

CFPB Quietly Launches Web Database of Prepaid and Payroll Card Fees and Disclosures but Some Cards with Overdraft Fees are Missing

FOR IMMEDIATE RELEASE: October 16, 2019

National Consumer Law Center contacts: Lauren Saunders (lsaunders@nclc.org) or Jan Kruse (jkruse@nclc.org)

Washington, D.C. - Advocates at the National Consumer Law Center urged the public to check out a new online tool from the Consumer Financial Protection Bureau (CFPB) where consumers, workers, researchers, employers, and others can see prepaid and payroll card fee schedules and agreements, creating greater transparency into prepaid and payroll card. But some payday lender prepaid cards have apparently not been submitted to the database. Advocates also questioned why the CFPB did not publicize the new website or make it more user-friendly.

“The prepaid agreements database will provide a one-stop place for the fees and other account terms for prepaid agreements,” **said National Consumer Law Center Associate Director Lauren Saunders.** “Together with the new fee disclosure rules that went into effect earlier this year, this online tool will shine sunlight onto the sometimes opaque world of prepaid card fees and encourage competition that may help lower prices for consumers and workers.”

“Greater transparency is especially welcome for payroll cards used by employers to pay workers, as those fee schedules are not otherwise public and are difficult to compare from company to company,” **Saunders continued.** “Workers and employers can compare other options and put pressure on payroll card companies that charge high fees.”

“Unfortunately, some payday lender prepaid cards with overdraft fees are not in the database, apparently claiming that their accounts are ‘bank accounts’ so that they can avoid the rules that limit overdraft fees on prepaid accounts. The payday lender ACE Cash Express offers the ‘ACE Flare Account by MetaBank’ through the prepaid card company NetSpend, but the card may incur up to \$100 in overdraft fees a month, which is not allowed under the CFPB’s prepaid card rule,” **Saunders explained.** “The CFPB should crack down on these fake payday lender bank accounts and insist that they comply with the prepaid card rules,” she added.

The Prepaid product agreements database is searchable by card issuer, product name, program manager, or other relevant party, as well as by term. Prepaid products can be narrowed by these types:

- Digital wallet/P2P
- Government Benefit
- GPR (General Purpose Reloadable)
- Payroll
- Prison release
- Refunds
- Student

- Tax
- Travels

Yet for some reason, the CFPB did not issue a press release or do anything to make the public aware of the new website. The database also requires consumers to scroll through the entire set of terms and conditions for each prepaid card rather than allowing them to simply click on the short form or long form fee disclosures.

For more information on NCLC's extensive body of work on prepaid debit and payroll cards, visit: <https://www.nclc.org/issues/prepaid-debit-cards.html>

Related NCLC Resources

- Issue Brief: New Protections for Prepaid Cards and Accounts, Mar. 28, 2019
- Issue Brief: New Protections for Payroll Cards, Mar. 28, 2019
- Issue Brief: New Protections for Government Benefit Prepaid Cards, Mar. 28, 2019
- Report: Rating State Government Payroll Cards, November 2015
- Report: Payday Lender Prepaid Cards: Overdraft and Junk Fees Hit Cash-Strapped Families Coming and Going, July 2015
- Reports: Unemployment Compensation Prepaid Cards (2011, 2013, 2017)