

HR 5198

Overdraft Protection Act of 2016

Congress: 114 (2015–2017, Ended)

Chamber: House

Policy Area: Finance and Financial Sector

Introduced: May 11, 2016

Current Status: Referred to the House Committee on Financial Services.

Latest Action: Referred to the House Committee on Financial Services. (May 11, 2016)

Official Text: <https://www.congress.gov/bill/114th-congress/house-bill/5198>

Sponsor

Name: Rep. Maloney, Carolyn B. [D-NY-12]

Party: Democratic • **State:** NY • **Chamber:** House

Cosponsors (17 total)

Cosponsor	Party / State	Role	Date Joined
Del. Norton, Eleanor Holmes [D-DC-At Large]	D · DC		May 11, 2016
Rep. Blumenauer, Earl [D-OR-3]	D · OR		May 11, 2016
Rep. Capuano, Michael E. [D-MA-7]	D · MA		May 11, 2016
Rep. Chu, Judy [D-CA-27]	D · CA		May 11, 2016
Rep. Ellison, Keith [D-MN-5]	D · MN		May 11, 2016
Rep. Foster, Bill [D-IL-11]	D · IL		May 11, 2016
Rep. Israel, Steve [D-NY-3]	D · NY		May 11, 2016
Rep. Lowey, Nita M. [D-NY-17]	D · NY		May 11, 2016
Rep. McGovern, James P. [D-MA-2]	D · MA		May 11, 2016
Rep. Moore, Gwen [D-WI-4]	D · WI		May 11, 2016
Rep. Ryan, Tim [D-OH-13]	D · OH		May 11, 2016
Rep. Schakowsky, Janice D. [D-IL-9]	D · IL		May 11, 2016
Rep. Serrano, Jose E. [D-NY-15]	D · NY		May 11, 2016
Rep. Sherman, Brad [D-CA-30]	D · CA		May 11, 2016
Rep. Slaughter, Louise McIntosh [D-NY-25]	D · NY		May 11, 2016
Rep. Tsongas, Niki [D-MA-3]	D · MA		May 11, 2016
Rep. Wasserman Schultz, Debbie [D-FL-23]	D · FL		Jul 14, 2016

Committee Activity

Committee	Chamber	Activity	Date
Financial Services Committee	House	Referred To	May 11, 2016

Subjects & Policy Tags

Policy Area:

Finance and Financial Sector

Related Bills

No related bills are listed.

Summary (as of May 11, 2016)

Overdraft Protection Act of 2016

This bill amends the Truth in Lending Act to prohibit a depository institution from engaging in unfair or deceptive acts or practices in connection with overdraft coverage, or in acts designed to evade the provisions of this Act.

Each depository institution that offers or provides overdraft coverage for transaction accounts held at the institution shall clearly and conspicuously disclose overdraft coverage fees. It must also disclose that, if a consumer does not opt-in to such overdraft coverage:

- the consumer's transaction may be declined if there are insufficient funds in the related transaction account, and
- the consumer will not be charged a fee if such transaction is declined.

A depository institution may charge overdraft coverage fees in connection with use of an automatic teller machine (ATM) or point of sale transaction only if the consumer has consented in writing, in electronic form, or in another form permitted by the Consumer Financial Protection Bureau.

A depository institution must provide specified consumer disclosures regarding its overdraft protection program, including:

- periodic statements for any transaction account that has an overdraft coverage program feature;
- prompt notification of the account's overdraft status; and
- the overdraft coverage fee as an annual percentage rate, permitting consumers to compare meaningfully the overdraft coverage to alternative forms of overdraft options and other sources of credit.

The bill prescribes overdraft coverage fee limits.

The bill prohibits an overdraft coverage fee if the overdraft results solely from a debit hold amount that exceeds the actual dollar amount of the transaction.

A depository institution shall provide consumers who have not consented to participate in an overdraft coverage program transaction accounts with the same terms as those provided to consumers who have consented to participate in such program.

The bill prohibits a depository institution from:

- charging a non-sufficient fund fee for any ATM or debit card transaction, or
- reporting negative information regarding consumer use of overdraft coverage to any consumer reporting agency when the overdraft amounts and coverage fees are paid under the terms of an overdraft coverage program.

Actions Timeline

- **May 11, 2016:** Introduced in House
- **May 11, 2016:** Referred to the House Committee on Financial Services.