(c) ways to enhance the quality, utility, and clarity of the information to be collected; and

(d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology, *e.g.,* permitting electronic submission of responses.

Comments submitted in response to this notice will be summarized or included in the request for OMB approval of this information collection; they will also become a matter of public record.

Marcie Lovett,

Records Management Division Director, OCIO, United States Patent and Trademark Office.

[FR Doc. 2019–20266 Filed 9–18–19; 8:45 am]

BILLING CODE 3510–16–P

COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS

Limitations of Duty- and Quota-Free Imports of Apparel Articles Assembled in Beneficiary Sub-Saharan African Countries From Regional and Third-Country Fabric

AGENCY: Committee for the Implementation of Textile Agreements (CITA).

ACTION: Publishing the new 12-month cap on duty- and quota-free benefits.

DATES: *Applicable:* October 1, 2019.

FOR FURTHER INFORMATION CONTACT: Rebecca Geiger, International Trade Specialist, Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482–3117.

SUPPLEMENTARY INFORMATION:

Authority: Title I, Section 112(b)(3) of the Trade and Development Act of 2000 (TDA 2000), Public Law (Pub. L.) 106–200, as amended by Division B, Title XXI, section 3108 of the Trade Act of 2002, Public Law 107–210; Section 7(b)(2) of the AGOA Acceleration Act of 2004, Public Law 108–274; Division D, Title VI, section 6002 of the Tax Relief and Health Care Act of 2006 (TRHCA 2006), Public Law 109–432, and section 1 of The African Growth and Opportunity Amendments (Pub. L. 112–163), August 10, 2012; Presidential Proclamation 7350 of October 2, 2000 (65 FR 59321); Presidential Proclamation 7626 of November 13, 2002 (67 FR 69459); and Title I, Section 103(b)(2) and (3) of the Trade Preferences Extension Act of 2015, Pub. L. 114–27, June 29, 2015. Title I of TDA 2000 provides for duty- and quota-free treatment for certain textile and apparel articles imported from designated beneficiary sub-Saharan African countries. Section 112(b)(3) of TDA 2000 provides duty- and quota-free treatment for apparel articles wholly assembled in one or more beneficiary sub-Saharan African countries from fabric wholly formed in one or more beneficiary sub-Saharan African countries from yarn originating in the United States or one or more beneficiary sub-Saharan African countries. This preferential treatment is also available for apparel articles assembled in one or more lesser-developed beneficiary sub-Saharan African countries, regardless of the country of origin of the fabric used to make such articles, subject to quantitative limitation. Public Law 114–27 extended this special rule for lesser-developed countries through September 30, 2025.

The AGOA Acceleration Act of 2004 provides that the quantitative limitation for the twelve-month period beginning October 1, 2019 will be an amount not to exceed 7 percent of the aggregate square meter equivalents of all apparel articles imported into the United States in the preceding 12-month period for which data are available. *See* Section 112(b)(3)(A)(ii)(I) of TDA 2000, as amended by Section 7(b)(2)(B) of the AGOA Acceleration Act of 2004. Of this overall amount, apparel imported under the special rule for lesser-developed countries is limited to an amount not to exceed 3.5 percent of all apparel articles imported into the United States in the preceding 12-month period. *See* Section 112(b)(3)(B)(ii)(II) of TDA 2000, as amended by Section 6002(a)(3) of TRHCA 2006. The Annex to Presidential Proclamation 7350 of October 2, 2000 directed CITA to publish the aggregate quantity of imports allowed during each 12-month period in the **Federal Register**.

For the one-year period, beginning on October 1, 2019, and extending through September 30, 2020, the aggregate quantity of imports eligible for preferential treatment under these provisions is 2,146,573,294 square meters equivalent. Of this amount, 1,073,286,647 square meters equivalent is available to apparel articles imported under the special rule for lesser-developed countries. Apparel articles entered in excess of these quantities will be subject to otherwise applicable tariffs.

These quantities are calculated using the aggregate square meter equivalents of all apparel articles imported into the United States, derived from the set of Harmonized System lines listed in the Annex to the World Trade Organization Agreement on Textiles and Clothing (ATC), and the conversion factors for units of measure into square meter equivalents used by the United States in implementing the ATC.

Lloyd Wood,

Chairman, Committee for the Implementation of Textile Agreements.

