's regulatory style. As an appointee of the current administration, it doesn't take a fortune teller to see which lane the bureau will swim in. Like her former boss, Kraninger's published remarks and other communications lead me to believe she'll take a pragmatic, econo-centric approach to protect consumers and industry.

Second, will we see federal regulation on consumer data privacy, in light of high-profile data security breaches, most recently at **Marriott**? We currently have numerous, inconsistent state-level regulations on the books. What is considered an incident in one state is a breach in another. The types of notices and related liability also vary wildly. It reminds me of a scenario we saw in the 1990s when the **Federal Reserve** overhauled Reg M (which focused on leasing) to correct gaps in the regulatory landscape resulting from disjointed state regulations.

WILL CONGRESS MAKE STRIDES TOWARD UNIFORM REGULATION?

Finally, what role will the new Democratic Congress play in the oversight of the financial services industry, particularly with Rep. **Maxine Waters** (D-Calif.) taking over as Chair of the **House Financial Services Committee**? My supposition is that in today's dysfunctional Congress, she will not be able to pass legislation to "unwind" some the "wrongs" created (in her mind) by former Acting Director Mulvaney. Clearly, hearings are on the horizon, raising the public profile of her concerns in the auto finance space. By creating this noise, we can expect a continually increasing role of state regulators with oversight of and examination into the auto finance industry.

There you have it. If I'm right, another year of increased uncertainty, risk, and regulation for the industry. If I'm not right, there's a reason I practice law for a living as opposed to being a Powerball winner! We look forward to sharing our thoughts with you in this column and on Auto Finance Excellence's website throughout the year. Have a great 2019.

Mark Edelman chairs McGlinchey Stafford's National Financial Services Compliance Practice. He represents banks, finance companies, and marketplace lenders with a particular focus on multistate and federal law compliance, business planning, and risk management for personal property financing. He is renowned for his work in the areas of motor vehicle financing and leasing for captive and independent finance companies; buy-here, pay-here dealers; and related finance companies.

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INDUSTRY CALENDAR

FEB. 24-27

SFIG VEGAS 2019

sfindustry.org

LAS VEGAS

Structured Finance Industry Group

MARCH 19-20

AUTO REMARKETING CANADA CONFERENCE

arcanaa.autoremarketing.com

TORONTO

Cherokee Media Group

MARCH 26-27

CONFERENCE OF AUTOMOTIVE REMARKETING

carconference.com

LAS VEGAS

NAAA & IARA

MARCH 27-29

NVLA ANNUAL CONFERENCE

nvla.org

ATLANTIC BEACH, FLA.

National Vehicle Leasing Association

APRIL 1-3

CBA LIVE

consumerbankers.com/cba-live

WASHINGTON, D.C.

Consumer Bankers Association

APRIL 16-18

AFSA INDEPENDENTS CONFERENCE & EXPO

independents.afsaonline.org

WASHINGTON, D.C.

American Financial Services Association

MAY 13

AUTO FINANCE SALES & MARKETING SUMMIT

autofinanceaccelerate.com/sales-marketing-summit

SAN DIEGO

Royal Media

MAY 14-15

AUTO FINANCE INNOVATION SUMMIT

autofinanceaccelerate.com/innovation

SAN DIEGO

Royal Media

MAY 15-16

AUTO FINANCE RISK SUMMIT

autofinanceaccelerate.com/risk-summit

SAN DIEGO

Royal Media