

(1) **STUDY.**—The Comptroller General of the United States shall, from time to time, review the reports submitted by creditors under section 127(r) of the Truth in Lending Act, as added by this section, and the marketing practices of creditors to determine the impact that college affinity card agreements and college student card agreements have on credit card debt.

(2) **REPORT.**—Upon completion of any study under paragraph (1), the Comptroller General shall periodically submit a report to the Congress on the findings and conclusions of the study, together with such recommendations for administrative or legislative action as the Comptroller General determines to be appropriate.

## TITLE IV—GIFT CARDS

### SEC. 401. GENERAL-USE PREPAID CARDS, GIFT CERTIFICATES, AND STORE GIFT CARDS.

The Electronic Fund Transfer Act (15 U.S.C. 1693 et seq.) is amended—

(1) by redesignating sections 915 through 921 as sections 916 through 922, respectively; and

(2) by inserting after section 914 the following:

15 USC 1693  
note, 1693m–  
1693r.

### “SEC. 915. GENERAL-USE PREPAID CARDS, GIFT CERTIFICATES, AND STORE GIFT CARDS.

15 USC 1693l–1.

“(a) **DEFINITIONS.**—In this section, the following definitions shall apply:

“(1) **DORMANCY FEE; INACTIVITY CHARGE OR FEE.**—The terms ‘dormancy fee’ and ‘inactivity charge or fee’ mean a fee, charge, or penalty for non-use or inactivity of a gift certificate, store gift card, or general-use prepaid card.

“(2) **GENERAL USE PREPAID CARD, GIFT CERTIFICATE, AND STORE GIFT CARD.**—

“(A) **GENERAL-USE PREPAID CARD.**—The term ‘general-use prepaid card’ means a card or other payment code or device issued by any person that is—

“(i) redeemable at multiple, unaffiliated merchants or service providers, or automated teller machines;

“(ii) issued in a requested amount, whether or not that amount may, at the option of the issuer, be increased in value or reloaded if requested by the holder;

“(iii) purchased or loaded on a prepaid basis; and

“(iv) honored, upon presentation, by merchants for goods or services, or at automated teller machines.

“(B) **GIFT CERTIFICATE.**—The term ‘gift certificate’ means an electronic promise that is—

“(i) redeemable at a single merchant or an affiliated group of merchants that share the same name, mark, or logo;

“(ii) issued in a specified amount that may not be increased or reloaded;

“(iii) purchased on a prepaid basis in exchange for payment; and

“(iv) honored upon presentation by such single merchant or affiliated group of merchants for goods or services.

“(C) STORE GIFT CARD.—The term ‘store gift card’ means an electronic promise, plastic card, or other payment code or device that is—

“(i) redeemable at a single merchant or an affiliated group of merchants that share the same name, mark, or logo;

“(ii) issued in a specified amount, whether or not that amount may be increased in value or reloaded at the request of the holder;

“(iii) purchased on a prepaid basis in exchange for payment; and

“(iv) honored upon presentation by such single merchant or affiliated group of merchants for goods or services.

“(D) EXCLUSIONS.—The terms ‘general-use prepaid card’, ‘gift certificate’, and ‘store gift card’ do not include an electronic promise, plastic card, or payment code or device that is—

“(i) used solely for telephone services;

“(ii) reloadable and not marketed or labeled as a gift card or gift certificate;

“(iii) a loyalty, award, or promotional gift card, as defined by the Board;

“(iv) not marketed to the general public;

“(v) issued in paper form only (including for tickets and events); or

“(vi) redeemable solely for admission to events or venues at a particular location or group of affiliated locations, which may also include services or goods obtainable—

“(I) at the event or venue after admission;

or

“(II) in conjunction with admission to such events or venues, at specific locations affiliated with and in geographic proximity to the event or venue.

“(3) SERVICE FEE.—

“(A) IN GENERAL.—The term ‘service fee’ means a periodic fee, charge, or penalty for holding or use of a gift certificate, store gift card, or general-use prepaid card.

“(B) EXCLUSION.—With respect to a general-use prepaid card, the term ‘service fee’ does not include a one-time initial issuance fee.

“(b) PROHIBITION ON IMPOSITION OF FEES OR CHARGES.—

“(1) IN GENERAL.—Except as provided under paragraphs (2) through (4), it shall be unlawful for any person to impose a dormancy fee, an inactivity charge or fee, or a service fee with respect to a gift certificate, store gift card, or general-use prepaid card.

