

To: EFTA Members

From: Dennis Ambach, Legislative & Regulatory Council Chairman

Date: October 27, 2010

Re: Legislative & Regulatory Update

Elections are less than a week away. Congressional lame duck session is scheduled to begin the week of November 15. Election results will affect the scope and breadth of the lame duck agenda. Uncertainty is the only known at this writing. Stay tuned for an update after the election and when the Congressional leadership clarifies the remaining agenda.

In the meantime, I wanted to provide an update on two pending LRC agenda items as follows:

Federal Reserve Board/Durbin Amendment

News reports widely suggest that the Federal Reserve Board (FRB) will publish on November 9 for comment the proposed rules to implement the Durbin Amendment on debit card interchange rates. The Wall Street Reform and Consumer Protection Act (Dodd-Frank) requires the Federal Reserve to issue final rules on debit card interchange rates no later than nine months after enactment (April 21, 2010). The Durbin Amendment will become effective July 21, 2010.

FRB/CARD Act

Last week, the FRB issued a proposed rule to clarify certain aspects of the Credit Card Accountability Responsibility and Disclosure Act (CARD Act) affecting interest charges for promotional programs, application fees and information relating to a consumer's ability to make required payments. Any comments must be submitted within 60 days. The [FRB's news release](#) provides a very useful summary of the proposed changes. I have reviewed the proposed rule and did not note any controversial changes. If EFTA members have a different opinion, I certainly welcome any input.

The FRB also last week issued a final rule on the effective date of the prepaid card provisions in the CARD Act. Fee and expiration date protections in the CARD Act apply to prepaid cards sold after August 22, 2010. However, Congress enacted legislation in July delaying the effective date on the restrictions to prepaid cards produced prior to April 2010 to January 31, 2011. The FRB's final rule reaffirmed Congress' law.