

To: Members of the House Financial Services Committee

From: Kurt Helwig, President & CEO, Electronic Funds Transfer Association

Date: June 26, 2012

Re: Support for H.R. 4367, to Update ATM Fee Disclosure Requirements

On behalf of the members of Electronic Funds Transfer Association (EFTA) and the ATM Industry Association (ATMIA), I am writing to express our strong support for H.R. 4367 that the Committee will consider on Wednesday, June 27. EFTA and ATMIA represent banks, credit unions, ATM operators, networks, and manufacturers and other businesses that are directly involved in providing convenient, reliable ATM services to millions of Americans.

I am encouraged that more than half of the Committee members have agreed to cosponsor this important, bipartisan legislation that will provide consumers with full, robust disclosure of account information and fees while protecting ATM owners from frivolous lawsuits.

Regulation E of the Electronic Fund Transfer Act requires ATM operators to provide two separate notices to consumers regarding the imposition of a fee for use of the ATM. One disclosure is required on the ATM video monitor. The fee is disclosed and the customer must affirmatively accept the fee. If the customer declines to accept the fee, the transaction is cancelled and the customer is not charged. Our members fully support this fee disclosure requirement.

Regulation E also requires ATM operators to attach a physical placard to the ATM stating that a fee may be charged. If the placard is not attached, the statute allows successful class action plaintiffs to recover “the lesser of \$500,000 or 1 per centum of the net worth of the [ATM operator]”, plus attorneys’ fees and costs. This has created a strong incentive for spurious lawsuits (to date over 500) and situations where the placard has been purposely removed for the purposes of filing or threatening to file lawsuits for noncompliance.

Congressional approval of H.R. 4367 is needed now more than ever. Accordingly, on behalf of our members, we respectfully request that the Financial Services Committee support H.R. 4367 on June 27 and quickly move it to the House Floor for consideration. The repeal of the dual signage provision will stop the flood of frivolous litigation and cause no harm to consumers. Without relief on this subject, the number of these baseless lawsuits will continue to rise as will the cost of this service to consumers. Such actions could very well reduce the number of ATMs deployed and result in reduced consumer convenience.

Thank you for considering our views on this important legislation.