

From: The Consumer Financial Protection Bureau <donotreply@consumerfinance.gov>
To: Kester, Tonykester@aging.sc.gov
Date: 2/11/2015 11:40:03 AM
Subject: CFPB's proposed new rules for prepaid cards and accounts

Good morning,

Older consumers increasingly use prepaid cards to receive income, manage spending, and meet other financial needs. On December 23, 2014, the CFPB issued a comprehensive proposal to make prepaid accounts safer, more transparent, and able to better help consumers of all ages take control of their financial lives.

Our proposal would apply strong protections to traditional general purpose reloadable cards for the first time, and also expand protections for prepaid cards used to disburse certain government payments such as Social Security, veterans' assistance, unemployment insurance, and pensions.

The proposal **would not** apply to debit cards that are linked to checking accounts, gift cards, certain health and flexible spending account cards, or cards used by local or state agencies to distribute needs-based benefits such as SNAP, WIC, or TANF.

Please send us your comments by March 23, 2015:

federalregister.gov/articles/2014/12/23/2014-27286/prepaid-accounts-under-the-electronic-fund-transfer-act-regulation-e-and-the-truth-in-lending-act

Here are four main highlights to consider:

- 1. Lost card protection and error resolution rights:** Under our proposal, consumers who report a lost or stolen prepaid card within two business days would be responsible for only up to \$50 in unauthorized charges. The proposed new rule would also require companies to investigate and resolve timely reported errors of registered cardholders within 10 business days or provide temporary re-credit of the disputed amount.
- 2. Easy and free account information:** Under our proposal, companies would generally be required to provide consumers with access to 18 months of transaction history online or by mail (upon request) – and a monthly and annual summary of fees, deposits and withdrawals – without charging a fee.
- 3. Disclosures:** We've proposed new disclosures – a short form and a long form – that consumers can use to compare products before signing up. The short form includes a summary of fees, including monthly (or annual) fees, per purchase fees, ATM withdrawal fees, and cash reload fees among others. The long form includes clear details on all the other fees that a company will charge. ([Learn more](#))
- 4. Credit coverage:** Our proposed rule require companies that want to offer overdraft services or other forms of credit on prepaid cards to follow certain rules that currently apply to credit cards, including periodic statements for consumers, a payment grace period, and establishing the ability of a consumer to repay before extending credit. Importantly, the proposed rules prohibit companies from withdrawing payments for the credit from any funds coming into the prepaid account– unless they receive permission from the consumer first.

Please give us feedback on the proposed rules by March 23, 2015 at:
federalregister.gov/articles/2014/12/23/2014-27286/prepaid-accounts-under-the-electronic-fund-transfer-act-regulation-e-and-the-truth-in-lending-act

Thank you,

Nora Dowd Eisenhower
Office for Older Americans
Consumer Financial Protection Bureau

Please don't reply to this e-mail with your comments on the proposed rules, or the comment may require public disclosure pursuant to the [Bureau's Ex Parte Rule](#).

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The Consumer Financial Protection Bureau

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