

SENATE, No. 806

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 22, 1996

By Senators KOSCO and KYRILLOS

1 AN ACT concerning consumer banking services and supplementing
2 P.L.1960, c.39 (C.56:8-1 et seq.).

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

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7 1. The Legislature hereby finds and declares that:

8 a. State and federally chartered depository institutions, (banks,
9 savings banks, savings and loan associations and credit unions) have
10 put considerable emphasis on the use by customers of automated teller
11 machines (ATMs) cards rather than carrying cash;

12 b. Many of the largest depository institutions are trying to convince
13 customers to use ATMs more and to visit their branches less, so
14 branches can be closed and operating costs can be cut;

15 c. Most depository institutions already charge a fee to at least
16 some customers when they use an ATM owned by another bank or
17 independent company:

18 d. Under considerable pressure, VISA, which operates the VISA
19 U.S.A's Plus network connecting the ATMs of thousands of banks, has
20 reversed its policy and agreed to permit depository institutions using
21 the Plus network to charge their customers the access fee the
22 depository institutions are charged for using the Plus network.

23 e. It is important, therefore, to authorize the Division of Consumer
24 Affairs in the Department of Law and Public Safety to conduct an
25 investigation into the fees depository institutions in this State are
26 charging customers for accessing information with respect to personal
27 checking and savings accounts and for accessing those accounts
28 through an ATM to determine if the fees are reasonable and not
29 excessive.

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31 2. a. The division shall conduct an investigation of the fees State
32 and federally chartered banks, savings banks, savings and loan
33 associations and credit unions charge customers for the following
34 consumer banking services: phone and electronic access to
35 information concerning checking and savings accounts; and
36 transactions using an ATM.

37 b. State and federally chartered banks, savings banks, savings and

1 loan associations and credit unions shall provide information to the
2 division upon request concerning the fees charged customers for the
3 following consumer banking services: phone and electronic access to
4 information concerning checking and savings accounts; and
5 transactions using an ATM.

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7 3. a. Consumer banking services constitute a service within the
8 term "merchandise" as defined pursuant to section 1 of P.L.1960, c.39
9 (C.56:8-1).

10 b. It shall be an unlawful practice for a person to charge
11 unreasonable and excessive fees in order for a consumer to obtain
12 access to information about the consumer's personal checking or
13 savings account, or both.

14 c. It shall be an unlawful practice for a person to charge
15 unreasonable and excessive fees for transactions involving the use of
16 an automated teller machine.

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18 4. Upon completion of its investigation pursuant to section 2 of
19 this act, the division shall promulgate regulations pursuant to the
20 Administrative Procedure Act, P.L.1968, c.410 (C.52:14B-1 et seq)
21 necessary to effectuate the provisions of this act.

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23 5. This act shall take effect immediately, except section 3 shall take
24 effect upon adoption of the regulations required pursuant to section 4
25 of this act.

26 27 28 STATEMENT

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30 This bill requires the Division of Consumer Affairs to conduct an
31 investigation of the fees depository institutions charge customers for
32 the following consumer banking services: phone and electronic access
33 to information concerning personal checking and savings accounts; and
34 transactions using an ATM card. The bill provides that it is an
35 unlawful practice within the meaning of the Consumer Fraud Act,
36 P.L.1960, c.39 (C.56:8-1 et seq), for any person to charge
37 unreasonable and excessive fees: to a consumer in order to obtain
38 access to information about that consumer's personal checking or
39 savings account, or both; or for transactions involving the use of an
40 automated teller machine. The bill requires the Division of Consumer
41 Affairs, upon completion of its investigation, to promulgate
42 regulations necessary to effectuate the provisions of the bill.

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3 Concerns fees charged customers for certain consumer banking
4 services.