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March 23, 2015

Ms. Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Re: Prepaid Accounts Under the Electronic Fund Transfer Act (Regulation E) and the Truth in Lending Act (Regulation Z); Docket No. CFPB–2014–0031; RIN 3170–AA22

Dear Ms. Jackson:

The consumer finance team at The Pew Charitable Trusts studies the types of transaction accounts and credit products discussed in the Consumer Financial Protection Bureau's (CFPB) proposed rule on prepaid accounts. Pew develops research-based policy recommendations to promote consumer access to safer and more transparent products to support family economic stability. We have published a series of reports that examine several aspects of prepaid accounts, as well as consumer finance disclosures and credit products more generally.

Based on our research and analysis, we submit the following comments supporting the CFPB's proposal to extend Regulations E and Z to cover prepaid accounts.

Prepaid accounts are an increasingly important aspect of Americans' finances and should be protected by the CFPB.

The proposed rule notes that the Federal Reserve Board, when it held authority to write rules under the Electronic Fund Transfer Act, extended a modified version of the protections afforded by that law to payroll cards in 2006. At that time, general purpose reloadable (GPR) prepaid cards were in their infancy. Other types of prepaid accounts did not exist in their current form. Since that time, prepaid accounts, particularly GPR prepaid cards, have grown into a thriving industry that provide many people with financial services that they rely on in their daily lives. In fact, these accounts fill a significant void created by the lack of traditional financial products that are suitable for the low- to moderate-income consumers who tend to use them.

In addition to the growing size of this market, the industry participants and the complexity of services offered have shifted. Major financial companies, such as American Express and Chase, have begun offering various types of prepaid accounts. Prepaid accounts now commonly offer multiple methods of funding the account, including by check or direct deposit; and also offer many ways to spend funds, including bill pay and money transfers. Some accounts even offer check-writing options or international money transmission services.

This growth has been mostly positive, in offering a product for those who do not want or cannot get a bank account, but there are currently several concerns that should be addressed by the CFPB. Most consumers do not understand exactly how these cards work, and that can make them unaware of what protections they do and do not have and how they can minimize the fees they incur when using their account. While most prepaid accounts include protection against unauthorized transactions, some contracts do not go as far as is required for debit cards. Additionally, while most providers voluntarily provide certain features and safeguards, the lack of uniform standards puts consumers at risk since these safeguards are not mandated for all accounts. For these reasons, the CFPB's decision to write rules protecting consumers and creating a level playing field for industry participants is a prudent step that will foster further innovation by providing consumers with better choices to manage their money on the prepaid account platform.

We commend the CFPB for many of the provisions included in this proposed rule, in particular, the standard disclosures that consumers can use to compare terms and keep track of their accounts, the protections from unwanted and high-cost credit products, and the provisions limiting liability for unauthorized transactions. Pew has several recommendations for improving the rules, including disclosure of funds availability policies and acquisition fees on the short and long forms, explained herein. We also recommend that the CFPB issue rules requiring that prepaid accounts are pooled so that they are covered by federal deposit insurance so consumers' funds are kept safe. Each of these issues is discussed in detail in the comments that follow.

Avoiding a narrow definition of prepaid accounts will create certainty in the market and avoid regulatory favoritism.

The Electronic Fund Transfer Act intentionally gives the CFPB broad authority to cover all types of electronic transfers.[1] It is a positive sign that the CFPB is using its authority to propose broadly covering fund storage and transaction products that are largely unregulated at the federal level and leave consumers with uncertain protections. A few aspects of the definition are particularly important. The first is that the proposed rule is not limited only to reloadable products. Pew research shows that more than one-third of regular GPR prepaid card users acquire a card for a single purpose and do not re-use it after the initial balance has been depleted.[2] It is not difficult to imagine prepaid accounts that provide virtually the same types of services as reloadable products – but are used only one time – avoiding coverage under this rule.

Further, the CFPB is being prudent by not limiting its definition of prepaid accounts based on the market structure that is most common today, which is a card-based product issued through an insured financial institution. There are already products on the market that are not based on a card – such as PayPal and Google Wallet – that allow for the storage of funds and can be used in many different ways, very similarly to traditional GPR prepaid cards.

The growth in the prepaid account market has largely occurred without the provision of credit, which reflects consumer demand.

The prepaid market has grown over the past several years into a large industry that caters to a market segment that was not being adequately served by traditional financial institutions. There are likely many aspects of the traditional banking experience that made GPR prepaid cards seem like a better option to millions of consumers, but Pew's research has found that one of the most important reasons is the desire to avoid debt and the high costs that go with it.[3] Until now, almost all GPR prepaid providers have not offered overdraft or other linked credit products.[4]

Pew's research shows that most GPR prepaid card users do not want overdraft products on their cards, would rather have transactions declined than pay an overdraft fee, and believe that overdraft options are mostly harmful.[5] Most GPR prepaid card users have previously struggled with credit card debt, overspending, and unpredictable fees. They have turned to prepaid cards as a safe haven to avoid the risk of overdraft fees and as a commitment device – a tool to restrict their ability to overspend or to incur interest charges.[6] This is especially true for unbanked users of GPR prepaid cards, more than two-thirds of whom say that avoiding overdraft fees and debt are reasons that they acquire and use GPR prepaid cards.[7]

Pew commends the CFPB for the steps it has taken to protect prepaid account holders from overdraft and other credit products that can expose them to expensive debt and high fees. In general, it is appropriate to treat prepaid accounts as credit cards subject to Regulation Z whenever they are used to access credit, as the Bureau has proposed. However, the final rule should make it clear that automated overdraft products are not allowed on prepaid accounts. Credit should always be disassociated from the prepaid account itself and require an affirmative, informed choice by the consumer to use it.

The CFPB acted prudently in not extending to prepaid accounts the failed opt-in system that applies to debit cards.

In 2009, the Federal Reserve Board responded to the growing trend of banks automatically enrolling customers into overdraft penalty plans, which charge a substantial fee each time a consumer overdraws his or her account using a debit card, by requiring that consumers affirmatively consent beforehand.[8] Pew research has shown that this approach does not work to effectively inform consumers about their options and leads many to incur multiple fees for a service that they do not think helps them.[9] In fact, about half of consumers who overdraw their checking accounts with their debit cards do not remember opting in, even though it is required by law.[10]

"Opt-in" has been a failure for consumers who use debit cards tied to checking accounts. Therefore, it is commendable that the CFPB has chosen not to compound that failure by also applying it to prepaid accounts. Prepaid accounts should remain a product that allows people to control their spending and avoid debt. While Pew's research shows that automated credit should simply not be allowed on prepaid accounts, requiring compliance with the credit underwriting provisions of Regulation Z is the minimum protection that should be afforded.

