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THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1553 Session of 2025

INTRODUCED BY SANCHEZ, GIRAL, BURGOS, HOWARD, HILL-EVANS, HANBIDGE AND MAYES, JUNE 4, 2025

REFERRED TO COMMITTEE ON COMMERCE, JUNE 4, 2025

AN ACT

Amending Title 7 (Banks and Banking) of the Pennsylvania Consolidated Statutes, providing for overdraft protections for customers and members of banking institutions and credit unions.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Title 7 of the Pennsylvania Consolidated Statutes is amended by adding a part to read:

PART III

CONSUMER PROTECTIONS

Chapter

71. Overdraft Protections for Customers of Banking Institutions

73. Overdraft Protections for Members of Credit Unions

CHAPTER 71

OVERDRAFT PROTECTIONS FOR

CUSTOMERS OF BANKING INSTITUTIONS

Sec.

7101. Definitions.

7102. Overdraft protections for customers.

7103. Fee transparency.

§ 7101. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Banking institution." Any of the following:

(1) A State-chartered bank, savings bank or bank and trust company.

(2) A national bank or federally chartered savings bank.

(3) A federally chartered or State-chartered savings association.

(4) A subsidiary of any of the entities listed under this definition.

"Customer." A customer of a banking institution.

"Fee." A nonsufficient funds fee or an overdraft fee.

"Nonsufficient funds fee." A fee resulting from the initiation of a transaction that exceeds a customer's available account balance.

"Overdraft fee." A fee resulting from the processing of a transaction that exceeds a customer's available account balance.

"Overdraft transaction." A check, written order or electronic debit presented against insufficient funds or uncollected balances in a customer's account, which is paid by the banking institution.

§ 7102. Overdraft protections for customers.

(a) Notice requirements.--A banking institution shall provide a notice to a customer each time the banking institution charges a fee. The notice shall meet all of the following requirements:

(1) The notice shall be provided to the customer using a communication method designated by the customer for receiving this type of notice.

(2) The notice shall be provided on the same business day when the transaction that resulted in the fee occurred, unless it is not feasible to provide the notice that day, in which case the notice shall be provided on the next business day.

(3) The notice shall contain all of the following:

(i) The date of the transaction.

(ii) The type of transaction.

(iii) Whether the transaction was declined or processed.

(iv) If applicable, the amount of the overdraft that results from the transaction.

(v) If applicable, the amount necessary to return the account to a positive balance.

(vi) If applicable, the consequences of not returning the account to a positive balance within a certain time frame.

(vii) If applicable, the amount of time the customer has to return the account to a positive balance to avoid the consequences specified under subparagraph (vi).

(b) Multiple account holders.--If an account subject to a fee has more than one account holder, the provision of the notice under subsection (a) to any account holder shall be sufficient to meet the requirements under subsection (a).

(c) Fee limitation.--

(1) Beginning on January 1 following the effective date of this paragraph, a banking institution may not charge a fee

exceeding $15, or the cost of processing the transaction, whichever is lower.

(2) A banking institution may not impose more than three nonsufficient funds fees on a customer's account in a single calendar day.

(d) Additional charges prohibited.--A banking institution may not impose any charge on an overdraft transaction other than the overdraft fee or nonsufficient funds fee.

(e) Declined transactions.--A banking institution may not charge a customer a nonsufficient funds fee when the customer's attempt to initiate a transaction is declined.

§ 7103. Fee transparency.

A banking institution with a publicly accessible Internet website shall conspicuously post a list of each fee charged by the banking institution on the publicly accessible Internet website.

CHAPTER 73

OVERDRAFT PROTECTIONS FOR

MEMBERS OF CREDIT UNIONS

Sec.

7301. Definitions.

7302. Overdraft protections for members.

7303. Fee transparency.

§ 7301. Definitions.

The following words and phrases when used in this chapter shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Credit union." A State or federally chartered credit union.

"Fee." A nonsufficient funds fee or an overdraft fee.

"Member." A member of a credit union.

"Nonsufficient funds fee." A fee resulting from the initiation of a transaction that exceeds a member's available account balance.

"Overdraft fee." A fee resulting from the processing of a transaction that exceeds a member's available account balance.

"Overdraft transaction." A check, written order or electronic debit presented against insufficient funds or uncollected balances in a member's account, which is paid by the credit union.

§ 7302. Overdraft protections for members.

(a) Notice requirements.--A credit union shall provide a notice to a member each time the credit union charges a fee. The notice shall meet all of the following requirements:

(1) The notice shall be provided to the member using a communication method designated by the member for receiving this type of notice.

(2) The notice shall be provided on the same business day when the transaction that resulted in the fee occurred, unless it is not feasible to provide the notice that day, in which case the notice shall be provided on the next business day.

(3) The notice shall contain all of the following:

(i) The date of the transaction.

(ii) The type of transaction.

(iii) Whether the transaction was declined or processed.

(iv) If applicable, the amount of the overdraft that results from the transaction.

(v) If applicable, the amount necessary to return the account to a positive balance.

(vi) If applicable, the consequences of not returning the account to a positive balance within a certain time frame.

(vii) If applicable, the amount of time the member has to return the account to a positive balance to avoid the consequences specified under subparagraph (vi).

(b) Multiple account holders.--If an account subject to a fee has more than one account holder, the provision of the notice under subsection (a) to any account holder shall be sufficient to meet the requirements under subsection (a).

(c) Fee limitation.--

(1) Beginning on January 1 following the effective date of this paragraph, a credit union may not charge a fee exceeding $15, or the cost of processing the transaction, whichever is lower.

(2) A credit union may not impose more than three nonsufficient funds fees on a member's account in a single calendar day.

(d) Additional charges prohibited.--A credit union may not impose any charge on an overdraft transaction other than the overdraft fee or nonsufficient funds fees.

(e) Declined transactions.--A credit union may not charge a member a nonsufficient funds fee when the member's attempt to initiate a transaction is declined.

§ 7303. Fee transparency.

A credit union with a publicly accessible Internet website shall conspicuously post a list of each fee charged by the credit union on the publicly accessible Internet website.

Section 2. This act shall take effect in 180 days.