[FR Doc. 2019–20302 Filed 9–18–19; 8:45 am]

BILLING CODE 3510–DR–P

BUREAU OF CONSUMER FINANCIAL PROTECTION

Supervisory Highlights, Issue 19 (Summer 2019)

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Supervisory highlights.

SUMMARY: The Bureau of Consumer Financial Protection (Bureau) is issuing its nineteenth edition of its Supervisory Highlights. In this issue of Supervisory Highlights, we report examination findings in the areas of automobile loan origination, credit card account management, debt collection, furnishing, and mortgage origination that were generally completed between December 2018 and March 2019 (unless otherwise stated). The report does not impose any new or different legal requirements, and all violations described in the report are based only on those specific facts and circumstances noted during those examinations.

DATES: The Bureau released this edition of the Supervisory Highlights on its website on September 13, 2019.

FOR FURTHER INFORMATION CONTACT: Jaclyn Sellers, Attorney-Advisor, at (202) 435–7449. If you require this document in an alternative electronic format, please contact *CFPB_Accessibility@cfpb.gov.*

SUPPLEMENTARY INFORMATION:

1. Introduction

The Consumer Financial Protection Bureau is committed to a consumer financial marketplace that is free, innovative, competitive, and transparent, where the rights of all parties are protected by the rule of law, and where consumers are free to choose the products and services that best fit their individual needs. To effectively accomplish this, the Bureau remains committed to sharing with the public key findings from its supervisory work to help industry limit risks to consumers and comply with Federal consumer financial law.

The findings included in this report cover examinations in the areas of automobile loan origination, credit card account management, debt collection, furnishing, and mortgage origination that were generally completed between December 2018 and March 2019 (unless otherwise stated).

It is important to keep in mind that institutions are subject only to the requirements of relevant laws and regulations. The information contained in Supervisory Highlights is disseminated to help institutions better understand how the Bureau examines institutions for compliance with those requirements. This document does not impose any new or different legal requirements. In addition, the legal violations described in this and previous issues of Supervisory Highlights are based on the particular facts and circumstances reviewed by the Bureau as part of its examinations. A conclusion that a legal violation exists on the facts and circumstances described here may not lead to such a finding under different facts and circumstances.

We invite readers with questions or comments about the findings and legal analysis reported in Supervisory Highlights to contact us at *CFPB_Supervision@cfpb.gov.*

2. Supervisory Observations

2.1 Automobile Loan Origination

The Bureau continues to examine auto loan origination activities, including assessing whether originators have engaged in any unfair, deceptive, or abusive acts or practices prohibited by the Consumer Financial Protection Act of 2010 (CFPA).

2.1.1 Abusive Act or Practice When Selling Add-On GAP Products

Under the prohibition against abusive acts or practices in sections 1031 and 1036 of the CFPA,[1] an act or practice is abusive if, among other things, it takes unreasonable advantage of a consumer's lack of understanding of the material risks, costs, or conditions of the product or service.[2]

Some auto lenders may sell consumers a guaranteed asset protection (GAP) product to cover the difference, or ''gap,'' between the amount the consumer owes on the auto loan and the amount received from the auto insurer in the event a vehicle is stolen, damaged, or totaled. Such a gap is more likely to occur in an auto loan with a high loan-to-value (LTV) ratio than one with a low LTV, because in a loan with a low LTV, the insurance payout for a totaled vehicle may cover the outstanding debt.

One or more examinations completed in 2018[3] found instances in which auto lenders sold a GAP product to consumers under circumstances that led to an abusive practice. Specifically, examiners observed that lenders sold a GAP product to consumers whose low LTV meant that they would not benefit from the product. By purchasing a product they would not benefit from, consumers demonstrated that they lacked an understanding of a material aspect of the product. The lenders had sufficient information to know that these consumers would not benefit from the product. These sales show that the lenders took unreasonable advantage of the consumers' lack of understanding of the material risks, costs, or conditions of the product. In response to these examination findings, the lenders have undertaken remedial and corrective actions, including reimbursing consumers for the cost of the product and establishing an LTV minimum for GAP product sales.

2.2 Credit Card Account Management

The Bureau continues to examine the credit card account management operations of one or more supervised entities. These examinations may focus on all aspects of credit card origination and account servicing for compliance with various Federal consumer financial laws including the Truth in Lending Act and its implementing regulation, Regulation Z. Selected recent findings are below.