Credit on prepaid accounts should be regulated like credit cards and not like overdraft. Thus, any credit that is accessed automatically through the use of the prepaid account should be covered under these rules.

In the proposed rule, prepaid companies that want to offer any credit products attached to a prepaid account must follow the rules applicable to open-end credit in the same manner as credit card companies. To avoid evasion of this sound principle, this structure should not be limited to products that are offered by the prepaid company itself. As the rule currently stands, a credit product that is attached to a prepaid account but allows funds to be accessed through at least one additional source other than the prepaid account does not have to comply with the rules that protect prepaid account users from overdraft fees and other high-cost credit products they do not want. For example, if an online payday lender that also provided prepaid accounts offered a credit product that attached to a prepaid account, but could also be used to fund a checking account, it would not fall under this rule.

In order to accomplish this, the CFPB should extend the requirements contained in this rule to any credit product that is accessed via a prepaid account. Unless the rule is broadened, companies could tie credit products to prepaid accounts that act very much like overdraft products. However, because these credit products can technically be accessed through other means, providers will avoid the rules that are intended to keep consumers safe and allow prepaid to remain a positive alternative to checking account overdrafts that too often push people into cycles of debt.

Preauthorization of debits from a prepaid account should be voluntary.

The rule rightly prohibits card issuers from automatically deducting all or part of a cardholder's credit card debt from the prepaid card without a signed written authorization from the cardholder. While it may be convenient for some consumers to have payments automatically deducted from their accounts, this should be voluntary. Credit card loans are repaid on a monthly basis proactively by consumers, taking into account all debts and payments owed. Prepaid accounts that act as credit cards should be treated the same. The CFPB should monitor the process that companies use to gain automatic payment authorization to ensure that it is not coercive or misleading so that consumers understand that they have signed up for it.

The required 30-day window before credit can be offered is a positive step in separating credit from prepaid accounts.

In the proposed rule, the CFPB restricts companies from offering credit on a prepaid account within 30 days of the product being registered by the consumer. This requirement will likely have several positive effects.

First, it will act as a "cooling off" period for consumers who are getting a prepaid account as a way to avoid debt. As stated above, Pew's research shows that GPR prepaid card users often have trouble with overdraft fees; avoiding debt is the reason many start using prepaid cards. A 30-day window before credit is offered will help these users to fully understand how their cards work and to make an informed decision about taking on credit.

Second, the 30-day window will make it clear that credit is an optional component of the prepaid account. If credit products are offered during the application process, it could appear to many consumers that signing up for credit products is a required part of the process.

Third, the 30-day window will allow account providers ample time to vet account holders so they can make sound underwriting decisions and ensure against fraud. Creditors should make decisions based on each individual's needs and ability to repay the debt. A 30-day window will allow providers more time to do so.

Consumers should not be tricked or coerced into signing up for credit products.

In the proposed rule, there are several measures that are intended to ensure that customers are not coerced into accepting or using credit and are not unfairly treated if they choose not to enroll in a credit program offered by prepaid account providers. These steps will help prevent consumers from signing up for credit products they do not want. For example, the rule prohibits providers from offering better terms for consumers who sign up for credit products than those who do not. This is important to maintaining credit as a meaningful option, rather than a virtual requirement. The CFPB should closely monitor prepaid accounts that offer credit to ensure that consumers are being treated fairly under these rules.

"Real time" offers of credit before a transaction occurs are superior to after-the-fact real time disclosure that credit has been accessed.

The proposed rule asks for comment on requiring real time notification that credit has just been used on a prepaid account. If automated credit is allowed on prepaid accounts against Pew's recommendation, text or email alerts that provide timely information to consumers could theoretically help some people avoid unwanted debt in the future. However, a better approach would be one where credit is only accessed in real time with an active decision to do so. If consumers are able to make decisions in real time about whether or not they wish to access credit in the first place, and weigh the credit option against others, such as not being able to purchase something, they will be better able to avoid unwanted debt resulting from overdraft fees and other automated credit products.

Current technology exists that can notify a person that the account has insufficient funds, via text or email. At that point they could transfer funds that they need if they wish to avoid credit. Pew research has found that many people overdraft without knowing it and most would prefer to have transactions declined rather than paying a fee for overdrawing their accounts.[11]

The final rule should ensure that companies cannot take advantage of exceptions in a way that would harm consumers.

In the proposed rule, there are several safeguards that should prevent unscrupulous actors from circumventing the spirit of the rule. If credit is allowed on prepaid accounts, these safeguards are necessary and should be maintained in the final rule. Particular attention should be paid to rules concerning what constitutes a finance charge. The rule is strong in this regard for the first year that the product is in use. It is important that the rule does not allow prepaid companies to charge fees for credit products that appear to be fees for something else, such as a sign-up, periodic service or reloading fee. Any fee or charge that occurs when credit is accessed should be considered a finance charge. However, there is risk to consumers in limiting these restrictions to the first year of the credit relationship. The first year limitation may incent some providers to offer teaser rates and terms that change significantly after the consumer has held the card for a year, causing the credit feature to unexpectedly increase sharply in price. The CFPB should consider applying these rules to credit attached to a prepaid account indefinitely. This is particularly important in cases where a product automatically draws on a credit account when a prepaid account has insufficient funds.

In the alternative, the rule could state that any increase in credit constitutes a new credit agreement and results in another year where fees cannot exceed 25 percent of the credit limit. Without this safeguard, a company could offer a very small amount of credit free of charge for a year, and then increase the limit while charging any fees it wishes, potentially causing cardholders serious harm.

Any credit product offered by a third party in conjunction with a prepaid account should be classified as a prepaid account.

The most significant evasion of the proposed rule that could occur would be if a third party offers credit facilitated by the prepaid account that is technically accessible via the prepaid account through alternative means. It is important that companies are not able to evade the rules by acting like disinterested third parties when there is a financial relationship between the prepaid account provider and the credit provider. Therefore, if the prepaid account provider contracts with a third party to market credit to account holders, both companies should be classified as prepaid providers that must comply with the rules. Without this safeguard, an affiliated third party could offer credit that the company providing the account could not. To achieve this goal, the official commentary should include an anti-evasion provision to this effect.

