

**HOUSE . . . . . No. 504**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

*Tackey Chan*

*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 adoption of the accompanying bill:

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

PETITION OF:

NAME:

*Tackey Chan*

DISTRICT/ADDRESS:

*2nd Norfolk*

**HOUSE . . . . . No. 504**

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By Mr. Chan of Quincy, a petition (accompanied by bill, House, No. 504) of Tackey Chan for legislation to require financial institutions to pay late fees upon failure to conduct electronic transfers. Financial Services.

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[SIMILAR MATTER FILED IN PREVIOUS SESSION  
SEE HOUSE, NO. 815 OF 2015-2016.]

**The Commonwealth of Massachusetts**

\_\_\_\_\_  
**In the One Hundred and Ninetieth General Court  
(2017-2018)**  
\_\_\_\_\_

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  
2 edition, is 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.