“(2) EXCEPTIONS.—A dormancy fee, inactivity charge or fee, or service fee may be charged with respect to a gift certificate, store gift card, or general-use prepaid card, if—

“(A) there has been no activity with respect to the certificate or card in the 12-month period ending on the date on which the charge or fee is imposed;

“(B) the disclosure requirements of paragraph (3) have been met;

“(C) not more than one fee may be charged in any given month; and

“(D) any additional requirements that the Board may establish through rulemaking under subsection (d) have been met.

“(3) DISCLOSURE REQUIREMENTS.—The disclosure requirements of this paragraph are met if—

“(A) the gift certificate, store gift card, or general-use prepaid card clearly and conspicuously states—

“(i) that a dormancy fee, inactivity charge or fee, or service fee may be charged;

“(ii) the amount of such fee or charge;

“(iii) how often such fee or charge may be assessed;

and

“(iv) that such fee or charge may be assessed for inactivity; and

“(B) the issuer or vendor of such certificate or card informs the purchaser of such charge or fee before such certificate or card is purchased, regardless of whether the certificate or card is purchased in person, over the Internet, or by telephone.

“(4) EXCLUSION.—The prohibition under paragraph (1) shall not apply to any gift certificate—

“(A) that is distributed pursuant to an award, loyalty, or promotional program, as defined by the Board; and

“(B) with respect to which, there is no money or other value exchanged.

“(c) PROHIBITION ON SALE OF GIFT CARDS WITH EXPIRATION DATES.—

“(1) IN GENERAL.—Except as provided under paragraph (2), it shall be unlawful for any person to sell or issue a gift certificate, store gift card, or general-use prepaid card that is subject to an expiration date.

“(2) EXCEPTIONS.—A gift certificate, store gift card, or general-use prepaid card may contain an expiration date if—

“(A) the expiration date is not earlier than 5 years after the date on which the gift certificate was issued, or the date on which card funds were last loaded to a store gift card or general-use prepaid card; and

“(B) the terms of expiration are clearly and conspicuously stated.

“(d) ADDITIONAL RULEMAKING.—

“(1) IN GENERAL.—The Board shall—

“(A) prescribe regulations to carry out this section, in addition to any other rules or regulations required by this title, including such additional requirements as appropriate relating to the amount of dormancy fees, inactivity charges or fees, or service fees that may be assessed and the amount of remaining value of a gift certificate, store gift card, or general-use prepaid card below which such charges or fees may be assessed; and

Regulations.

“(B) shall determine the extent to which the individual definitions and provisions of the Electronic Fund Transfer Act or Regulation E should apply to general-use prepaid cards, gift certificates, and store gift cards.

“(2) CONSULTATION.—In prescribing regulations under this subsection, the Board shall consult with the Federal Trade Commission.

Deadline.

“(3) TIMING; EFFECTIVE DATE.—The regulations required by this subsection shall be issued in final form not later than 9 months after the date of enactment of the Credit CARD Act of 2009.”.

#### **SEC. 402. RELATION TO STATE LAWS.**

15 USC 1693q.

Section 920 of the Electronic Fund Transfer Act (as redesignated by this title) is amended by inserting “dormancy fees, inactivity charges or fees, service fees, or expiration dates of gift certificates, store gift cards, or general-use prepaid cards,” after “electronic fund transfers,”.

15 USC 1693l–1 note.

#### **SEC. 403. EFFECTIVE DATE.**

This title and the amendments made by this title shall become effective 15 months after the date of enactment of this Act.

## **TITLE V—MISCELLANEOUS PROVISIONS**

#### **SEC. 501. STUDY AND REPORT ON INTERCHANGE FEES.**

(a) STUDY REQUIRED.—The Comptroller General of the United States (in this section referred to as the “Comptroller”) shall conduct a study on use of credit by consumers, interchange fees, and their effects on consumers and merchants.

(b) SUBJECTS FOR REVIEW.—In conducting the study required by this section, the Comptroller shall review—

(1) the extent to which interchange fees are required to be disclosed to consumers and merchants, whether merchants are restricted from disclosing interchange or merchant discount fees, and how such fees are overseen by the Federal banking agencies or other regulators;

(2) the ways in which the interchange system affects the ability of merchants of varying size to negotiate pricing with card associations and banks;

(3) the costs and factors incorporated into interchange fees, such as advertising, bonus miles, and rewards, how such costs and factors vary among cards;

(4) the consequences of the undisclosed nature of interchange fees on merchants and consumers with regard to prices charged for goods and services;

(5) how merchant discount fees compare to the credit losses and other costs that merchants incur to operate their own credit networks or store cards;

(6) the extent to which the rules of payment card networks and their policies regarding interchange fees are accessible to merchants;

(7) other jurisdictions where the central bank has regulated interchange fees and the impact on retail prices to consumers in such jurisdictions;

(8) whether and to what extent merchants are permitted to discount for cash; and