

SENATE, No. 1078

STATE OF NEW JERSEY

INTRODUCED MAY 9, 1996

By Senator BRYANT

1 AN ACT concerning electronic funds transfers and supplementing Title
2 17 of the Revised Statutes.

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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. a. When an electronic fund transfer is initiated by a consumer
8 through the use of an electronic terminal, including a telephone
9 operated by the consumer, no fee may be imposed by any person in
10 connection with the transaction unless a notice is provided to the
11 consumer, in accordance with subsection b. of this section, which
12 clearly states the following:

13 (1) that a fee will be imposed in connection with a completed
14 transaction;

15 (2) the amount of the fee;

16 (3) that if the consumer does not elect to continue in the manner
17 necessary to complete the transaction after receiving the notice
18 concerning the imposition of a fee for a completed transaction, the
19 consumer may cancel the transaction at that point by the appropriate
20 method, which method shall be specified in the notice, without the
21 imposition of a fee by any person, including any person described in
22 paragraph (2) or (3) of subsection d. of this section, who would have
23 been involved in the transaction if the transaction been completed;

24 (4) that if the consumer elects to complete the transaction, upon
25 completion of the transaction, the consumer will receive a statement
26 of the amount of the fee charged for the transaction, itemized by the
27 source of the fee, if more than one source.

28 b. (1) The notice required pursuant to subsection a. of this section
29 shall appear alone on the screen of the electronic terminal or on a
30 paper notice issued from the machine or, in the case of an electronic
31 fund transfer by a telephone, as a voice message clearly audible to the
32 consumer after the transaction is initiated and before the consumer is
33 irrevocably committed to completing the transaction.

34 (2) The information regarding the amount of the fee charged for a
35 completed transaction required pursuant to paragraph (4) of
36 subsection a. of this section shall be provided to the consumer as part
37 of the transaction record required pursuant to 12 C.F.R. §205.9(a) and

1 shall also be included in the periodic statement provided to the
2 consumer by the financial institution which is the issuer of the access
3 device used by the consumer as an item separate from the amount of
4 the transaction.

5 c. No fee may be imposed by any person in connection with any
6 electronic fund transfer initiated by a consumer for which a notice is
7 required pursuant to subsection a. of this section, unless:

8 (1) the consumer receives that notice in accordance with
9 subsection b. of this section; and

10 (2) the consumer elects to complete the transaction, or otherwise
11 responds in the manner necessary to effect the transaction, after
12 receiving the notice.

13 d. The requirement of notice of fees under subsection a. and the
14 prohibition on the imposition of fees under subsection c. of this section
15 shall apply to any fee which is or would be imposed in connection with
16 any electronic fund transfer to which those subsections apply by:

17 (1) the person operating or owning the electronic terminal or
18 telephone at which the transaction is initiated by the consumer;

19 (2) the financial institution holding the account of the customer;

20 (3) any national, regional, or local network utilized to effect the
21 transaction; and

22 (4) any other party involved in the electronic funds transfer.

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24 2. This act shall take effect immediately.

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STATEMENT

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29 This bill requires notice to the consumer about any fees being
30 charged with respect to a completed electronic fund transfer, however
31 made. The notice is required to be provided prior to an action by the
32 consumer which irrevocably commits the consumer to completion of
33 the transaction and which provides the consumer with the option of
34 canceling the transaction at that point without having any fee imposed.

35 In addition, if a consumer completes an electronic funds transfer
36 transaction, the transaction record must include the transaction fee or
37 fees and indicate the source of each fee charged. The periodic
38 statement that a consumer receives from the financial institution
39 issuing the access device used by the consumer also must contain
40 information on all transaction charges as items separate from the
41 amount of each transaction involving the use of an access device.

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46 Requires certain information with respect to electronic fund transfers.