

United States Senate
WASHINGTON, DC 20510

March 11, 2015

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

**RE: Notice of Proposed Rulemaking on Prepaid Accounts [Docket No. CFPB-2014
0031]**

Dear Director Cordray:

As Senators representing the state of Georgia, we request the Consumer Financial Protection Bureau (the “CFPB”) provide a 60-day extension of the initial 90-day comment period for its proposed rule on prepaid accounts under the Electronic Fund Transfer Act (Regulation E) and the Truth-In-Lending Act (Regulation Z) (the “**Proposed Rule**”).

The transaction processing industry is critically important to the economic health of the State of Georgia. In fact, more than 70% of all card transactions processed in the United States are handled by companies that are either headquartered in or have significant operations in the State of Georgia. Furthermore, Georgia is a home to some of the largest companies involved in the delivery of prepaid card programs to consumers throughout the world. As a result of the significant economic impact to the State of Georgia, including thousands of Georgia-based jobs, any proposed regulations that could negatively impact the prepaid card industry are critically important to us.

Based on meetings with our constituents and our review of the Proposed Rule, we have serious concerns about the industry’s ability to comprehensively review and provide meaningful comments to the Proposed Rule within the 90-day period. In particular, we note the following key concerns:

- 1) The Proposed Rule is 870 pages in length.
- 2) The Proposed Rule requests comment on well over 100 separate topics.
- 3) The broad definition of “prepaid account” in the Proposed Rule encompasses additional products, such as person-to-person payments, which were never contemplated in the Advanced Notice of Proposed Rulemaking on General Purpose Reloadable Cards issued by the CFPB in May 2012 (the “ANPR”).
- 4) The application of the Truth in Lending Act (Regulation Z) to “prepaid accounts” was never contemplated in the ANPR, and the practical effect of this aspect of the Proposed Rule is to eliminate prepaid overdraft products from the market at a time

when traditional banks are reducing access to credit for the consumers that need it most.

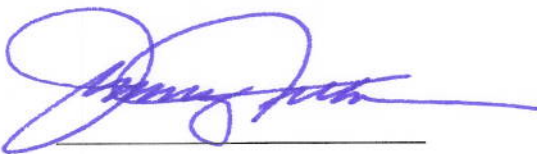
While we understand that the CFPB desires to provide prepaid cards with many of the same protections available to debit cards attached to transaction accounts, we are concerned that the Proposed Rule may go too far as some of the "prepaid accounts" covered by the Proposed Rule aren't viewed by the industry and consumers alike as functionally equivalent to transaction accounts, which is the main underpinning of many of the requirements in the Proposed Rule.

It is important to note that there are more than 20 different categories of prepaid cards in the market today, including such products as general purpose reloadable (GPR) cards, payroll cards, insurance proceeds cards, disaster relief cards, transit cards, campus cards, travel cards, expense reimbursement cards, and various types of government benefit cards, among others. These different prepaid card types can also have vastly different features and functionality. For example, they can (i) be corporate funded, consumer funded, or government funded; (ii) be single use or reloadable; and (iii) provide cash access or prohibit cash access. As a result, a one size fits all approach to the many different types of "prepaid accounts" covered by the Proposed Rule will likely create numerous unintended consequences that will need to be fully explored and vetted by the entire transaction processing industry.

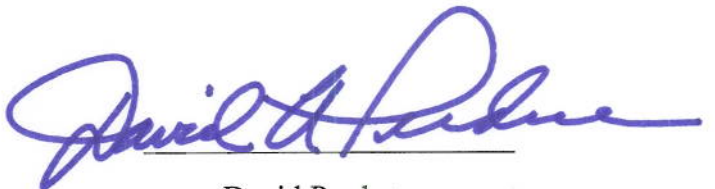
We are concerned that without extension of the comment period, the CFPB will not have all the information to ensure that the Proposed Rule doesn't unnecessarily harm the industry by increasing costs or stifling innovation without countervailing consumer benefits. Based on our conversations with our constituents, we are not convinced that the CFPB has struck the proper balance in the Proposed Rule.

Since this review process will be extremely time consuming and we owe it to consumers and the thousands that work in this industry to "get it right," we respectfully request a 60-day extension of the initial 90-day comment period so that our constituents can provide useful comments to the Proposed Rule.

Sincerely,

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Johnny Isakson
United States Senator

A handwritten signature in blue ink, appearing to read "David A. Perdue", written over a horizontal line.

David Perdue
United States Senator