

Federal Reserve Release



Press Release

Release Date: August 24, 2006

For immediate release

The Federal Reserve Board on Thursday announced its approval of a final rule to provide that payroll card accounts are covered by the Board's consumer protection regulation governing electronic fund transfers.

The final rule grants flexibility to financial institutions that must provide account transaction information to payroll card users. Under the rule, institutions are not required to provide paper periodic statements to consumers if the institution makes account transaction information available by telephone, electronically, and, upon the consumer's request, in writing.

The amendments to address payroll card accounts are being made to Regulation E, which implements the Electronic Fund Transfer Act, and to the official staff commentary, which interprets the requirements of Regulation E. The effective date is July 1, 2007.

In a separate action, the Board requested public comment on an interim final rule to provide additional clarification regarding Regulation E's coverage of the electronic collection of insufficient funds fees by merchants and other payees and consumer notice requirements for electronic check conversion transactions. The effective date for the interim final rule is January 1, 2007, consistent with a previously issued January 2006 final rule; however, certain provisions regarding the fee disclosures will have a delayed compliance date of January 1, 2008. The Board requests comment on the interim final rule within thirty days after publication in the Federal Register, which is expected shortly.

The Federal Register notices are attached.

[Final rule \(141 KB PDF\)](#)

[Interim final rule \(81 KB PDF\)](#)

[2006 Banking and consumer regulatory policy](#)

[Home](#) | [News and events](#)

[Accessibility](#)