2.2.1 Triggered Disclosures for Online Credit Card Advertisements

Regulation Z, 12 CFR 1026.16(b), requires credit card issuers in credit card advertisements to clearly and conspicuously provide certain disclosures if the advertisements contain certain pricing terms (''triggering terms'').

In one or more examinations completed in 2018,[4] examiners found that entities failed to clearly and conspicuously provide disclosures required by triggering terms in online advertisements. In some instances, the triggered disclosures were available to consumers via a hyperlink that was not labeled in a way that referred to the triggered disclosures. Consumers would have to click on the insufficiently clear or conspicuous hyperlink, and then navigate through an online application before arriving at triggered disclosures. In other instances, consumers had to click on multiple hyperlinks and could only view the triggered disclosures after completing an eight-page application. Issuers have undertaken corrective actions in these cases in response to examination findings.

2.2.2 Offset of Credit Card Debt

Regulation Z, 12 CFR 1026.12(d), prohibits credit card issuers from offsetting credit card debt with funds the consumer has on deposit with the issuer. However, subsection 1026.12(d)(2) expressly permits issuers to obtain or enforce a consensual security interest in such funds, so long as certain requirements specified in the Staff Commentary are met. Such security interests must be affirmatively agreed to by the consumer and must be disclosed in the account-opening disclosures. A security interest may not simply be the functional equivalent of offset, however. Thus, routinely including a provision in a cardholder agreement indicating that consumers are giving a security interest in any deposit accounts maintained with the issuers would not qualify for the exception under subsection 1026.12(d)(2). Instead, for a security interest to qualify, the consumer must be aware that granting a security interest is a condition for the credit card (or for more favorable account terms) and must specifically intend to grant a security interest in the deposit account. Indicators of the consumers' awareness and intent include at least one of the following (or a substantially similar procedure):

- Separate signature or initials on the agreement indicating that a security interest is being given;
- Placement of the security agreement on a separate page, or otherwise separate security interest provisions from other contract and disclosure provisions; or
- Reference to a specific amount of deposited funds or to a specific deposit account number.

One or more examinations completed in 2018[5] found that issuers violated Regulation Z, 12 CFR 1026.12(d)(1), by offsetting consumers' credit card debt against funds that the consumers had on deposit with the issuers without sufficient indication of the consumer's awareness of, and intent to grant, a security interest in those funds. The issuers' policies or procedures required the issuers to have obtained a signed authorization form from consumers

[1] 12 U.S.C. 5531 and 12 U.S.C. 5536.

[2] 12 U.S.C. 5531(d)(2)(A).

[3] This examination work was completed prior to the review period for this report.

[4] This examination work was completed prior to the review period for this report.

[5] This examination work was completed prior to the review period for this report.

before attempting to enforce the security interest. However, in some instances, the issuers enforced the security interest against the funds on deposit where such forms had not been signed by the consumer or could not be located. In response to examination findings, issuers have implemented corrective action to ensure compliance with the regulatory requirements.

2.2.3 Deceptive Threats of Repossession or Foreclosure in Credit Card Collections

Under the prohibition against deceptive acts or practices in sections 1031 and 1036 of the CFPA,[6] an act or practice is deceptive when: (1) It misleads or is likely to mislead the consumer; (2) the consumer's interpretation is reasonable under the circumstances; and (3) the misleading act or practice is material. In one or more examinations completed in 2018,[7] examiners found that one or more credit card issuer(s) misled or were likely to mislead consumer credit card holders by sending collection letters that suggested that the issuer(s) could repossess consumers' automobiles, or foreclose on homes, securing loans or mortgages owned by the issuer(s). In fact, the issuer(s) did not repossess any vehicles or foreclose on any mortgages in connection with delinquent credit card accounts, and it was against the policies of the issuer(s) to do so. The representations by the issuer(s) were likely to mislead consumers into believing that they might be subject to repossession or foreclosure for delinquent credit card accounts if they had an automobile loan or mortgage with the issuer(s). The consumers' beliefs were reasonable given the representations made in the collection letters. The misrepresentations were material since they were likely to induce cardholders to change their conduct with respect to their delinquent credit card accounts. In response to these examiner findings, the issuers discontinued the use of the collection letters.