Requirements regarding what constitutes a credit transaction should focus on intent and industry best practices.

To avoid circumvention of the rule's intent, Pew generally supports the CFPB's decision not to differentiate between fees related to the extension of credit and fees that may appear to be unrelated, but nonetheless increase costs to consumers who are trying to avoid debt.

However, to protect the vast majority of prepaid account providers that have demonstrated no interest in extending credit through overdraft programs or otherwise, the CFPB should make reasonable accommodation to help them manage situations that result in unpreventable negative balances on prepaid accounts. This can occur, for example, when a transaction is authorized before a tip is added or provisional credit is granted that is later rescinded, as "credit" blurs the line between the prepaid account and a credit feature. Though Pew takes no position on what accommodation would be best, one approach could be to allow a de minimis portion of a prepaid provider's transaction activity to result in negative account balances without triggering the rules treating such instances as extensions of credit. Any such exception should only be allowed if the provider does not charge a fee to account holders who have a negative balance, and only for those companies that take reasonable steps to minimize unpreventable overdrafts.

If the CFPB allows prepaid account providers who only become creditors due to unpreventable overdrafts to avoid Regulation Z requirements, there will still be a need for rules regarding how they may recoup funds from account holders. It is important that this alternative does not cause harmful situations that would not occur if Regulation Z were applied. For example, while it may be reasonable to allow prepaid card issuers to recapture funds to cover the reversal of provisional credit to the prepaid account, there should also be protections in place to ensure that issuers do not take such large portions of the cardholder's deposits that it creates financial hardship for the consumer.

In order to allow for recoupment without harming consumers, Regulation E should be amended to allow a prepaid account provider to recoup no more than five percent of funds deposited each month until all debts caused by unpreventable overdrafts are paid. This rule would protect consumers from shocks caused by having to repay large sums. This standard also aligns with how creditors should determine the ability of a borrower to repay debts. Pew's research has shown that this standard is effective in preventing consumers from hardships that occur when large loan payments are required.[12]

In order to facilitate this proposed change to the rule, negative balances should not be considered as part of the account holders' balance, but rather should be considered a separate debt that is owed by the account holder to the provider. By taking no more than five percent of the deposits each month, the provider can recoup losses without disrupting the normal crediting and debiting of the account and creating financial hardships. In other words, a consumer's balance should not be considered negative for purposes of this rule.[13] Instead, an unpreventable overdraft that would cause a negative balance should be considered a separate debt that is repaid according to the five percent rule. A prepaid account provider that does not wish to separate the debt could do so by following the credit rules outlined in this rule, including the requirements under Regulation Z.

Federal insurance on deposits should be required for prepaid accounts once users register.

Federally backed insurance on deposits has been available for decades for customers at banks and credit unions. This insurance not only protects the individual consumer and assures access to funds when a financial institution falters, but it also fosters public confidence in the security of the banking system as a whole. Even in the midst of tough economic times, Americans can be assured that their deposits are safe up to $250,000 per financial institution. The CFPB has the authority to require prepaid account providers to protect consumers with federally backed insurance of the consumer's funds to provide the same safety guarantee if the company becomes insolvent, and it should do so.[14]

GPR prepaid cards can be protected by federal insurance by taking advantage of what is known as "pass-through insurance" which allows a company to facilitate the coverage of multiple users while holding funds in a single account. If the funds in the pooled account exceed $250,000, each cardholder is protected up to that amount if they register their card so that the company can identify them.

In its notice, the CFPB reports it found that most people do not really understand what FDIC insurance is or how it works. Pew's research further shows that GPR prepaid cardholders generally do not know if they have protections similar to FDIC insurance, and many incorrectly believe that they have (or do not have) insured deposits when that is not in fact the case.[15] For example, many do not understand that their funds are not covered by deposit insurance until their card is registered. Consumers who are only protected because their card provider has a money transmitter license are at risk of losing access to their funds for months at a time, or even permanently.[16] These licenses mandate that securities be held against debts and that providers post bonds, but these protections are not as safe as FDIC insurance.[17]

Pew's findings demonstrate the need for the CFPB to require that a product sold as a checking account substitute carries basic protections such as federal insurance on deposits. In addition to providing this protection, consumers should be made aware that they must register their accounts in order to receive these protections. Information about account registration will both provide consumers with important details about the product they are purchasing and inform them about what steps need to be taken to take advantage of this protection. Fundamental protections such as these should not be afforded based on how well consumers generally understand them, but rather on the potential harm that could occur, which in this case is substantial.[18] The fact that consumers do not understand these protections means they would likely be unaware that a company did not protect their funds and they would be unpleasantly surprised that they were suddenly unable to access this money.

If deposit insurance is not mandated, effective disclosure about uninsured deposits is crucial.

Currently, most prepaid accounts voluntarily provide pass-through insurance to their cardholders. The Department of the Treasury also requires insurance for direct deposits from federal government sources.[19] Whether federal insurance coverage is mandated or not, consumers should be provided with disclosures that make them aware of the risks involved with uninsured deposits.

For accounts that do not provide pass-through insurance, the rule rightly requires providers to disclose if funds are not federally insured. For accounts that do provide pass-through insurance, the rule should also require providers to inform consumers that registering their prepaid account is the only way that pass-through deposit insurance will attach and protect their funds.

The short and long form disclosures should be improved.

Pew has conducted research over the past several years on brief summary disclosures for prepaid and checking accounts.[20] Pew commends the CFPB for requiring a standardized disclosure requiring fairly strict uniformity. The model disclosure uses simple language and formatting that should enable consumers to compare accounts. Based on Pew's research, we recommend the following edits to the initial disclosure (also, please see the attached model form):

A. <u>Funds availability disclosures should be included on the short and long form disclosure.</u>

For low- to moderate-income customers with tight budgets, using a prepaid account instead of cash can be difficult if the funds are not quickly available after being loaded into the account. Unfortunately, many GPR prepaid cards do not specifically disclose when funds will be made available, potentially causing customers to have unforeseen delays in accessing their funds. Of those that do disclose when funds become accessible after cash and direct deposits are made, most state that the money will be available fairly quickly, such as within several of hours or the next day.

For the short form disclosure, prepaid accounts should include how quickly cash loads and direct deposits are made available to consumers, which is currently not required. This would also allow companies that do not offer one or both of these options to inform consumers of this fact. The long form disclosure should include both of these pieces of information, and also provide an exhaustive list of fund loading options and the maximum delay that could occur before funds are made available so that consumers are fully aware of the myriad ways they can load funds on their cards and compare funds availability for each option.

