

July 15, 2019

Governor Gavin Newsom
1303 10th Street
Suite 1173
Sacramento, CA 95814

RE: Support - AB 1428 (Refund Cards)

Dear Governor Newsom:

The Electronic Transactions Association (“ETA”), supports AB 1428 which requires a business that offers a refund to a customer via a prepaid debit card for a purchase initiated by a customer in California to provide the customer with at least one other method of receiving the refund other than a prepaid debit card. ETA agrees that consumer choice is important when receiving a refund. ETA appreciates that the author and his staff has thought through this issue and worked with our organization to provide meaningful consumer protection while minimizing unintended consequences.

ETA is the leading trade association for the payments industry, representing over 500 companies that offer electronic transaction processing products and services. ETA’s members include financial institutions, mobile payment service providers, data aggregators, mobile wallet providers and non-bank online lenders that make commercial loans to small businesses, either directly or in partnership with other lenders. ETA member companies are creating innovative offerings in financial services, revolutionizing the way commerce is conducted with safe, convenient and rewarding payment solutions and business lending alternatives.

Bill Summary

The bill (AB 1428) requires a business that offers a refund to a customer via a prepaid debit card for a purchase initiated by a customer in California to provide the customer with at least one other method of receiving the refund other than a prepaid debit card.

Prepaid Products Provide Benefits to Underserved Communities

Prepaid products and refund cards provide cost-effective, convenient, and innovative payment options for millions of consumers, including those that may not have access to traditional financial accounts. Many ETA members offer prepaid products, which provide cost-effective, convenient, and innovative payment options for millions of consumers, particularly for the approximately 68 million consumers with limited or no access to other financial services. These types of products increase the use of pre-paid cards as a payment tool, rather than simply a way to access cash, so that consumers have a more secure way to manage money. Prepaid cards have shown demonstrable benefits for the underserved by providing America’s underserved consumers with access to

prepaid cards makes their money safer and helps move them into the increasingly important world of online transactions.

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Thank you for the opportunity to participate in the discussion on this important issue. If you have any additional questions, you can contact me or ETA Senior Vice President, Scott Talbott at stalbott@electran.org.

Sincerely,



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Cc: Majority Leader Ian Calderon