

113TH CONGRESS
2D SESSION

S. 1903

To provide greater fee disclosures for consumers who have prepaid cards,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 9, 2014

Mr. WARNER introduced the following bill; which was read twice and referred
to the Committee on Banking, Housing, and Urban Affairs

A BILL

To provide greater fee disclosures for consumers who have
prepaid cards, 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 “Prepaid Card Disclo-
5 sure Act of 2014”.

6 **SEC. 2. SPENDING ACCOUNTS.**

7 (a) SPENDING ACCOUNTS.—The Electronic Fund
8 Transfer Act (15 U.S.C. 1693 et seq.) is amended—

9 (1) by redesignating section 923 (15 U.S.C.
10 1693 note), relating to the effective date of the Elec-

1 tronic Fund Transfer Act, as so designated by sec-
 2 tion 1073 of the Dodd-Frank Wall Street Reform
 3 and Consumer Protection Act (Public Law 111–203;
 4 124 Stat. 2060), as section 925;

5 (2) by redesignating section 922 (15 U.S.C.
 6 1693r), relating to exemptions for State regulation,
 7 as so designated by section 1073 of the Dodd-Frank
 8 Wall Street Reform and Consumer Protection Act
 9 (Public Law 111–203; 124 Stat. 2060), as section
 10 923; and

11 (3) by inserting after section 923, as so redesign-
 12 nated, the following:

13 **“SEC. 924. SPENDING ACCOUNTS; DISCLOSURE OF FEE IN-**
 14 **FORMATION.**

15 “(a) DEFINITION.—For purposes of this section, the
 16 term ‘spending account’—

17 “(1) means a transaction account, other than
 18 as defined in section 903(2)—

19 “(A) that is established by a consumer or
 20 on behalf of a consumer at an insured deposi-
 21 tory institution (as defined in section 3(c) of
 22 the Federal Deposit Insurance Act (12 U.S.C.
 23 1813(c)));

24 “(B) that contains the funds of a con-
 25 sumer;

1 “(C) to which payments are to be made by
2 a consumer, or at the direction of a consumer;

3 “(D) to which recurring electronic fund
4 transfers may be made, at the direction of a
5 consumer; or

6 “(E) from which payments may be made
7 at the direction of a consumer through the use
8 of a card, code, or device;

9 “(2) includes a transaction account described in
10 paragraph (1)—

11 “(A) that is operated or managed by a fi-
12 nancial institution, or any other person; and

13 “(B) the funds of which are—

14 “(i) pooled with the funds of a person
15 other than the person who established the
16 account; or

17 “(ii) held in a name other than that
18 of the person who established the account;
19 and

20 “(3) does not include—

21 “(A) a nonreloadable general-use prepaid
22 card, as defined in section 915(a)(2)(A), in an
23 amount that does not exceed \$250;

1 “(B) a general-use prepaid card, as defined
2 in section 915(a)(2)(A), that is solely associated
3 with—

4 “(i) a health plan to which section
5 105 of the Internal Revenue Code of 1986
6 applies;

7 “(ii) a qualified transportation fringe,
8 as defined in section 132(f) of the Internal
9 Revenue Code of 1986;

10 “(iii) a health savings account, as de-
11 fined in section 223(d) of the Internal Rev-
12 enue Code of 1986; or

13 “(iv) any other healthcare benefit ac-
14 count, including a healthcare account relat-
15 ing to Medicare or Medicaid benefits;

16 “(C) a gift certificate, as defined in section
17 915(a)(2)(B);

18 “(D) a store gift card, as defined in sec-
19 tion 915(a)(2)(C);

20 “(E) an electronic promise, plastic card, or
21 payment code or device described in clause (i),
22 (v), or (vi) of section 915(a)(2)(D);

23 “(F) a nonreloadable card labeled as a gift
24 card and marketed solely as a gift card;

1 “(G) a nonreloadable loyalty, rebate, or
2 promotional card; or

3 “(H) a debit card or general-use prepaid
4 card that has been provided to a person pursu-
5 ant to a Federal, State or local government ad-
6 ministered payment program, in which the per-
7 son may only use the debit card or general-use
8 prepaid card to transfer or debit funds, mone-
9 tary value, or other assets that have been pro-
10 vided pursuant to such program.

11 “(b) DISCLOSURE OF FEE INFORMATION.—

12 “(1) DISCLOSURE REQUIRED.—Each financial
13 institution or entity that is operated, managed, or
14 controlled by a financial institution, or any other
15 person that offers a spending account shall provide
16 to a consumer—

17 “(A) together with any application, offer,
18 or solicitation for a spending account, a table of
19 any fees that may be charged in connection
20 with the spending account that—

21 “(i) can be easily understood by the
22 consumer;

23 “(ii) is clearly and conspicuously dis-
24 played to the consumer before purchase;
25 and

1 “(iii) includes, at a minimum, the
2 amount and a description of each fee that
3 may be charged in connection with the
4 spending account by the financial institu-
5 tion or entity that is operated, managed, or
6 controlled by a financial institution, or any
7 other person; and

8 “(B) on the card or other means of access,
9 a toll-free telephone number and website at
10 which the consumer may access a clear and
11 conspicuous disclosure of the fees that may be
12 charged in connection with the spending ac-
13 count.

14 “(2) QR CODE.—The Bureau may, in accord-
15 ance with any rules established under paragraph (3)
16 and in addition to the disclosure requirements under
17 paragraph (1), require the placement of a QR code,
18 barcode, or other similar technology on any pack-
19 aging, card, or other object associated with a spend-
20 ing account, provided that such QR code, barcode,
21 or other technology is capable of providing an elec-
22 tronic link to the disclosures required under para-
23 graph (1) to a consumer.

24 “(3) RULES.—Not later than 9 months after
25 the date of enactment of the Prepaid Card Disclo-

1 sure Act of 2014, the Bureau shall establish, by
 2 rule, the headings, content, and format of the fee
 3 table and estimate required under paragraph (1).”.

4 (b) TECHNICAL AND CONFORMING AMENDMENTS.—
 5 Section 903 of the Electronic Fund Transfer Act (15
 6 U.S.C. 1693a) is amended—

7 (1) by redesignating paragraph (4) (relating to
 8 the Board of Governors of the Federal Reserve Sys-
 9 tem), as so designated by section 1084(2)(A) of the
 10 Dodd-Frank Wall Street Reform and Consumer Pro-
 11 tection Act (Public Law 111–203; 124 Stat. 2081),
 12 as paragraph (3); and

13 (2) in paragraph (3), as so redesignated, by
 14 striking “term ‘Bureau’ means the Bureau of Gov-
 15 ernors” and inserting “term ‘Board’ means the
 16 Board of Governors”.

17 (c) PRESERVATION OF AUTHORITY.—Nothing in this
 18 Act shall be construed to limit, amend, or otherwise alter
 19 the authority of the Bureau of Consumer Financial Pro-
 20 tection to issue and adopt rules, take any action, or exer-
 21 cise any other power under the Electronic Fund Transfer
 22 Act, including with respect to general-use prepaid cards
 23 or any other electronic fund transfer product not subject
 24 to the provisions of this Act.

1 (d) RULE OF CONSTRUCTION RELATING TO EBT
2 CARDS.—Nothing in this Act shall be construed to affect
3 the regulation of electronic benefit transfers by the Bu-
4 reau of Consumer Financial Protection.

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