2.2.4 Deceptive Marketing Regarding Secured Credit Card Accounts

Under the prohibition against deceptive acts or practices in sections 1031 and 1036 of the CFPA,[8] a practice is deceptive when: (1) It misleads or is likely to mislead the consumer; (2) the consumer's interpretation is reasonable under the circumstances; and (3) the misleading act or practice is material. In one or more examinations, examiners found that credit card issuers misled or were likely to mislead consumers by orally representing that secured credit card accounts would automatically graduate (or be upgraded) to unsecured credit card accounts on a specific timeframe, such as six or twelve months after origination, so long as cardholders maintained their accounts in good standing. In fact, the issuers did not upgrade secured card accounts on any preset timeframe, and upgrade or graduation was conditioned on additional factors, as some subsequent disclosures and online and print solicitations suggested. The oral representations misled or were likely to mislead consumers about both the timing and likelihood of upgrade or graduation, and subsequent written disclosures were inadequate to cure the oral representations. The consumers' interpretation of the preset graduation or upgrade was reasonable based on the oral representations. The representations were also material to the consumers' decisions to apply for a secured card account with the issuers.

In one or more examinations, examiners found that credit card issuers misled or were likely to mislead consumers by representing in prescreened offers of credit that secured credit card accounts subject to an annual fee would be ''periodically'' reviewed for graduation (or upgrade). In fact, the issuers did not review such accounts for a year or more but did not provide additional disclosures to accountholders or modify their marketing materials. Such representations were likely to mislead consumers about the timing for a potential upgrade. Consumers' interpretations of such representations were reasonable under the circumstances. The issuers' misrepresentations were material to consumers' decisions to apply for a secured card account and to existing cardholders' decisions to maintain their secured card accounts.

In all the above cases, the issuers have developed action plans to identify and compensate impacted consumers, and updated their policies and procedures to prevent future violations.

2.3 Debt Collection

Supervision continues to examine consumer debt collection for compliance with various Federal consumer financial laws, including the Fair Debt Collection Practices Act (FDCPA). Below are findings resulting from these supervisory activities.

2.3.1 False Representation of the Amount and Legal Status of Debt

Section 807 of the FDCPA prohibits the use of any false, deceptive, or misleading representation or means in the collection of any debt. Specifically, section 807(2)(A) of the FDCPA prohibits the false representation of the character, amount, or legal status of any debt. Examiners found that one or more debt collectors claimed and collected from consumers, interest not authorized by the underlying contracts between the debt collectors and the creditors. In doing so, one or more debt collectors falsely represented to consumers the amount due and authorized in violation of section 807(2)(A) of the FDCPA. In response to these examination findings, one or more debt collectors conducted or are conducting a full accounting of these charges and providing remediation for affected consumer accounts, including accounts in which consumers paid in full, settled in full, or made partial payments.

2.4 Furnishing

Entities that furnish information relating to consumers to consumer reporting companies for inclusion in consumer reports (furnishers) play a vital role in the consumer reporting process. They are subject to several requirements under the Fair Credit Reporting Act (FCRA) [9] and its implementing regulation, Regulation V,[10] including accuracy and dispute handling requirements.

In one or more recent furnishing reviews, examiners found deficiencies in furnisher compliance with FCRA accuracy and dispute investigation requirements.

2.4.1 Duty To Timely Complete Dispute Investigations

The FCRA requires that when a furnisher receives notice of a dispute from a credit reporting company (CRC) pursuant to FCRA section 623(b)(1),[11] the furnisher must complete its investigation of disputes ''before the expiration of the period under section 611(a)(1) . . .'' within which the CRC must complete its own dispute investigation.[12] This period of time is normally 30 days from the date the CRC receives a dispute and can be extended to 45 days in certain limited circumstances.[13] Examiners found that one or more furnishers failed to complete dispute investigations within

[6] 12 U.S.C. 5531 and 12 U.S.C. 5536.

[7] This examination work was completed prior to the review period for this report.

[8] 12 U.S.C. 5531 and 12 U.S.C. 5536.

[9] 15 U.S.C. 1681s–2(a)–(e).

[10] 12 CFR 1022.40–43.

[11] 15 U.S.C. 1681s–2(b)(1).

[12] 15 U.S.C. 1681s–2(b)(2).

