

SCHWARTZ & BALLELLP

1990 M STREET, N.W. • SUITE 500

WASHINGTON, DC 20036-3465

WWW.SCHWARTZANDBALLEN.COM

TELEPHONE
(202) 776-0700

FACSIMILE
(202) 776-0700

MEMORANDUM

April 24, 2017

To Our Clients and Friends

Re: CFPB Finalizes Effective Date for Prepaid Accounts Rule

The Consumer Financial Protection Bureau (CFPB) has established April 1, 2018 as the effective date of certain provisions of its rule governing prepaid accounts. The CFPB has also determined that it will revisit two substantive issues in the prepaid accounts rule through a separate notice and comment rulemaking process in the coming weeks.

The following provisions of the rule are subject to the April 1, 2018 effective date:

- Requirements for financial institutions offering prepaid accounts
- Pre-acquisition disclosure requirements
- Short form disclosure content
- Disclosure of additional fee types
- Effective date and special transition rules for disclosure provisions
- Internet posting of prepaid account agreements

The CFPB did not delay the October 1, 2018 effective date of the requirement to submit prepaid account agreements to the Bureau.

The CFPB will also reconsider the following issues:

- The linking of credit cards to digital wallets that are capable of storing funds
Error resolution and limitations on liability for prepaid accounts that cannot be registered, have not been registered or for which consumers have attempted but have not successfully completed the registration process

A copy of the CFPB's action is available on our website at
<http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker, or Magda Gathani at (202) 776-0700.