

April 22, 2019

Assemblymember Monique Limon
Chair
Assembly Banking and Finance Committee
State Capitol, Room 6031
Sacramento, California 95814

RE: Support If Amended - AB 1428 (Refund Cards)

Dear Chair Limon:

On behalf of the Electronic Transactions Association (“ETA”), we appreciate the opportunity to share our thoughts regarding AB 1428 which requires a business that offers a refund to a customer via prepaid debit card to offer the customer a choice among refund formats, including offering a refund back to the original form of payment and offering a refund via a check. This bill brings a number of compliance challenges as written. ETA agrees that consumer choice is important when receiving a refund. As such, ETA recommends that the bill be amended to instead offer consumer choice of at least one other method of receiving a refund other than a prepaid debit card.

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 prepaid debit card to offer the customer a choice among refund formats, including offering a refund back to the original form of payment and offering a refund via a check.

Recommended Language

We have suggested alternative language that would allow the consumer to be able to make the choice about refund alternatives at any time (not just before the refund is issued).

1748.41 - If a business offers a refund to a customer via a prepaid debit card for a purchase initially completed within California, the business shall provide the customer with at least one other method of receiving the refund other than a prepaid debit card.

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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,



PJ Hoffman
Director of Regulatory Affairs
Electronic Transactions Association
PJHoffman@electran.org
(202) 677-7417

Cc: Members of the Assembly Banking and Finance Committee
Majority Leader Ian Calderon