

S 4041

Prepaid Card Consumer Protection Act of 2010

Congress: 111 (2009–2011, Ended)

Chamber: Senate

Policy Area: Finance and Financial Sector

Introduced: Dec 17, 2010

Current Status: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.

Latest Action: Read twice and referred to the Committee on Banking, Housing, and Urban Affairs. (Dec 17, 2010)

Official Text: <https://www.congress.gov/bill/111th-congress/senate-bill/4041>

Sponsor

Name: Sen. Menendez, Robert [D-NJ]

Party: Democratic • **State:** NJ • **Chamber:** Senate

Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Durbin, Richard J. [D-IL]	D · IL		Dec 17, 2010
Sen. Merkley, Jeff [D-OR]	D · OR		Dec 17, 2010

Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Dec 17, 2010

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Prepaid Card Consumer Protection Act of 2010 - Amends the Electronic Fund Transfer Act to extend its coverage to spending card accounts (prepaid cards) established by a consumer (or on a consumer's behalf): (1) to which recurring electronic fund transfers may be made, at the consumer's direction, and (2) from which payments may be made, at the consumer's direction, through the use of a card, code, or device. Treats as a spending card account any similar asset account operated or managed by a financial institution, or any other person, whose funds: (1) are pooled with the funds of a person other than the one who established the account, or (2) are held in a name other than that of the person who established the account.

Excludes from the meaning of spending card account: (1) any nonreloadable general-use prepaid card in an amount under \$250; and (2) any general-use prepaid card solely associated with a certain kind of health plan, a qualified transportation fringe, a health savings account or any other healthcare benefit account, a gift certificate, a store gift card, an electronic promise, plastic card, or payment code, or device, a nonreloadable card labeled as a gift card and marketed solely as such, or a nonreloadable loyalty, rebate, or promotional card.

Requires a financial institution to offer electronic fund transfer services in connection with a spending card account only if the account is insured under the Federal Deposit Insurance Act and complies with its pass-through deposit insurance requirements.

Requires any person that accepts funds in connection with an electronic fund transfer to a spending card account to: (1) transfer them, within 24 hours after accepting them, to an account at an insured depository institution; or (2) credit the spending card account an amount equal to the amount of such funds.

Waives the requirement for providing a consumer with a periodic statement if a financial institution, among other things, provides the consumer with access to the account balance through a readily available telephone line and the Internet and at an electronic terminal or other device (ATM machine) that allows the consumer to make a balance inquiry. Prohibits the charging of fees for services required to meet these requirements, other than \$1 for an optional periodic statement.

Specifies other fees which may and may not be charged in connection with a spending account card.

Actions Timeline

- **Dec 17, 2010:** Introduced in Senate
- **Dec 17, 2010:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.