To provide greater fee disclosures for consumers who have prepaid cards, and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2014

Mr. WARNER introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide greater fee disclosures for consumers who have prepaid cards, and for other purposes.

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Prepaid Card Disclo-
sure Act of 2014”.

SEC. 2. SPENDING ACCOUNTS.

(a) SPENDING ACCOUNTS.—The Electronic Fund
Transfer Act (15 U.S.C. 1693 et seq.) is amended—

(1) by redesignating section 923 (15 U.S.C.
1693 note), relating to the effective date of the Elec-
Electronic Fund Transfer Act, as so designated by section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203; 124 Stat. 2060), as section 925;

(2) by redesignating section 922 (15 U.S.C. 1693r), relating to exemptions for State regulation, as so designated by section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Public Law 111–203; 124 Stat. 2060), as section 923; and

(3) by inserting after section 923, as so redesignated, the following:

“SEC. 924. SPENDING ACCOUNTS; DISCLOSURE OF FEE INFORMATION.

“(a) DEFINITION.—For purposes of this section, the term ‘spending account’—

“(1) means a transaction account, other than as defined in section 903(2)—

“(A) that is established by a consumer or on behalf of a consumer at an insured depository institution (as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)));

“(B) that contains the funds of a consumer;
“(C) to which payments are to be made by a consumer, or at the direction of a consumer;
“(D) to which recurring electronic fund transfers may be made, at the direction of a consumer; or
“(E) from which payments may be made at the direction of a consumer through the use of a card, code, or device;
“(2) includes a transaction account described in paragraph (1)—
“(A) that is operated or managed by a financial institution, or any other person; and
“(B) the funds of which are—
“(i) pooled with the funds of a person other than the person who established the account; or
“(ii) held in a name other than that of the person who established the account; and
“(3) does not include—
“(A) a nonreloadable general-use prepaid card, as defined in section 915(a)(2)(A), in an amount that does not exceed $250;
“(B) a general-use prepaid card, as defined in section 915(a)(2)(A), that is solely associated with—

“(i) a health plan to which section 105 of the Internal Revenue Code of 1986 applies;

“(ii) a qualified transportation fringe, as defined in section 132(f) of the Internal Revenue Code of 1986;

“(iii) a health savings account, as defined in section 223(d) of the Internal Revenue Code of 1986; or

“(iv) any other healthcare benefit account, including a healthcare account relating to Medicare or Medicaid benefits;

“(C) a gift certificate, as defined in section 915(a)(2)(B);

“(D) a store gift card, as defined in section 915(a)(2)(C);

“(E) an electronic promise, plastic card, or payment code or device described in clause (i), (v), or (vi) of section 915(a)(2)(D);

“(F) a nonreloadable card labeled as a gift card and marketed solely as a gift card;
“(G) a nonreloadable loyalty, rebate, or promotional card; or

“(H) a debit card or general-use prepaid card that has been provided to a person pursuant to a Federal, State or local government administered payment program, in which the person may only use the debit card or general-use prepaid card to transfer or debit funds, monetary value, or other assets that have been provided pursuant to such program.

“(b) DISCLOSURE OF FEE INFORMATION.—

“(1) DISCLOSURE REQUIRED.—Each financial institution or entity that is operated, managed, or controlled by a financial institution, or any other person that offers a spending account shall provide to a consumer—

“(A) together with any application, offer, or solicitation for a spending account, a table of any fees that may be charged in connection with the spending account that—

“(i) can be easily understood by the consumer;

“(ii) is clearly and conspicuously displayed to the consumer before purchase; and
“(iii) includes, at a minimum, the amount and a description of each fee that may be charged in connection with the spending account by the financial institution or entity that is operated, managed, or controlled by a financial institution, or any other person; and

“(B) on the card or other means of access, a toll-free telephone number and website at which the consumer may access a clear and conspicuous disclosure of the fees that may be charged in connection with the spending account.

“(2) QR CODE.—The Bureau may, in accordance with any rules established under paragraph (3) and in addition to the disclosure requirements under paragraph (1), require the placement of a QR code, barcode, or other similar technology on any packaging, card, or other object associated with a spending account, provided that such QR code, barcode, or other technology is capable of providing an electronic link to the disclosures required under paragraph (1) to a consumer.

“(3) RULES.—Not later than 9 months after the date of enactment of the Prepaid Card Disclo-
sure Act of 2014, the Bureau shall establish, by
rule, the headings, content, and format of the fee
table and estimate required under paragraph (1).”.

(b) TECHNICAL AND CONFORMING AMENDMENTS.—
Section 903 of the Electronic Fund Transfer Act (15
U.S.C. 1693a) is amended—

(1) by redesignating paragraph (4) (relating to
the Board of Governors of the Federal Reserve Sys-
tem), as so designated by section 1084(2)(A) of the
Dodd-Frank Wall Street Reform and Consumer Pro-
tection Act (Public Law 111–203; 124 Stat. 2081),
as paragraph (3); and

(2) in paragraph (3), as so redesignated, by
striking “term ‘Bureau’ means the Bureau of Gov-
ernors” and inserting “term ‘Board’ means the
Board of Governors”.

(c) PRESERVATION OF AUTHORITY.—Nothing in this
Act shall be construed to limit, amend, or otherwise alter
the authority of the Bureau of Consumer Financial Pro-
tection to issue and adopt rules, take any action, or exer-
cise any other power under the Electronic Fund Transfer
Act, including with respect to general-use prepaid cards
or any other electronic fund transfer product not subject
to the provisions of this Act.
(d) Rule of Construction Relating to EBT Cards.—Nothing in this Act shall be construed to affect the regulation of electronic benefit transfers by the Bureau of Consumer Financial Protection.