

February 25, 2016

To: Members of the Banking Committee

Fr: Connecticut Bankers Association

Contacts: Tom Mongellow, Fritz Conway

Re: H.B. No. 5298 AN ACT PROHIBITING CERTAIN MONTHLY DEBIT CARD CHARGES

Position: Oppose

House Bill 5298 would require certain additional disclosures associated with pre-paid cards that are widely available to Connecticut Consumers.

We feel this bill is unnecessary as Federal Regulation E already controls how disclosures must be presented on these types of products. Reg E is a carefully thought out regulation that takes into account how and where consumer disclosures are delivered on a broad variety of card products, including pre-paid cards. This is particularly relevant when "on card" disclosures are considered. The practical realities of the size limitations of the card product have resulted in Reg E's determining what is required on the card to deliver useful disclosures on how customers can access additional information.

This bill also requires a disclosure on the outside of the package, which would necessitate unique packaging, just for cards sold in the State. This would create a Connecticut specific packaging requirement that would only increase the cost of providing these low margin products to consumers in the State.

The CBA respectfully urges your rejection of this concept.