

## CFPB Issues ATM Rule Which Helps Banks and Not Consumers

March 29, 2013 - When Congress passed Dodd-Frank financial reform and created the Consumer Financial Protection Bureau, the sole purpose of the new agency was supposedly to protect consumer interests in financial transactions. As a result of this legislation, fixed rate credit cards have nearly gone away. The same can be said for free checking accounts. Now the agency is issuing a new rule that reduces the amount of information that is readily available to consumers at ATM's. While the intent was to streamline electronic wire transfers, the change will almost certainly lead to increased fees for some consumers.

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We've all seen the notices. You walk up to an ATM and there is information posted to tell you that if the ATM doesn't belong to your own bank, you'll be charged a fee for your transaction. And you are told how much that fee will be. No more.

Last year, Congress passed a bill called the Electronic Funds Transfer Act. The act was signed into law on December 12th, 2012 by President Obama. Under the new law, the CFPB has issued a final rule about the notices that ATM operators are required to post on their machines. The new rule means that they no longer need to post their fees "on or near" the machine. Instead, consumers must be told about the fees on the ATM screen prior to completing their transaction.

While this may seem like a minor change, it really isn't. For years now, consumers have had the ability to find out what their ATM fees would be simply by looking for a sign near the ATM. If there was a line for the machine, there was no need to stand in it if the fees were objectionable. The new rule changes that.

Depending upon where you live, where you bank and when you shop, the rule may have little effect on you. But it may. For instance, it is quite common to see lines at ATM's in malls and at some entertainment venues. They are also common at many banks on Friday afternoons. And if history proves anything, it is that most of us are lazy consumers. It's one thing to be say, "I'm not going to pay that fee," if you haven't wasted any time. It's quite another to make that decision after you've been standing in line for a few minutes and you've already put your card into the machine.

Going back to the old saying "buyer beware", consumers need to keep in mind simply because no ATM fees are visibly posted near the machine they are using, that doesn't mean that they can assume their transaction will be free. The new rule goes into effect as soon as it is published in the Federal Register.

byJim Malmberg

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