

HOUSE No. 866

The Commonwealth of Massachusetts

PRESENTED BY:

Tackey Chan

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to require financial institutions to pay late fees when it fails to conduct an electronic transfer.

PETITION OF:

NAME:

Tackey Chan

DISTRICT/ADDRESS:

2nd Norfolk

HOUSE No. 866

By Mr. Chan of Quincy, a petition (accompanied by bill, House, No. 866) of Tackey Chan for legislation to require financial institutions to pay late fees upon failure to conduct electronic transfers. Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION

SEE

□ HOUSE
□ , NO. 3126 OF 2011-2012.]

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act to require financial institutions to pay late fees when it fails to conduct an electronic transfer.

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

1 SECTION 1. Chapter 167B of the General Laws, as appearing in the 2002 official
2 edition, is amended by inserting after section 10 the following new section:-

3 Section 10A. If a financial institution fails to pay a preauthorized transfer authorized by a
4 consumer for any reason other than those stated in section 10, and as a result the consumer is
5 charged with a fine, penalty and/or late charge, by a third party then said financial institution
6 shall pay the third party or reimburse the consumer the fine, penalty and/or charge, and any
7 interest associated with the failure to pay within 5 days of discovering the error by the financial
8 institution or within 5 days of when the consumer reports to the error to the financial consumer.
9 Should a financial institution who willfully and knowingly fails to comply with this section, then
10 a consumer shall be entitled to treble damages as determined under clause (1) of subsection (a) of
11 section 20 from said financial institution.