

105TH CONGRESS  
2D SESSION

# H. R. 4311

To amend title 31, United States Code, to establish protections for recipients of Federal payments made by electronic funds transfer, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 22, 1998

Mr. VENTO introduced the following bill; which was referred to the Committee on Government Reform and Oversight

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## A BILL

To amend title 31, United States Code, to establish protections for recipients of Federal payments made by electronic funds transfer, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Electronic Funds  
5 Transfer Account Improvement and Recipient Protection  
6 Act”.

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1 **SEC. 2. PROTECTIONS FOR RECIPIENTS OF FEDERAL PAY-**  
2 **MENTS MADE BY ELECTRONIC FUNDS TRANS-**  
3 **FER.**

4 (a) IN GENERAL.—Section 3332 of title 31, United  
5 States Code, is amended by redesignating subsections (h),  
6 (i), and (j) as subsections (i), (j), and (k), respectively,  
7 and by inserting after subsection (g) the following:

8 “(h)(1) The head of each Federal agency that makes  
9 Federal payments in the form of retirement payments or  
10 benefit payments shall include, in any explanatory notices  
11 to payees regarding those payments and with each such  
12 payment that is mailed, written notice informing the per-  
13 son regarding the requirements and protections of this  
14 section, including—

15 “(A) information regarding how to obtain elec-  
16 tronic funds transfer, including information regard-  
17 ing the account to be established by the Secretary  
18 under subsection (j)(2);

19 “(B) a toll-free telephone number and postal  
20 address for obtaining additional information; and

21 “(C) instructions regarding how to obtain or  
22 change an account at a financial institution pursu-  
23 ant to this section.

24 “(2) At a minimum, each person entitled to receive  
25 particular Federal payments may elect whether or not to  
26 receive those payments by electronic funds transfer to an

1 account established by the Secretary under subsection  
2 (j)(2)—

3 “(A) at any time in the 180-day period begin-  
4 ning on the date on which those payments are first  
5 available by electronic funds transfer through such  
6 an account; and

7 “(B) at any time in a 60-day period each year  
8 that shall be specified by the head of the agency that  
9 administers the payments.

10 “(3) The application of Federal laws providing con-  
11 sumer and other protections with respect to amounts of  
12 Federal payments made by electronic funds transfer pur-  
13 suant to this section shall not be affected by—

14 “(A) the commingling of those amounts with  
15 amounts of State payments made by electronic funds  
16 transfer under State law; or

17 “(B) the receipt of the Federal payments  
18 through electronic funds transfers made by a State.

19 “(4)(A) A financial institution, contractor with a fi-  
20 nancial institution, or other authorized agent designated  
21 under subsection (g) by a recipient to receive Federal pay-  
22 ments by electronic funds transfer through an account es-  
23 tablished by the Secretary under subsection (j)(2)—

24 “(i) shall not impose a fee for any transaction  
25 by the recipient with respect to those payments that

1 exceeds the national average (as determined and  
 2 published by the Secretary) of fees charged to all  
 3 consumers for similar transactions; and

4 “(ii) shall allow the recipient to engage in 5  
 5 such transactions each month without charge.

6 “(B) Any violation of subparagraph (A) shall, for  
 7 purposes of sections 915 and 916 of the Electronic Funds  
 8 Transfer Act (15 U.S.C. 1693m and 1693n), be treated  
 9 as a violation of that Act.

10 “(C) This paragraph shall apply only to transactions  
 11 occurring after the effective date of regulations issued by  
 12 the Secretary of the Treasury implementing this para-  
 13 graph.”.

14 (b) REGULATIONS.—The Secretary of the Treasury  
 15 shall issue regulations implementing the amendment made  
 16 by subsection (a).

17 **SEC. 3. REPORT ON IMPLICATIONS OF YEAR 2000 COM-**  
 18 **PUTER PROBLEMS FOR ELECTRONIC FUNDS**  
 19 **TRANSFER REQUIREMENTS.**

20 (a) IN GENERAL.—Not later than December 31,  
 21 1998, the Secretary of the Treasury, acting through the  
 22 Financial Management Service, shall report to the Con-  
 23 gress on the implications of the year 2000 computer prob-  
 24 lem for implementation of requirements under Federal law

1 that Federal payments shall be made by electronic funds  
2 transfer.

3 (b) CONTENTS.—The report shall include informa-  
4 tion regarding—

5 (1) corrections being made to Federal agency  
6 computer programs;

7 (2) Federal agency plans for solving potential  
8 problems for recipients of Federal payments; and

9 (3) whether delaying implementation of elec-  
10 tronic funds transfer requirements would help or  
11 hinder resolution of year 2000 computer problems  
12 with respect to electronic funds transfers.

13 (c) YEAR 2000 COMPUTER PROBLEM.—In this sec-  
14 tion, the term “year 2000 computer problem” means any  
15 problem which prevents information technology from accu-  
16 rately processing, calculating, comparing, or sequencing  
17 date or time data—

18 (1) from, into, or between—

19 (A) the 20th and 21st centuries; or

20 (B) the years 1999 and 2000; or

21 (2) with regard to leap year calculations.

22 **SEC. 4. SENSE OF CONGRESS.**

23 It is the sense of the Congress that the Commissioner  
24 of Social Security and the Secretary of Veterans Affairs  
25 should ensure that personnel of their agencies who are re-

1 sponsible for receiving telephone inquiries regarding re-  
2 ceipt of Federal payments administered by that agency are  
3 fully trained to provide information regarding all alter-  
4 natives for receiving those payments by electronic funds  
5 transfer or other means.

