

106TH CONGRESS
2D SESSION

H. R. 4584

To require insured depository institutions to make affordable transaction accounts available to their customers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 6, 2000

Mr. LAFALCE introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To require insured depository institutions to make affordable transaction accounts available to their customers, 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 “Affordable Transaction
5 Account Act”.

6 **SEC. 2. AFFORDABLE BANKING SERVICES.**

7 (a) IN GENERAL.—Except as otherwise provided in
8 this section, each insured depository institution shall make
9 available to consumers a consumer transaction account,
10 to be known as an “affordable transaction account”, with

1 the following features to be prescribed jointly by the Fed-
2 eral banking agencies, by regulation:

3 (1) INITIAL DEPOSIT.—The maximum amount
4 which an insured depository institution may require
5 as an initial deposit, if any.

6 (2) MINIMUM BALANCE.—The maximum
7 amount an insured depository institution may re-
8 quire as a minimum balance, if any, to maintain
9 such account.

10 (3) MINIMUM NUMBER OF FREE WITH-
11 DRAWALS.—A minimum of 8 withdrawal trans-
12 actions, including withdrawals by negotiable or
13 transferable instruments for the purpose of making
14 payments to third parties and electronic fund trans-
15 fers, during any periodic cycle at no additional
16 charge to the account holder.

17 (4) MAXIMUM MONTHLY SERVICE CHARGE.—
18 The maximum amount an insured depository institu-
19 tion may charge per periodic cycle for the use of
20 such account.

21 (b) FEES FOR WITHDRAWAL TRANSACTIONS IN EX-
22 CESS OF MINIMUM NUMBER OF FREE WITHDRAWALS.—

23 (1) IN GENERAL.—Subject to paragraph (2), in
24 the case of any affordable transaction account—

1 (A) an insured depository institution may
2 impose a reasonable per-transaction charge for
3 any withdrawal transaction described in sub-
4 section (a)(3) other than a transaction required
5 under such subsection to be provided free; or

6 (B) the depository institution may impose
7 the fees and charges normally applied to other
8 consumer transaction accounts available at that
9 depository institution.

10 (2) LIMITATIONS.—

11 (A) PERIODIC CYCLE FEE ADJUSTMENT.—

12 The amount of any charge per periodic cycle
13 imposed by an insured depository institution on
14 any affordable transaction account pursuant to
15 paragraph (1)(B) shall be reduced by the
16 charge imposed under subsection (a)(4).

17 (B) MAXIMUM AMOUNT.—At no time shall
18 the total amount of fees and charges imposed
19 by an insured depository institution on any af-
20 fordable transaction account exceed the total
21 amount of fees and charges that is normally ap-
22 plied to other consumer transaction accounts
23 available at the depository institution.

24 (c) CONDITIONS FOR OPENING ANY AFFORDABLE
25 TRANSACTION ACCOUNT.—An insured depository institu-

1 tion may require as a condition for opening or maintaining
2 any affordable transaction account that—

3 (1) the holder of the account be a resident of
4 the State in which the account is opened or main-
5 tained; and

6 (2) the deposits to the account of recurring
7 payments such as Social Security, wage, or pension
8 payments be made by direct deposit if that form of
9 deposit is available to both the consumer and the de-
10 pository institution.

11 (d) OTHER TERMS AND CONDITIONS.—

12 (1) IN GENERAL.—Except as provided in this
13 section and any regulations prescribed under this
14 section, any affordable transaction account may be
15 offered by an insured depository institution subject
16 to the same rules, conditions, and terms normally
17 applicable to other consumer transaction accounts
18 offered by the depository institution.

19 (2) PROHIBITION ON DISCRIMINATION AGAINST
20 AFFORDABLE TRANSACTION ACCOUNT HOLDERS IN
21 PROVIDING OTHER SERVICES.—The amount of any
22 fee or charge imposed on a holder of any affordable
23 transaction account by an insured depository institu-
24 tion for specific services provided to such account
25 holder which are not directly related to the mainte-

1 nance of such account may not exceed the fee or
2 charge imposed by the depository institution for pro-
3 viding the same services in connection with other
4 consumer transaction accounts offered by the depository
5 institution.