[13] 15 U.S.C. 1681i(a)(1)(B).

the required time period. At one or more furnishers, examiners found certain disputes of which the furnisher(s) received notice from the CRC but failed to conduct an investigation or respond to the CRC. In response to these findings, one or more furnishers are establishing and implementing enhanced monitoring activities, and policies and procedures regarding compliance with furnisher-specific requirements of the FCRA.

2.4.2 Duty To Provide Results of Dispute Investigations to CRCs

The FCRA requires that if a furnisher's dispute investigation finds that disputed information is incomplete or inaccurate, the furnisher must report the results not only to the CRC that sent the dispute to the furnisher but also to all nationwide CRCs to which the furnisher provided the information.[14] Examiners found that one or more furnishers failed to report updates or corrections to information found to be incomplete or inaccurate following a dispute investigation to all applicable CRCs. At one or more furnishers, examiners found the systematic failure of reporting dispute investigation results to a particular CRC. In response to these findings, one or more furnishers are establishing and implementing enhanced monitoring activities, as well as policies and procedures regarding compliance with furnisher-specific requirements of the FCRA, and providing validation of corrective action.

2.4.3 Duty To Promptly Correct and Update Previously Furnished Information

The FCRA requires that if a furnisher determines that previously furnished information is not complete or accurate, the furnisher must promptly notify the CRC of that determination and provide the CRC with any corrections to that information, or any additional information, that is necessary to make the information complete and accurate.[15] In addition, a furnisher cannot thereafter furnish to the CRC any of the information that remains incomplete or inaccurate.[16]

Examiners found that one or more furnishers failed to promptly send corrections or updates to all applicable CRCs after making a determination, as reflected in the relevant system of record, that previously furnished information about certain accounts was no longer accurate. As a result, one or more furnishers are establishing and implementing enhanced monitoring activities, as well as policies and procedures regarding compliance with furnisher-specific requirements of the FCRA, and providing validation of corrective action.

Examiners found that one or more furnishers of deposit account information failed to furnish updated information regarding accounts that were paid-in-full or settled-in-full. When one or more furnishers removed their company identification from account number fields at the request of a nationwide specialty CRC, and the removal of the identification changed the search key that the furnishers used for matching when making account updates, the furnishers discovered that almost two thousand accounts were not corrected to reflect the paid-in-full or settled-in-full status. Examiners observed that one or more furnishers did not promptly notify the nationwide specialty CRC after having determined that the accounts were not corrected and updated, in violation of the FCRA. In light of these findings, one or more furnishers have taken action to update and correct information that it previously furnished when they determined that the information was not complete or accurate.

2.4.4 Duty To Provide Notice of Dispute

The FCRA prohibits furnishers from furnishing information to any CRC without notice that such information is disputed if the completeness or accuracy of the information furnished is disputed by a consumer.[17] Examiners found that one or more furnishers of deposit account information received consumer disputes and then continued furnishing information about the disputed accounts for several months without notifying a nationwide specialty CRC that the information furnished was disputed, in violation of the FCRA. As a result of these examination findings, one or more furnishers have taken action to provide timely notice to CRCs upon receipt of a direct dispute from a consumer who has disputed information previously furnished.

2.4.5 Regulation V Duty To Establish and Implement Policies and Procedures

Regulation V requires furnishers to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of the information relating to consumers that it furnishes to a CRC.[18] Examiners found that one or more furnishers of deposit account information failed to implement reasonable written policies and procedures regarding the accuracy and integrity of deposit account information it furnished to nationwide specialty CRCs. Such policies and procedures were also not appropriate to the nature, size, complexity, and scope of the furnishing activities. For example, there were no written policies and procedures for handling disputes regarding account information from certain files. The existing policies also did not address compliance with FCRA dispute requirements, such as the duty to conduct a reasonable investigation. There were also no policies and procedures for training, monitoring, or conducting internal audits regarding a business unit's responsibilities to forward disputes of furnished information. Finally, one or more furnishers failed to have policies and procedures for one business unit to conduct investigations of consumer disputes alleging account abuse caused by fraud. As a result of these observations, one or more furnishers have taken action to comply with the Regulation V requirements to establish and implement reasonable written policies and procedures regarding the accuracy and integrity of information furnished to nationwide CRCs.