B. <u>Disclosure of the lack of credit features should not be included because it is unnecessary and will confuse consumers.</u>

In its proposed rule, the CFPB requires a mandatory statement on the short form disclosure that credit features are offered on an account, if this is the case. Pew supports this requirement. It also requires a statement if credit features are not included. While this is a well-intentioned effort to help consumers make effective choices, disclosure of the absence of credit would only serve to confuse consumers. This is because most prepaid products do not offer credit (and therefore consumers typically do not expect it), most consumers do not want it, and the proposed rule mandates that no credit features can be offered for at least 30 days following the acquisition of a prepaid account. It would not be prudent to waste valuable, limited disclosure space to provide information about a product that is rarely offered or sought, and even if available, cannot be offered for 30 days following the acquisition of the account.

Pew's research has found that the lack of a credit option on prepaid accounts is the market standard: very few GPR prepaid cards offer any credit features.[21] In fact, many prepaid providers advertise the absence of credit, enticing customers with a message that the product will not cause them to accidentally fall into debt. Further, Pew's research has found that a large majority of consumers don't want overdraft and believe it is harmful to the prepaid product.[22]

We would recommend, however, that any product that does not disclose to consumers that it may charge fees for credit should have to disclose this up front. Therefore, a product that does not initially offer credit to a consumer should not be able to add credit features to any account later, as those consumers would not be aware that credit was possibly available when they initially acquired the product. For the few products that do offer credit, the warning will help consumers know what they are acquiring.

C. Acquisition fees should be included on short and long form disclosure.

The CFPB asked for comment about including the acquisition fee on the short form disclosure document. This is an important charge that is very common for prepaid cards sold by retailers and is a recurring and potentially expensive fee for the high percentage of users who frequently acquire prepaid accounts, use the funds, and then purchase a new account rather than reload their current accounts.

There are several reasons to disclose the acquisition fee prominently. First, simply because the fee is charged at the point of sale does not mean that all customers will understand that the purchase price is taken from the initial deposit amount. If a consumer opens a prepaid account and loads $500, he or she might not notice that $5 was immediately withdrawn to cover the purchase price and thus be under the assumption that there is more money on the card than is the case. Second, as stated above, many customers purchase different cards sequentially, so having the purchase price easily available and prominently disclosed is more likely to inform customers how much a product costs for future reference. In other words, a significant number of prepaid account customers, pay repeat acquisition fees. In fact, almost half of all regular GPR prepaid card users normally purchase new cards after exhausting the funds on their current card.[23] Lastly, the existence of “per purchase” fees for point-of-sale transactions could easily cause confusion if the actual purchase price of the card is absent. A potential customer could easily believe that the “per purchase” fee relates to the cost of the card, not the fee that applies for each PIN or signature-based transaction. Since this fee is almost always lower than the purchase fee, these customers would face higher costs than they expected.

If the CFPB chooses not to include the purchase fee in the static portion of the short form disclosure, it should alternatively include it as a possible fee to be included in the non-static, incidence-based portion.

D. The short form disclosure should distinguish between live and automated customer service call fees.

In the model short form disclosure, there are distinctions made for different types of purchases or ATM transactions. These make sense, as the fees often vary and consumers use their cards in different ways. However, the required line concerning customer service fees does not distinguish between automated and live customer service fees. Pew found that these fees are very often different, including many cases in which automated calls are free while live customer service calls carry a fee.

The difference in price for these fees is substantial. Pew found that the median fee for live customer service calls (when a fee was disclosed) was $1.98.[24] The fee for automated or integrated voice recognition (IVR) calls was only $0.50.[25] Much like the CFPB’s model form distinguishes between in-network and out-of-network ATM fees, we recommend that it differentiates these fees.

E. Disclosures should reference “prepaid accounts” rather than “prepaid cards.”

In its model form, the CFPB references the "card" on several occasions. These references should instead be made to the "prepaid account." Some of the "card" references are particularly misaligned with how the account can be used, such as when listing the fees that can be charged. The disclosure references any "other fees" that can be charged on the prepaid card, which often include fees charged for services only tangentially related to the card itself. The CFPB's more encompassing definition of a prepaid account is more appropriate here, because it also includes products that don't center on a physical card. Maintaining a single term of art will make the disclosure more accurate and easier to understand.

F. <u>The fluid portion of the short form should be based on total revenue from each fee instead of number of times each fee is levied.</u>

The CFPB's proposal requiring disclosure of significant fees beyond those in the "static" section of the short form disclosures is important in ensuring that consumers are aware that they may have to pay additional fees in using their account. Currently, the rule for determining which fees are included in addition to the static portion of the short form states that the three fees that are imposed most frequently should be disclosed. Pew's research finds that there are a variety of different fees that are charged by various prepaid accounts that can vary significantly in cost. There are many fees that are $0.50 or less. Others are $20 or more. For example, one GPR prepaid card provider charges $0.25 for each ACH bill payment and $25 for an expedited card replacement, according to Pew data collected in 2013. Placing more importance on a commonly incurred but inexpensive fee rather than a rarer fee that is expensive does not achieve the best result for consumers or competition. Consumers could end up paying more for fees that are not as prominently disclosed. If the rule were based on total revenue, this would not happen. Moreover, the proposed approach could incent some prepaid account providers to bring down the cost of the most common fees but charge higher fees for those that consumers do not incur quite as often thus hiding potential charges that are ultimately more costly.

G. <u>The "cash reload" fee disclosure should clarify that consumers may incur third-party costs.</u>

The costs associated with loading funds onto a card are very significant. In addition to cash reloads, many prepaid accounts also offer direct deposit (generally free) and remote deposit capture that allows users to take pictures of checks in order to deposit them. The short form disclosure prominently includes the cost of reloading cash into accounts as one of the four most important fees. The CFPB is correct that the cost of reloading cash is important. The challenge is that for many accounts, the fee is not charged by the account provider. As more and more companies move towards proprietary loading capabilities, this disclosure could mislead consumers, and put these companies at a competitive disadvantage. This could cause fewer companies to offer proprietary loading options, which would be detrimental to consumers. If cash loading fees are included in the disclosure, they should include the fees charged by third parties.

