Bur. of Consumer Financial Protection

§ 1005.14

Electronic fund transfer service provider not holding consumer's account.

(a) Provider of electronic fund transfer service. A person that provides an electronic fund transfer service to a consumer but that does not hold the consumer’s account is subject to all requirements of this part if the person:

(1) Issues a debit card (or other access device) that the consumer can use to access the consumer's account held by a financial institution; and

(2) Has no agreement with the account-holding institution regarding such access.

(b) Compliance by service provider. In addition to the requirements generally applicable under this part, the service provider shall comply with the following special rules:

(1) Disclosures and documentation. The service provider shall give the disclosures and documentation required by §§1005.7, 1005.8, and 1005.9 of this part that are within the purview of its relationship with the consumer. The service provider need not furnish the periodic statement required by §1005.9(b) if the following conditions are met:

(i) The debit card (or other access device) issued to the consumer bears the service provider’s name and an address or telephone number for making inquiries or giving notice of error;

(ii) The consumer receives a notice concerning use of the debit card that is substantially similar to the notice contained in appendix A of this part;

(iii) The consumer receives, on or with the receipts required by §1005.9(a), the address and telephone number to be used for an inquiry, to give notice of an error, to request an account statement, or to receive information or otherwise communicate with a financial institution.

(2) No exemption shall extend to the civil liability provisions of section 916 of the Act, except for state law requirements not imposed by the Federal law.
§ 1005.15 Electronic fund transfer of government benefits.

(a) Government agency subject to regulation. (1) A government agency is deemed to be a financial institution for purposes of the Act and this part if directly or indirectly it issues an access device to a consumer for use in initiating an electronic fund transfer of government benefits from an account, other than needs-tested benefits in a program established under state or local law or administered by a state or local agency. The agency shall comply with all applicable requirements of the Act and this part, except as provided in this section.

(2) Issuance of access devices. For purposes of this section, a consumer is deemed to request an access device when the consumer applies for government benefits that the agency disburse or will disburse by means of an electronic fund transfer. The agency shall verify the identity of the consumer receiving the device by reasonable means before the device is activated.