Regulation V requires furnishers to consider and incorporate, as appropriate, the guidelines in appendix E of Regulation V.[19] Examiners found that one or more furnishers of deposit account information failed to consider the guidelines in appendix E of Regulation V. For example, such guidance states that a furnisher's policies and procedures should consider and incorporate, as appropriate, conducting ''reasonable investigations of consumer disputes and take appropriate action based on the outcome of such investigations.'' However, the policies of one or more furnishers did not consider and incorporate such guidance. Based on examiner findings, one or more furnishers have taken action to consider and incorporate, as appropriate, the guidance in appendix E of Regulation V.

2.5 Mortgage Origination

Supervision continues to examine both forward and reverse mortgage origination activities for compliance with various Federal consumer financial laws, including the Truth in Lending

[14] 15 U.S.C. 1681s–2(b)(1)(D).

[15] 15 U.S.C. 1681s–2(a)(2)(B).

[16] 15 U.S.C. 1681s–2(a)(2)(B).

[17] 15 U.S.C. 1682s–2(a)(3).

[18] 12 CFR 1022.42(a).

[19] 12 CFR 1022.42(b), appendix E.

Act and its implementing regulation, Regulation Z.

2.5.1 Inaccurate APR and TALC Disclosures in Reverse Mortgage Transactions

Regulation Z requires creditors to disclose the annual percentage rate (APR) in accordance with either the actuarial method or the U.S. Rule method.[20] The explanations, equations, and instructions for determining the APR in accordance with the actuarial method are set forth in appendix J to 12 CFR part 1026.[21]

Appendix J provides that the unit-period for a single advance, single payment transaction, for the purposes of determining the APR, shall be the term of the transaction, but shall not exceed one year.[22] In all other transactions, the unit-period shall be the common period that occurs most frequently in the transaction unless an exception applies.[23]

Generally, by its terms, a closed-end reverse mortgage is a single advance, single payment transaction because it includes a single lump-sum advance at origination and a single payment due at the end of the loan term. Thus, per appendix J and Regulation Z, the unit-period for the purposes of determining the APR for such a closed-end reverse mortgage, with a term greater than a year, is one year.

In addition to a single lump-sum advance at origination, some closed-end reverse mortgages may have multiple advances throughout the loan term. For example, a closed-end reverse mortgage with a life-expectancy set-aside (LESA) typically has a set number of semiannual advances for the payment of property taxes, and flood and hazard insurance premiums. Thus, per appendix J and Regulation Z, the unit-period for the purposes of determining the APR for such a loan would be six months because that would be the common period that occurs most frequently in the transaction.

In addition, Regulation Z states that the APR shall be considered accurate for a regular transaction if it is not more than ⅛ of one percentage point above or below the APR determined in accordance with section 1026.22(a)(1).[24] Likewise, the APR shall be considered accurate for an irregular transaction if it is not more than ¼ of one percentage point above or below the APR determined in accordance with section 1026.22(a)(1).[25]

In one or more examinations, examiners observed that creditors were disclosing inaccurate APRs for closed-end reverse mortgages. Specifically, while conducting loan file reviews, examiners observed creditors using a unit-period of one month instead of one year to calculate the APR, leading to inaccurate calculations outside of Regulation Z's permissible tolerances.[26] In response to this finding, the creditors have revised their calculation methodology to reflect the correct unit-period and provided affected consumers with reimbursements.

Examiners also found creditors disclosing inaccurate APRs for closed-end reverse mortgages with a LESA. While conducting loan file reviews, examiners observed creditors using a unit-period of one month instead of six months to calculate the APR, leading to inaccurate calculations outside of Regulation Z's permissible tolerances.[27] In response to this finding, the creditors have revised their calculation methodologies to reflect the correct unit-period.

Examiners observed similar issues in relation to the calculation of the total annual loan cost (TALC). Regulation Z requires that, in a reverse mortgage transaction, the creditor provide a good-faith projection of the total cost of credit, determined in accordance with paragraph (c) of this section and expressed as a table of ''total annual loan cost rates,'' in accordance with appendix K of 12 CFR part 1026.[28]

Per appendix K, the unit-period for a single advance, single payment transaction, for the purposes of determining the TALC rate, shall be the term of the transaction, but shall not exceed one year.[29] Both a closed-end reverse mortgage and an open-end reverse mortgage with a line of credit are single advance, single payment transactions, even though the latter may have multiple advances over the loan term.[30] Accordingly, the appropriate unit-period for such transactions when determining the TALC rate and the future value of all advances, a variable of the TALC equation, is one year. While conducting loan file reviews, examiners observed creditors using a unit-period of one month instead of one year to calculate the TALC rate and the future value of all advances, leading to inaccurate TALC disclosures. In response to these findings, the creditors have revised their calculation methodologies to reflect the correct unit-period.