As currently written, the rule states that a provider must disclose the fee it charges, but cannot disclose fees charged by third parties. For most GPR prepaid cards, all cash reloads are done through third parties, and the only fees that are charged are levied by those same third parties. However, there are some companies that offer proprietary cash loading services. Most of these providers charge fees, but the fees are frequently less than fees charged by third party loaders. Under the current proposal, the company that doesn't offer proprietary loading can list its cash reload fee as "$0" while the company that does offer proprietary reloading must disclose its fee. This could lead to consumers believing that the first company offers a better deal in regard to cash reloads when that is not actually the case. Pew recommends that this disclosure should require details regarding third-party loading fees that will make its inclusion useful to consumers.

H. <u>Providers should have the option of listing a fourth "other" fee if it only charges a total of four "other" fees.</u>

In addition to the static fees, the current rule requires each prepaid account provider to disclose the three other most common fees charged. Below this, the provider is required to disclose the total number of additional fees that may be charged. This is a positive requirement that will let consumers know that there are additional fees that they may want to learn about. However, in the case of a card that only charges one additional fee (in addition to the three it discloses in the fluid portion of the form), the use of this space to disclose the existence of that one additional fee is fairly inefficient. For this reason, the CFPB should allow a provider, if it chooses, to disclose its fourth and final "other" fee instead of informing consumers that there is one additional fee, which would require that the consumer take additional steps to find out what that fee is.[26]

The CFPB should monitor and assess the impact of requiring only the highest possible fee in the short form disclosure, including the effect of this approach on discounts and other cost variations.

Good disclosure is always a balance between simplicity and completeness, and the CFPB has done a good job of threading the needle between the two. In an attempt to make the short form disclosure as simple as possible, the CFPB has required that only the highest possible fee for a particular feature be disclosed, along with asterisks in cases where a lower fee might be possible. While this may encourage providers to lower the highest possible charge for specific fees, it may also lead to confusion and potentially incent providers to do away with discounts for things like direct deposit. In the case of cash reloads this policy is almost certain to make it more difficult for consumers to understand the fees.

When Pew studied 66 GPR prepaid cards in 2013, it found that significant variations in fee practices were common.[27] For example, 14 of the 66 cards disclose that the monthly fee can be waived entirely if certain actions are taken.[28] Five cards disclose that they allow for at least one free out-of-network ATM withdrawal per month.[29] Finally, 14 cards disclose that they offer at least some free live customer service calls before charging a fee.[30]

For many customers, these fee waivers could make a large difference in the cost of a GPR prepaid card. If providers believe customers will not know about these features because they are prohibited from disclosing them along with the normal cost for services, it could lead to a reduction in these discounts. The CFPB should monitor this and adjust the short form disclosure if its approach leads to worse options for consumers.

The CFPB should monitor the effect of requiring only the listing of the number of "other" fees on market innovation and the cost and types of fees that are charged.

In crafting a short form disclosure that is simple and concise, there are understandably trade-offs to consider that could sacrifice the completeness of the information provided in the interest of clarity and simplicity. In its proposed rule, one of the ways the CFPB has decided to ensure that customers understand that the information provided in the short form is not exhaustive is to require providers to list the number of "other" fees that are charged without providing details on when and how fees will be triggered or fee amounts. However, this approach could have negative side effects, causing consumers to misunderstand a card's fee structure or make it difficult to comparison shop because all the fees are not listed in one place. It also may incent providers to increase the incidence or size of "other" fees since they are not listed on the packaging, and lower the amount of the fees that are detailed in the disclosure. This would present a misleading picture of the fees that consumers could actually incur. The CFPB should study the impact of this aspect of the rule on developments in the market, and whether the effect is positive or negative for consumers.

On the positive side, it is possible that prepaid account providers could reduce or eliminate the use of fees that are charged infrequently but are costly, such as for the expedited replacement of a lost card. This will make accounts simpler for consumers to understand and easier for them to avoid fees that might be rare, but are still costly when they are charged. As stated above, the potential negative consequence is that providers could increase the fees that are not disclosed and lower the fees that are, making the card appear less costly than it actually is. Pew's research finds that the number of fees that are charged often reflects the difference in services that are offered. When Pew compared terms and conditions of GPR prepaid cards to those of checking accounts, we did not draw distinctions between the number of fees for the two types of transaction accounts. This was primarily because checking accounts offer a litany of secondary services, such as wire transfers and security box rentals that prepaid cards generally do not have. Even among prepaid accounts, services such as international transactions, bill pay, fund loading, and money transmission are offered to different degrees by different programs. One account that has many more fees may actually charge fewer fees for the services that it has in common with another account, but the short form would make it seem as though it was potentially a more costly product.

Providers should be required to disclose when fees or other terms do not apply because a service is not offered.

The short form disclosure, rightfully, is standardized and includes the disclosure of many features that are common to prepaid accounts, particularly GPR prepaid cards. However, many accounts may not have certain capabilities, such as ATM withdrawals. In these cases, the disclosure should still maintain the same standardization, but fees should be listed as "N/A" instead of "$0" to avoid situations where consumers may falsely believe that a product does carry a feature and that it is free to use.

Providers should be required to prominently display the short and long form disclosures on their websites.

The required standard disclosures will obviously not be effective if consumers do not see them. In order to ensure that they are easy for consumers to spot and use, the CFPB should include rules about where disclosures must be placed on the provider's website. Pew's research into GPR prepaid accounts has found that the placement of helpful disclosures is not consistent across products. In order to maximize the effectiveness of disclosures, the short form disclosures should be required to be placed on either the homepage of the account provider or the landing page for the product. Providers should also be required to display it on a screen that is actually viewed by a potential account holder prior to initiating an online application.

The short form for multiple accounts is missing important information.

The short form disclosure for multiple accounts is currently missing several very important pieces of information. This is not surprising considering the extremely small amount of space available for the short form disclosure.

The multi-plan form does not distinguish between PIN and signature purchase fees, which are typically different. It also does not require the disclosure of both in- and out-of-network ATM withdrawal and balance inquiry fees, which are also different for GPR prepaid card plans. Also, similarly to the short form for single plans, the customer service call fee is not broken out between live and automated call fees. All of these omissions prevent a customer from being able to have a high level of confidence when deciding between various providers that have multiple options available. Pew's research shows that these fees can vary widely.[31] Without their disclosure, consumers may unwittingly incur them.

