

## S 2030

Prepaid Card Consumer Protection Act of 2011

**Congress:** 112 (2011–2013, Ended)

**Chamber:** Senate

**Policy Area:** Finance and Financial Sector

**Introduced:** Dec 17, 2011

**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, 2011)

**Official Text:** <https://www.congress.gov/bill/112th-congress/senate-bill/2030>

### Sponsor

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

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

### Cosponsors (2 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Merkley, Jeff [D-OR]	D · OR		Jan 24, 2012
Sen. Blumenthal, Richard [D-CT]	D · CT		Jun 6, 2012

### Committee Activity

Committee	Chamber	Activity	Date
Banking, Housing, and Urban Affairs Committee	Senate	Referred To	Dec 17, 2011

### Subjects & Policy Tags

#### Policy Area:

Finance and Financial Sector

### Related Bills

*No related bills are listed.*

Prepaid Card Consumer Protection Act of 2011 - Amends the Electronic Fund Transfer Act to extend its coverage to spending 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 account any similar deposit 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 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 spending accounts to be structured to provide and maintain separate deposit insurance coverage for the funds of each consumer under the applicable Federal Deposit Insurance Corporation (FDIC) regulations.

Requires any person that receives funds in connection with an electronic fund transfer to a spending account to: (1) transfer them, within one business day after funds are activated, to an account at an FDIC-insured depository institution; or (2) credit the spending 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, the Internet, text messaging, or 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.

Prohibits any person from offering or providing a spending account that has a credit feature or that can be linked to a credit account that is automatically repaid from the spending account.

Directs the Consumer Financial Protection Bureau (CFPB) to establish an implementation plan and timeline for a prepaid card research study to determine if any differences exist for both the short- and long-term economic well being of consumers at different income levels who use spending accounts versus those who use traditional bank accounts for their primary means of making financial transactions.

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## **Actions Timeline**

- **Dec 17, 2011:** Introduced in Senate
- **Dec 17, 2011:** Read twice and referred to the Committee on Banking, Housing, and Urban Affairs.