

**HOUSE . . . . . No. 03126**

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The Commonwealth of Massachusetts

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PRESENTED BY:

*Tackey Chan*

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act to require financial institutions to pay late fees when it fails to conduct an electronic transfer.

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PETITION OF:

NAME:

*Tackey Chan*

DISTRICT/ADDRESS:

*2nd Norfolk*

# HOUSE . . . . . No. 03126

By Mr. Chan of Quincy, a petition (accompanied by bill, House, No. 3126) of Chan for legislation to require financial institutions to pay late fees upon failure to conduct electronic transfers Joint Committee on Financial Services.

[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE  
□ SENATE  
□ , NO. 498 OF 2009-2010.]

## The Commonwealth of Massachusetts

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**In the Year Two Thousand Eleven**  
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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, then  
10 a consumer shall be entitled to treble damages as determined under clause (1) of subsection (a) of  
11 section 20 from said financial institution.