The CFPB asked for comment on the variation in fees that is typical for entities that offer multiple prepaid account options using the same access device. Pew has researched GPR prepaid cards online and has found that the variation is substantial, especially for monthly fees. In general, cards offer two plans. One plan has a monthly fee, but does not charge fees for a number of other services. The other plan has no monthly fee, but charges for one or more common functions of the account, such as making purchases or using an ATM. However, the limited space on the back of most prepaid card packaging makes the proposed disclosure unworkable, as it will not be possible to clearly and cogently include all required information, which will likely cause more confusion rather than less.

Under the current proposal, the CFPB has limited the space available for disclosure of multiple prepaid account terms to the same size used for single-plan accounts, if multiple accounts can be accessed through the same device. The limitation on space, as well as the wide variation in fees for different options charged by the same provider, makes providing clear, accurate information very difficult. Moreover, requiring the inclusion of extra text to introduce the concept of multiple plans reduces the amount of additional information that can be made available. As a result, the model form does not include important information that is available in the single plan form, including the variation in price for PIN and signature transactions and in-network and out-of-network ATM withdrawals and balance inquiries. These are areas where GPR prepaid cards very frequently charge different fees based on how or where they are used. In addition, Pew has found that among nine providers that offer multiple plans, there is an average of 3.78 fees that vary depending on the plan chosen.[32] In its rule, the CFPB requires that a company that offers multiple plans must disclose the fees that vary from plan to plan. But this could lead to further consumer confusion since the disclosures would be even less uniform and consumers would have a harder time comparing accounts. Pew found that across all companies that had multiple plans, there were 14 different fees that vary for at least one provider.[33]

The short form for single accounts should be used for all accounts.

Because of the significant information gaps in the standard, multi-account disclosure, the CFPB should require that prepaid accounts that are sold in the retail setting include the short form disclosure that is required for single-plan accounts. When there are multiple available plans, the default plan that the customer is placed in initially should be the plan for which disclosures are given. This will ensure that potential customers have the simplest and most complete disclosure for the product they are actually acquiring.

In situations such as online or in bank branches where there is more space, separate short-form disclosures can be made available to the consumer for each option. This will allow the consumer to see a more complete disclosure for each available account, and will facilitate more symmetry among disclosures. As stated above, the current rules do not require a single standardized form, but two very different forms, one of which contains significantly less information presented in a very different way. Providers can use the ample space on the packaging, website, or other medium to inform consumers that there are multiple available options from which to choose.

If the CFPB chooses to continue with two separate required forms, it should study the effect of having very different disclosure forms for different accounts on consumers' ability to understand and use the short-form disclosure. The CFPB should also look for ways to improve the disclosures so more important information about the plan options is available to consumers before purchase.

The proposed CFPB database of prepaid accounts should be fully accurate and kept up-to-date in order to have value and enhance competition.

The proposed rule includes provisions that require most prepaid account providers to submit account agreements to the CFPB in order to maintain a database. This requirement could be useful in multiple ways, including facilitating studies of important market trends by either the CFPB or third parties and also allowing consumers to more easily compare account terms.

Pew has conducted many research projects that involved surveying the Internet to find and compare GPR prepaid card offerings. Conducting this research has provided insight into many difficulties that currently exist when attempting to compare accounts. For the CFPB database to be most useful to consumers and researchers, it needs to be up-to-date and have a high level of accuracy. It also needs to be searchable.

Unfortunately, the current rule's requirement that amended account agreements only have to be submitted every 90 days fails to ensure that the database will have up-to-date information. Prepaid card providers add new or eliminate existing accounts – or alter terms and conditions – fairly frequently. A database that contains agreements with terms that could be 90 days out-of-date could result in a lack of consumer confidence in the accuracy of the information provided and erode the value of the database. Therefore, the rule should be amended to require providers to submit an updated disclosure to the CFPB database whenever they make a material change.

The request for comment also asks what types of changes should be considered substantial in order to require an amended agreement. Two of the categories of changes that are suggested as possibly not substantial are changes to the names of the issuer or program. In conducting research, Pew has encountered account agreements that often did not match other documents on a provider's website, such as a separate fee schedule or documents related to acquiring the card online. These differences have made it very difficult at times to know what the terms would be if a consumer were to actually sign up to acquire a card online. It is likely that consumers, like Pew researchers, would have trouble if they were trying to match what documents applied to a given prepaid account. Pew recommends that the CFPB consider requiring that changes to the names of the issuer or programs are deemed to be substantial.

The CFPB should study the effectiveness of the long form disclosure alternatives.

Under the current proposal, prepaid accounts that are offered in nonexclusive retail partnership agreements do not have to provide full disclosure of important terms and fees. This lack of disclosure could cause consumers to receive incomplete information and sign up for products that are not in their best interest. The current alternative structure could be useful if account providers work to ensure that customers are knowledgeable about the ways that they could obtain account information, such as online or by calling customer assistance. Pew research has found that half of GPR prepaid cardholders who compare terms do so online.[34]

For prospective users who do not have regular access to the Internet, the option of calling a customer service line is likely the only method for getting this information that would be practical. The effectiveness of this disclosure method could depend on a number of factors, including the prominence of the phone number on the packaging, waiting times for customer representatives, the structure of the call service (such as how easily, if at all, a customer can ask questions of a live agent), and the training and experience of customer service representatives. In order to ensure that customers have access to all of the important information when choosing a prepaid account, the CFPB should continue to monitor and study prepaid accounts that use this alternative disclosure method. It should also provide detailed guidance to prepaid account providers on what an acceptable telephone disclosure program entails.

The CFPB should clarify that the long form disclosure must be available on the inside of packaging for accounts that are acquired at retail stores.

In cases where the long form is not required to be provided prior to a consumer acquiring an account because this occurs at a retail store that is not an agent of the prepaid company, it appears that the intent of the proposed rule is to require the long form to be contained within the packaging that holds the prepaid access device. However, this is not made clear in the proposed rule. In fact, it is noticeably absent from the text of section 1005.18(b)(ii)(C). We recommend that the rule specify that a paper copy of the long form must be made available inside the packaging if it is not otherwise made available prior to purchase.

The CFPB should strive to create uniformity among disclosures for all transaction products, including checking accounts, so that consumers can choose the account that best meets their needs, whether it be a prepaid or checking account.

The CFPB's proposed rules related to initial disclosures are a good first step in empowering consumers to shop for transaction accounts that suit their needs. Not only do the required disclosures make all fee information available, but the mandated uniformity will make it easier for consumers to compare among prepaid products.

