

SENATE NO. 621

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 edition, is
2 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,
10 then a consumer shall be entitled to treble damages as determined under clause (1) of subsection
11 (a) of section 20 from said financial institution.