

107TH CONGRESS  
1ST SESSION

# H. R. 1059

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

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 2001

Mr. LAFALCE (for himself, Mr. KANJORSKI, Mr. GUTIERREZ, Ms. LEE, Mrs. JONES of Ohio, Mr. CAPUANO, Mr. CLAY, Mr. HINCHEY, and Ms. SCHAKOWSKY) introduced the following bill; which was referred to the Committee on Financial Services

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## 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 “Consumer Affordable  
5 Transaction Account Act of 2001”.

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,

1 to be known as an “affordable transaction account”, with  
2 the following features to be prescribed jointly by the Fed-  
3 eral banking agencies, by regulation:

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

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

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

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

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

24 (1) IN GENERAL.—Subject to paragraph (2), in  
25 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 as 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).

16           (k) COORDINATION OF REGULATIONS.—Each Fed-  
17 eral banking agency shall—

18               (1) consult and coordinate with other Federal  
19 banking agencies to ensure that regulations pre-  
20 scribed by each such agency are consistent with and  
21 comparable to the regulations prescribed by each  
22 other such agency; and

23               (2) prescribe regulations in final form to imple-  
24 ment this section before the end of the 6-month pe-

1       riod beginning on the date of the enactment of this  
2       Act.

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