However, more can be done to simplify and unify mandated disclosures across other financial products. For instance, Pew research shows that many consumers view prepaid accounts as a substitute for debit cards that are linked to checking accounts. To further enable comparison between product types, the CFPB should work towards standardization of disclosures for all transaction accounts, including prepaid and checking accounts. A CFPB mandated uniform disclosure that covers both products would allow consumers to choose the account that is best for their needs.

Extending Regulation E to prepaid accounts is a positive step that will eliminate consumer confusion and ensure fair competition.

The Electronic Fund Transfer Act was passed in 1978 to ensure that consumers could trust a fledging system of payments. By limiting the liability of consumers when a card is lost or stolen and used without authorization, they would more likely take part in what might have seemed like a scary proposition: trusting a network of computers to keep their money safe and allow them to transact safely and securely.

Since GPR prepaid cards were introduced over 10 years ago, they have come to resemble checking accounts for the many consumers who use them for everyday purchases in the same way others use debit cards. Every major GPR prepaid card offers protections that are very similar to those provided by Regulation E in regard to limited liability on unauthorized transactions.[35] Pew has found that a few cards do alter the protection in a way that could be significant under certain circumstances, such as by not extending time limits for good cause, like a prolonged hospitalization, or not providing any liability protections if a PIN transaction is initiated. Unfortunately, nearly 40 percent of consumers do not know that they have rights regarding liability for unauthorized transactions. In addition, the protections that are provided are voluntary, and almost all accounts come with a clause that allows the company to change its terms at any time without warning. Therefore, regulations that make this protection mandatory and uniform are needed. We applaud the CFPB for this important proposal.

The CFPB should clarify the proposed rules to ensure that account holders do not face greater liability in connection to a period of unauthorized transactions than they could if only Regulation E *or* Z applied.

Under the proposal, transactions incurred by a prepaid account are governed by Regulation E and transactions incurred by a credit account are covered under Regulation Z. This is an acceptable approach, although these rules should be harmonized to avoid unneeded complexity and alleviate possible consumer confusion about, for instance, the amount of total liability that a consumer faces for an unauthorized transaction and the amount of time that passes before liability increases. However, this approach could also cause a consumer who loses a prepaid access device to be held liable for a greater amount than would be possible for the holder of a debit or credit card. This could potentially occur if a thief were to make unauthorized transactions while the account was positive (drawing from prepaid funds) and again once the account was "negative" (drawing from credit funds).[36]

The CFPB should adjust the rules or include a comment that ensures that prepaid account holders are not unfairly held liable for greater amounts than both debit and credit card holders under such a scenario. We recommend that the CFPB require the application of either Regulation E or Z liability requirements to a particular consumer, rather than both, which would increase financial burdens on a group of consumers who are more likely to be low income.

The CFPB should develop guidelines for when registration of a prepaid account may be declined or provisional credit is not granted.

One of the most important aspects of Regulation E is that consumers are granted provisional credit on their accounts for a disputed transaction while an investigation takes place to determine if an unauthorized transaction occurred. For holders of GPR prepaid accounts, this protection can be vital, as many cardholders directly deposit their earnings onto their cards and may hold all or most of their funds in a prepaid account. Without this protection, consumers could lose access to funds that are rightfully theirs for an extended period of time, causing major complications.

At the same time, the anonymous purchase and use of a prepaid account (if it is not yet registered) is not comparable to the relationship that exists between a checking account holder and a bank. Unless the card is registered, the prepaid company has no idea who the person holding the funds is before the account is registered. The cardholder could be someone who has been convicted of defrauding financial institutions or other companies. He or she could owe a debt to the prepaid card company from a prior relationship. Until registration, this would not be known. The potential for fraud is greater for the prepaid card provider since they do not know the identity of a customer until the card is registered, unlike a bank which has myriad information about a consumer as soon as the account is opened.

The proposed rule creates what could be a problem if a person who is rejected from the registration process uses an unregistered card and then contacts the prepaid company to both register the card and report an unauthorized transaction. In some cases the provider may have rightfully rejected the registration because the consumer has a history of fraudulent activity that would warrant this practice, but in others, this may be an error and the consumer should be allowed to register and have the Regulation E and provisional credit protections. In legitimate cases where a company has a good reason to reject the registration, or perhaps to allow it but not provide provisional credit, it should be allowed to do so. However, this right should not be unconstrained and at the sole discretion of the prepaid company, as it is under the current proposal. This exception should not be allowed to be used by a prepaid company to avoid the responsibilities of Regulation E except in those cases where it is justified. Therefore, the CFPB should develop guidelines regarding when a provider may decline the registration of a prepaid account or decide not to grant provisional credit. This will allow prepaid companies to prevent fraud and protect against losses, while still providing lawful consumers access to this important product.

Prepaid account providers should be required to take necessary steps to facilitate customer identification of unauthorized transactions.

Limited liability is an important protection for consumers. However, if a consumer does not know what transactions have occurred in the past, he or she cannot invoke this protection. We applaud the CFPB rules for requiring that consumers are granted access to important account information. Pew research has found that many GPR prepaid cardholders simply do not check the balances on their cards.[37] For consumers who do check their balances, they use a variety of means to accomplish this.[38] Increasingly, consumers are using text and email alerts more to keep track of their balances.[39] These methods should be encouraged, especially since the CFPB's rule does not require regular periodic statements.

One very positive aspect of the rule is that customers can obtain an 18 month statement free of charge, either by mail or at the prepaid company's website. It is important that consumers are not charged fees that would prevent them from having access to information about their accounts and thus unable to assert their rights under Regulation E. This includes charging fees for calling to request a paper statement (a fee for the phone call as opposed to the statement itself).

The CFPB should clarify that all products that fall under the definition of prepaid account must have a registration process in order to facilitate Regulation E limited liability protections.

In its rule, the CFPB states that prepaid companies must provide the protections afforded by Regulation E once a product is registered. This approach makes sense for GPR prepaid cards and many other product types that fall under the rule. However, it is not difficult to imagine a product, such as a card sold at retail outlets, which would fall under the definition of a prepaid account but not allow for registration of the product. In this case, the rule as written would not provide clear guidance as to how or if Regulation E protections would apply. To ensure that customers are protected, the CFPB should clarify that all prepaid account providers must initiate a process whereby consumers are able to assert their Regulation E rights.

We thank the CFPB for this opportunity to comment on the proposed prepaid account rules and look forward to continuing to work with you. As always, we are available to discuss these comments or any other aspect of our work at any time.

