

By Mr. Barrios of Cambridge, petition of Jarrett T. Barrios and other members of the General Court for legislation to require banks and credit unions to disclose the fees, terms and conditions associated with accounts. Banks and Banking.

The Commonwealth of Massachusetts

In the Year Two Thousand and One.

AN ACT TO ENABLE CONSUMERS TO MAKE INFORMED DECISIONS ABOUT ACCOUNTS AT BANKS AND CREDIT UNIONS BY REQUIRING BANKS AND CREDIT UNIONS TO DISCLOSE THE FEES, TERMS AND CONDITIONS ASSOCIATED WITH ACCOUNTS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 2A of chapter 167 of the General Laws, as appearing in the 1998 Official Edition, is hereby amended by striking out the definitions of "Bank" and "Consumer transaction" and inserting in place thereof the following definitions:—

"Treasurer," the Treasurer/Receiver General of the commonwealth.

"Account," a deposit account at a bank that is held by or offered to a consumer. It includes time, demand, savings and negotiable order of withdrawal accounts.

"Bank," any bank, any Massachusetts or out-of-state branch, federal branch, any association or corporation chartered and authorized to do a banking business by a state of the United States other than the commonwealth, by the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States or by a country other than the United States, or a national banking association, federal savings and loan association, federal savings bank or federal credit union, which has its main office located in the commonwealth or in any other jurisdiction named herein.

"Consumer," a natural person who holds an account primarily for personal, family or household purposes, or to whom such an

22 account is offered. The term does not include a natural person
23 who holds an account for another in a professional capacity, or
24 pursuant to a bona fide trust agreement.

25 “Consumer transaction”, a transaction between a bank and a
26 natural person, in which the money, property or services are pri-
27 marily for personal, family or household purposes.

28 “Fees, terms and conditions associated with all accounts,” the
29 fees, terms and conditions included in the schedule of fees
30 reported and disclosed pursuant to the federal Truth in Savings
31 Act of 1991 contained in the Federal Deposit Insurance Corpora-
32 tion Improvement Act of 1991 (12 U.S.C. 4301 et seq., Pub. L.
33 102-242, 105 Stat. 2236).

1 SECTION 2. Chapter 167 of the General Laws, as appearing in
2 the 1998 Official Edition, is hereby amended by inserting after
3 section 2B the following section:—

4 Section 2B½.

5 A. Fee Filing. All banks shall file with the treasurer all fees,
6 terms and conditions associated with all accounts. Said filing shall
7 occur at least once annually. Further, all banks shall file any
8 change to said schedule of all fees, terms and conditions associ-
9 ated with all accounts within thirty days after such change takes
10 effect.

11 B. Public Posting and Availability. (1.) The treasurer shall make
12 available to the general public said fee schedules, and changes
13 thereto, of all banks. Methods the treasurer shall use to make said
14 fee schedules available to the public shall include but not be lim-
15 ited to publishing said fee schedules and changes thereto on the
16 official Internet website of the treasurer. This fee schedule infor-
17 mation on the official Internet website of the treasurer shall be
18 updated on a monthly basis. Said Internet website posting shall
19 enable consumers to search for or organize information in a
20 number of ways including but not limited to: bank name and loca-
21 tion, fee level and type of account. The treasurer shall also make
22 available fee schedules and changes thereto for specific banks to
23 consumers upon request. The treasurer shall, through methods
24 including but not limited to a brochure, make the public aware of
25 the availability of fee schedules and changes thereto for specific
26 banks. (2.) The treasurer shall from time to time promulgate rules

27 and regulations relative to the public posting and availability of
28 fees, terms and conditions associated with all accounts of banks.

29 C. Notification by Banks. Banks shall notify consumers in
30 monthly account statements that additional information about
31 Massachusetts bank and credit union account fees can be obtained
32 at the Massachusetts Division of Banks Internet website. The
33 Massachusetts Division of Banks Internet address shall be
34 included in said notification. Said notification shall be printed in a
35 large, bold font easily discernable by the consumer.

36 D. Penalties. Any bank neglecting to file with the treasurer all
37 fees, terms and conditions associated with all accounts, or file any
38 change to said schedule of all fees, terms and conditions associ-
39 ated with all accounts within thirty days after such change taking
40 effect shall, unless such neglect or failure is due to justifiable
41 cause and not due to willful neglect, pay to the commonwealth
42 fifty dollars each day during which such neglect or failure occurs.

43 Any rules and regulations promulgated under this section shall
44 comply with the provisions of section 2A governing regulations.