3. Supervision Program Developments

3.1 Recent Bureau Rules and Guidance

3.1.1 Small Entity Compliance Guide

On June 28, 2019, the Bureau updated the small entity compliance guide summarizing the Payday Lending Rule's payment-related requirements. The guide has been updated to incorporate the changes that the Delay Final Rule made to the 2017 Payday Lending Rule.[31]

3.1.2 Memorandum of Understanding With the Federal Trade Commission

On February 26, 2019, the CFPB and the Federal Trade Commission (FTC) announced a new memorandum of understanding (MOU) between the agencies that went into effect on February 25, 2019.[32] The MOU, which facilitates cooperation and coordination on supervision, enforcement and consumer response activities, renews a previous MOU between the agencies, and is required by the CFPA.[33]

3.1.3 Amendment to the Annual Privacy Notice Requirement Under the Gramm-Leach-Bliley Act (Regulation P)

On August 10, 2018, the CFPB published a final rule to implement a December 2015 statutory amendment to the Gramm-Leach-Bliley Act.[34] The rule provides an exception under which financial institutions that meet certain conditions are not required to provide annual privacy notices to customers. To qualify for this exception, a financial institution must not share nonpublic personal information about customers except as described in certain statutory exceptions. In addition, the rule requires that the financial institution must not have changed its policies and practices with regard to disclosing nonpublic personal information from those that the institution disclosed in the most recent privacy notice it sent. As part of its implementation, the Bureau is also amending Regulation P to provide timing requirements for

[20] 12 CFR 1026.22(a)(1).

[21] *Id.*

[22] 12 CFR part 1026, app. J(b)(4)(ii).

[23] 12 CFR part 1026, app. J(b)(4)(i).

[24] 12 CFR 1026.22(a)(2).

[25] 12 CFR 1026.22(a)(3).

[26] 12 CFR 1026.22(a)(2) and (3).

[27] *Id.*

[28] 12 CFR 1026.33(b)(2).

[29] 12 CFR part 1026, app. K(b)(4)(ii).

[30] 12 CFR part 1026, app. K(b)(9) (Regulation Z treats such open-end reverse mortgages with a line of credit as single advance, single payment transactions for purposes of calculating the TALC).

[31] There is currently a stay on the compliance date for the 2017 Payday Lending Rule.

[32] The MOU can be found here: *https://www.consumerfinance.gov/documents/7302/cfpb_ftc_memo-of-understanding_2019-02.pdf.*

[33] 12 U.S.C. 5514(c)(3)(A).

[34] The final rule can be found here: *https://www.consumerfinance.gov/policy-compliance/rulemaking/final-rules/amendment-annual-privacy-notice-requirement-under-gramm-leach-bliley-act/.*

delivery of annual privacy notices in the event that a financial institution that qualified for this annual notice exception later changes its policies or practices in such a way that it no longer qualifies for the exception. The Bureau is also removing the Regulation P provision that allows for use of the alternative delivery method for annual privacy notices because the Bureau believes the alternative delivery method will no longer be used in light of the annual notice exception. The final rule went into effect on September 17, 2018.

4. Conclusion

The Bureau will continue to publish Supervisory Highlights to aid Bureau-supervised entities in their efforts to comply with Federal consumer financial law. The report shares information regarding general supervisory and examination findings (without identifying specific institutions, except in the case of public enforcement actions), communicates operational changes to the program, and provides a convenient and easily accessible resource for information on the Bureau's guidance documents.

5. Regulatory Requirements

This Supervisory Highlights summarizes existing requirements under the law, summarizes findings made in the course of exercising the Bureau's supervisory and enforcement authority, and is a non-binding general statement of policy articulating considerations relevant to the Bureau's exercise of its supervisory and enforcement authority. It is therefore exempt from notice and comment rulemaking requirements under the Administrative Procedure Act pursuant to 5 U.S.C. 553(b). Because no notice of proposed rulemaking is required, the Regulatory Flexibility Act does not require an initial or final regulatory flexibility analysis. 5 U.S.C. 603(a), 604(a). The Bureau has determined that this Supervisory Highlights does not impose any new or revise any existing recordkeeping, reporting, or disclosure requirements on covered entities or members of the public that would be collections of information requiring OMB approval under the Paperwork Reduction Act, 44 U.S.C. 3501, *et seq.*

Dated: September 12, 2019.