Sincerely,

Susan Weinstock
Director
Consumer Banking Project

Nick Bourke
Director
Safe Small Dollar Loans Project

Thaddeus King
Officer
Consumer Banking Project

Attachment A

Monthly fee	Per purchase	ATM withdrawal	Acquisition fee
$4.95*	**$0** with sig.	**$0** in-network	**$4.95***
	$0 with PIN	**$2.00** out-of-network	

ATM balance inquiry (in-network or out-of-network)	$0 or $1.00*
Customer service (automated or live)	$0 or $1.50 per call
Inactivity (no transactions for 3 months)	$4.50 per month
[Incidence-based fee]	$2.95
[Incidence-based fee]	$3.95
[Incidence-based fee]	$1.00

*Fees can be lower depending on how and where this account is used.

We charge 6 other fees not listed here.

Funds from direct deposits are generally available the next business day.
Funds from cash loads are generally available immediately.

Find details and conditions for all fees and services inside the package or call **800-234-5676** or visit **bit.ly/XYZprepaids**.

Register your account with XYZ Prepaid Company to protect your money.

This account does not provide [FDIC][NCUSIF] insurance.

For more information about prepaid accounts, visit cfpb.gov/prepaids.

[1] Federal Reserve System Final Rule on Regulation E (Opt-in Requirement), 74 Fed. Reg. 59033, 59037 (Nov. 17. 2009). The legislative history of the EFTA makes clear that the Board – and now the CFPB – has broad regulatory

authority. According to the Senate Report, regulations are "essential to the act's effectiveness" and "[permit] the Board to modify the act's requirements to suit the characteristics of individual EFT services. Moreover, since no one can foresee EFT developments in the future, regulations would keep pace with new services and assure that the act's basic protections continue to apply." (quoting 95th Cong., 2d Sess., at 26 (Oct. 4, 1978)).

[2] Forthcoming Report.

[3] Forthcoming Report; The Pew Charitable Trusts, Why Americans Use Prepaid Cards (Feb. 2014), 14, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsSurveyReportpdf.pdf.

[4] The Pew Charitable Trusts, Consumers Continue to Load Up on Prepaid Cards (Feb. 2014), 9-10, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsStillLoadedReportpdf.pdf.

[5] Forthcoming Report; The Pew Charitable Trusts, Why Americans Use Prepaid Cards (Feb. 2014), 15, 19-20, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsSurveyReportpdf.pdf.

[6]The Pew Charitable Trusts, Why Americans Use Prepaid Cards (Feb. 2014), 14, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsSurveyReportpdf.pdf.

[7] Forthcoming report.

[8] Regulation E, 12 C.F.R. § 1005.17 (2015).

[9] The Pew Charitable Trusts, Overdrawn: Persistent Confusion and Concern About Bank Overdraft Practices (June 2014), 6, 14, http://www.pewtrusts.org/~/media/Assets/2014/06/26/Safe_Checking_Overdraft_Survey_Report.pdf.

[10] Id., p. 5.

[11] Id., p. 10.

[12] The Pew Charitable Trusts, Payday Lending in America: Policy Solutions (Oct. 2013), 29, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2013/PewPaydayPolicySolutionsOct2013pdf.pdf.

[13] For example, imagine an account holder who is paid $2000 per month into his account. He has a balance of $50, and has a provisional credit of $350 reversed. Without this rule, this would cause a balance of -$300. When his next deposit occurs, he would only have a balance of $1700 because the entire $300 would be offset. By requiring a maximum payment of five percent of income, His balance after his next deposit would be $1900. The other $200 would still be a debt, and after two more months, it would be repaid.

[14] Catherine Lee Wilson, Making Prepaid Safe for Consumers: A Framework for Providing Deposit Insurance and Regulation E Protections (Oct. 2014) , 56-62, http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2509386. (the final version of this paper will be published in the *University of Pennsylvania Journal of Business Law* in Spring 2015).

[15] Forthcoming Report.

[16] The Pew Charitable Trusts, Imperfect Protection: Using Money Transmitter Laws to Insure Prepaid Cards (March 2013), 4, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2013/Pewprepaidmoneytransmitterpdf.pdf.

[17] Id., p. 2.

[18] Id., p. 5.

[19] Department of Treasury rules permit federal payments to prepaid cards only if the funds are held in federally insured accounts. Financial Management Service Requirements, 31 C.F.R. § 210.5(b)(5)(i)(A) (2015).

[20] The Pew Charitable Trusts, The Need for Improved Disclosures for General Purpose Reloadable Prepaid Cards (Feb. 2014), http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsDisclosureIssueBriefpdf.pdf.; The Pew Charitable Trusts, Consumers Need a Simple, Easy-to-Read Disclosure Box for Checking Accounts, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2011/SCIBDisclosurePolicy20Rec1pdf.pdf.

[21] The Pew Charitable Trusts, Consumers Continue to Load Up on Prepaid Cards (Feb. 2014), http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsStillLoadedReportpdf.pdf.

[22] Forthcoming Report.

[23] Id.

[24] The Pew Charitable Trusts, Consumers Continue to Load Up on Prepaid Cards (Feb. 2014), 16, http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsStillLoadedReportpdf.pdf.

[25] Id.
[26] Making this optional prevents any possible situation where a provider might be put at a perceived competitive disadvantage for having four additional fees rather than five or more additional fees.
[27] The Pew Charitable Trusts, Consumers Continue to Load Up on Prepaid Cards (Feb. 2014), http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsStillLoadedReportpdf.pdf.
[28] Id., pp. 8-9.
[29] Id., p. 13.
[30] Id., p. 16.
[31] Id., pp. 13, 16.
[32] The median number of fees that varied between plans was three; the range was two to nine fees. The GPR program managers studies were 24/7, Account Now, Ace Elite, Achieve, Cash Pass, NetSpend, READYdebit, Rush, and Vision.
[33] The fees that vary are monthly, POS transaction, ATM withdrawal, acquisition, teller withdraw, ATM balance inquiry, direct deposit, "other" or "cash" load, IVR call, live call, POS decline, ATM decline, inactivity, and card replacement.
[34] Forthcoming report.
[35] The Pew Charitable Trusts, Consumers Continue to Load Up on Prepaid Cards (Feb. 2014), http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2014/PrepaidCardsStillLoadedReportpdf.pdf.
[36] Under a credit plan, an account would not actually be "negative" in the way a checking account is when overdraft funds are used. The term "negative" is used here for simplicity.
[37] Forthcoming report.
[38] Id.
[39] Id.