

Congress of the United States
Washington, DC 20515

April 15, 2016

The Honorable Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Dear Director Cordray,

We write to express our views concerning the Consumer Financial Protection Bureau (CFPB) proposed regulation on prepaid accounts, which includes General Purpose Reloadable (GPR) prepaid cards. As you know, prepaid cards are increasingly being utilized by a large range of consumers for a variety of reasons. Prepaid cards have also allowed an increasing number of the 68 million unbanked and underbanked Americans to safely deposit their earnings, manage their payments needs, and save for the future.

We strongly support the CFPB's efforts to strengthen regulations and create comprehensive consumer protections in this growing market including, but not limited to, establishing disclosure and statement requirements, and ensuring appropriate consumer safeguards with respect to overdraft features. We are concerned, however, that the application of credit card regulations, namely Regulation Z, to all overdraft features of prepaid cards, could leave consumers who lack emergency savings or traditional banking services without access to safe, small dollar, on-demand short term credit when funds are tight. With this in mind, we urge the CFPB to carefully consider an exemption for small dollar overdrafts of a sufficient amount to provide consumers with meaningful access to funds on a short-term basis. Small dollar overdraft features can help consumers access enough funds to pay for basic necessities, such as gas, groceries, utilities, and prescriptions, without over extending cardholders in a way that puts them in a difficult financial position.

After hearing directly from cardholders, it is clear that the type of overdraft protection being offered on prepaid cards is an important tool in helping consumers access \$100 or less in overdraft funds to smooth the transition between paycheck to paycheck when their balance runs low. Innovative features such as fee-free buffers, cure periods, balance alerts, and other safeguards help consumers use small dollar credit features in a prudent manner.

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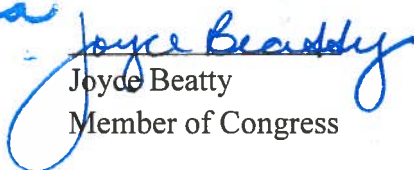
We thank you for your leadership on this issue and look forward to working with you to ensure that regulations provide sufficient consumer protections, without limiting lower-income consumers' access to safe features that help them manage their payment needs.

Thank you for your consideration of this matter.

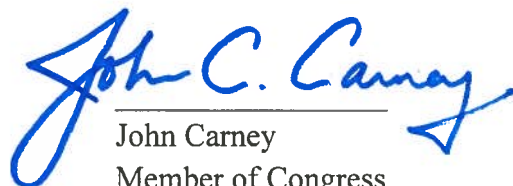
Sincerely,



Rubén Hinojosa
Member of Congress



Joyce Beatty
Member of Congress



John Carney
Member of Congress