

113<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 5188

To amend the Consumer Financial Protection Act of 2010 to require the Bureau of Consumer Financial Protection to develop a model form for a disclosure notice that shall be used by depository institutions and credit unions, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 24, 2014

Mr. CARNEY introduced the following bill; which was referred to the  
Committee on Financial Services

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## A BILL

To amend the Consumer Financial Protection Act of 2010 to require the Bureau of Consumer Financial Protection to develop a model form for a disclosure notice that shall be used by depository institutions and credit unions, and for other purposes.

1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*

3        **SECTION 1. FINDINGS.**

4        Congress finds that:

5                (1) Depository institutions and credit unions  
6        have an obligation to provide consumers with policy

1 and fee information in a concise and easy to under-  
2 stand format.

3 (2) Because the length of disclosure forms  
4 ranges from 21 to 153 pages for depository institu-  
5 tions and 9 to 53 pages for credit unions, consumers  
6 have a difficult time understanding how much they  
7 are paying for their checking accounts and other fi-  
8 nancial products. Consumers should be able to com-  
9 pare account terms and conditions among depository  
10 institutions and credit unions.

11 (3) A simplified, standardized disclosure form  
12 would reduce consumer confusion and make it easier  
13 for institutions to compete on price and quality of fi-  
14 nancial products.

15 **SEC. 2. MODEL DISCLOSURES FOR DEPOSITORY INSTITU-**  
16 **TIONS AND CREDIT UNIONS.**

17 Section 1032 of the Consumer Financial Protection  
18 Act of 2010 (12 U.S.C. 5532) is amended by adding at  
19 the end the following new subsection:

20 “(g) MODEL DISCLOSURES FOR DEPOSITORY INSTI-  
21 TIONS AND CREDIT UNIONS.—

22 “(1) IN GENERAL.—The Bureau, by rule, shall  
23 develop a model form for a disclosure notice that  
24 shall be used by depository institutions and credit  
25 unions for provision of disclosures to be given to a

1 consumer before that consumer opens a checking ac-  
2 count.

3 “(2) STAKEHOLDER INPUT.—Prior to issuing a  
4 rule pursuant to paragraph (1), the Bureau shall so-  
5 licit input from representatives of depository institu-  
6 tions and credit unions, non-profit consumer protec-  
7 tion entities, and organizations that represent the  
8 interests of depository institutions and credit unions.

9 “(3) REQUIREMENTS.—A model form developed  
10 pursuant to paragraph (1) shall—

11 “(A) comply with the format requirements  
12 of subsection (b)(2);

13 “(B) when practicable, be made available  
14 on the website of the depository institution or  
15 credit union; and

16 “(C) include disclosures relating to—

17 “(i) opening a checking account and  
18 use of such account;

19 “(ii) consequences of overdraft on  
20 such account, including any fees related to  
21 overdraft;

22 “(iii) processing policies of the depository  
23 institution or credit union; and

1                   “(iv) procedures for resolving a dis-  
2                   pute between the consumer and the deposi-  
3                   tory institution or credit union.

4                   “(4) EXEMPTION FOR CERTAIN BANKS.—Any  
5                   depository institution or credit union with total as-  
6                   sets of less than \$2,000,000,000 shall be exempt  
7                   from the requirements of this subsection.”.

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