6 (e) AFFORDABLE TRANSACTION ACCOUNTS NOT RE-
7 QUIRED FOR INDIVIDUALS WHO MAINTAIN OTHER
8 TRANSACTION ACCOUNTS.—An insured depository institu-
9 tion shall not be required to permit any person to open
10 or maintain an affordable transaction account pursuant
11 to this section if such person maintains another consumer
12 transaction account either at that depository institution
13 or any other insured depository institution.

14 (f) ALTERNATIVE ARRANGEMENTS.—In lieu of the
15 affordable transaction account required by this section, an
16 insured depository institution may make available an al-
17 ternative form of account or other banking services if the
18 appropriate Federal banking agency determines that such
19 alternative form of account or services are at least as ad-
20 vantageous to consumers as the affordable transaction ac-
21 count.

22 (g) DISCLOSURE REQUIREMENTS.—

23 (1) POSTED NOTICES.—If an insured depository
24 institution posts in the public area of any office of
25 the institution a notice of the availability of other

1 consumer transaction accounts, the depository insti-
2 tution shall also post equally conspicuous notice in
3 such public area and in the same manner the avail-
4 ability of its affordable transaction accounts.

5 (2) PRINTED MATERIAL.—If an insured deposi-
6 tory institution makes available in the public area of
7 any office of the institution printed material describ-
8 ing the terms of its other consumer transaction ac-
9 counts, the depository institution shall also make
10 comparable descriptive printed material concerning
11 the affordable transaction accounts available in the
12 same such area and in the same manner.

13 (h) DEFINITIONS.—For purposes of this section, the
14 following definitions shall apply:

15 (1) CONSUMER TRANSACTION ACCOUNT.—For
16 purposes of this section, the term “consumer trans-
17 action account” means a demand deposit account,
18 negotiable order of withdrawal account, share draft
19 account, or any similar transaction account used pri-
20 marily for personal, family or household purposes.

21 (2) DEPOSITORY INSTITUTION.—The term “de-
22 pository institution” has the same meaning has in
23 section 19(b)(1)(A) of the Federal Reserve Act.

24 (3) FEDERAL BANKING AGENCY.—The term
25 “Federal banking agency”

1 (A) has the same meaning as in section
2 3(z) of the Federal Deposit Insurance Act; and

3 (B) includes the National Credit Union
4 Administration Board.

5 (4) INSURED DEPOSITORY INSTITUTION.—The
6 term “insured depository institution”—

7 (A) has the same meaning as in section
8 3(e)(2) of the Federal Deposit Insurance Act;
9 and

10 (B) includes an insured credit union (as
11 defined in section 101(7) of the Federal Credit
12 Union Act.

13 (i) COMPLIANCE WITH MORE STRINGENT STATE
14 LAW.—If a depository institution operates in a State the
15 laws of which, including regulations, require a depository
16 institution operating in such State to meet requirements
17 for affordable transaction accounts which are more advan-
18 tageous to the consumer than the requirements of this sec-
19 tion or the regulations prescribed under this section, such
20 depository institution may not be treated as a qualified
21 depository institution for purposes of section 19(b)(12) of
22 the Federal Reserve Act, unless such depository institu-
23 tion meets the requirements of this section and the re-
24 quirements of such State law.

1 (j) RULE OF CONSTRUCTION.—No provision of this
2 section, title LXII of the Revised Statutes of the United
3 States, the Home Owners' Loan Act, the Bank Enterprise
4 Act of 1991, the Alternative Mortgage Transaction Parity
5 Act of 1982, or any other Federal law may be construed
6 as preempting, or providing any basis for the Comptroller
7 of the Currency or the Director of the Office of Thrift
8 Supervision to conclude that Federal law in any way pre-
9 empts, the law of any State which requires depository in-
10 stitution operating in that State to provide affordable
11 transaction accounts, including the Omnibus Consumer
12 Protection and Banking Deregulation Act of 1994 of the
13 State of New York and the New Jersey Consumer Check-
14 ing Account Act (as in effect on the date of the enactment
15 of this Act).

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