Kathleen L. Kraninger,

Director, Bureau of Consumer Financial Protection.

[FR Doc. 2019–20215 Filed 9–18–19; 8:45 am]

BILLING CODE 4810–AM–P

CONSUMER PRODUCT SAFETY COMMISSION

Sunshine Act Meeting

TIME AND DATE: Tuesday, September 24, 2019, 2:00 p.m.

PLACE: Hearing Room 420, Bethesda Towers, 4330 East West Highway, Bethesda, MD.

STATUS: Commission Meeting—Open to the Public.

MATTERS TO BE CONSIDERED: Briefing Matter: Fiscal Year 2020 Operating Plan.

A live webcast of the Meeting can be viewed at *https://www.cpsc.gov/live.*

CONTACT PERSON FOR MORE INFORMATION: Alberta Mills, Office of the Secretariat, Office of the General Counsel, U.S. Consumer Product Safety Commission, 4330 East West Highway, Bethesda, MD 20814, (301) 504–6833.

Dated: September 17, 2019.

Alberta E. Mills,

Secretary.

[FR Doc. 2019–20426 Filed 9–17–19; 4:15 pm]

BILLING CODE 6355–01–P

CONSUMER PRODUCT SAFETY COMMISSION

Sunshine Act Meeting

TIME AND DATE: Wednesday, September 24, 2019; 10:00 a.m.

PLACE: Hearing Room 420, Bethesda Towers, 4330 East West Highway, Bethesda, MD 20814.

STATUS: Commission Decisional Meeting—Open to the Public.

MATTERS TO BE CONSIDERED: Final Rule To Revise Current Fireworks Regulation.

CONTACT PERSON FOR MORE INFORMATION: Alberta E. Mills, Secretary, Division of the Secretariat, Office of the General Counsel, U.S. Consumer Product Safety Commission, 4330 East West Highway, Bethesda, MD 20814, (301) 504–7479.

A live webcast of the Meeting can be viewed at *https://www.cpsc.gov/live.*

Dated: September 17, 2019.

Alberta E. Mills,

Secretary.

[FR Doc. 2019–20427 Filed 9–17–19; 4:15 pm]

BILLING CODE 6355–01–P

DEPARTMENT OF DEFENSE

Office of the Secretary

[Docket ID DOD–2019–OS–0108]

Science and Technology Reinvention Laboratory (STRL) Personnel Demonstration Project in the Technical Center of the U.S. Army Space and Missile Defense Command (USASMDC)

AGENCY: Under Secretary of Defense for Research and Engineering (USD(R&E)), DoD.

ACTION: Notice of proposal to adopt and modify an existing personnel management demonstration project.

SUMMARY: This **Federal Register** Notice (FRN) serves as notice of the proposed adoption of an existing STRL Personnel Management Demonstration Project by the Technical Center, U.S. Army Space and Missile Defense Command (USASMDC). The Technical Center proposes to adopt, with some modifications, the STRL Personnel Demonstration Project implemented at the U.S. Army Combat Capabilities Development Command (CCDC) Aviation and Missile Center (AvMC) (previously designated as the Aviation and Missile Research, Development, and Engineering Center).

DATES: The Technical Center's demonstration project proposal may not be implemented until a 30-day comment period is provided, comments addressed, and a final FRN published. To be considered, written comments must be submitted on or before October 21, 2019.

ADDRESSES: You may submit comments, identified by docket number and title, by any of the following methods:

Federal eRulemaking Portal: http://www.regulations.gov. Follow the instructions for submitting comments.

Mail: Department of Defense, Office of the Chief Management Officer, Directorate for Oversight and Compliance, 4800 Mark Center Drive, Mailbox #24, Suite 08D09, Alexandria, VA 22350–1700.

Instructions: All submissions received must include the agency name, docket number and title for this **Federal Register** document. The general policy for comments and other submissions from members of the public is to make these submissions available for public viewing on the internet at *http://www.regulations.gov* as they are received without change, including any personal identifiers or contact information.

FOR FURTHER INFORMATION CONTACT:

• *Technical Center, U.S. Army Space and Missile Defense Command*