[118H8922]

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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. ______

To require the Director of the Bureau of Consumer Financial Protection to issue a final rule requiring any card issuer that issues a pre-approved credit card to a senior citizen to provide fraud alerts to certain individuals, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HIGGINS of Louisiana introduced the following bill; which was referred to the Committee on ______________________________

A BILL

To require the Director of the Bureau of Consumer Financial Protection to issue a final rule requiring any card issuer that issues a pre-approved credit card to a senior citizen to provide fraud alerts to certain individuals, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Janie Wynn Protecting Elders from Financial Exploitation Act".

SEC. 2. PREVENTION OF SENIOR CITIZEN FINANCIAL EXPLOITATION.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Director of the Bureau of Consumer Financial Protection, in consultation with the Secretary of the Treasury and the Director of the Financial Crimes Enforcement Network, shall issue a final rule requiring—

(1) any card issuer that issues a pre-approved credit card to a senior citizen to provide fraud alerts for such credit card upon activation to—

(A) the cardholder; and

(B) except as provided in subsection (b), an individual selected by the cardholder who is at least 25 years old and—

(i) is a relative or spouse of the cardholder; or

(ii) has provided a description to the card issuer of the nature of their relationship with the cardholder; and

(2) each depository institution and credit union to provide training to employees who perform fraud detection services on how to identify account activity that is indicative of financial exploitation of a senior citizen and notify any senior citizen that possesses an account with the depository institution or credit

union within 24 hours of any such account activity occurring in such account, including—

(A) the irregular use of—

(i) an automated teller machine;

(ii) a credit card;

(iii) an online banking service; or

(iv) a wire transfer;

(B) an irregular cash withdrawal;

(C) an irregular credit card charge;

(D) the absence of a regularly occurring deposit;

(E) account activity in a previously inactive account;

(F) the addition of an authorized user to an account;

(G) a change of address associated with an account;

(H) an inability to cover a charged payment due to insufficient funds in an account;

(I) a request for a credit limit increase;

(J) a charged payment for the purchase of gift cards or prepaid debit cards in an aggregate amount greater than $100;

(K) an electronic payment from an account through the Automated Clearing House network to a recipient with no history of prior payment from such account; and

(L) a gap in the check number of checks cashed from an account.

(b) EXCEPTION.—The Director of the Bureau of Consumer Financial Protection shall include in the rule required under subsection (a) a waiver of the requirements of paragraph (1)(B) of such subsection if—

(1) the cardholder signs a waiver acknowledging an increased risk of financial exploitation; and

(2) the card issuer retains a copy of such waiver until at least 5 years after the date that the pre-approved credit card is deactivated.

(c) DEFINITIONS.—In this Act:

(1) CARDHOLDER; CARD ISSUER.—The terms ''cardholder'' and ''card issuer'' have the meanings given such terms, respectively, in section 103 of the Truth in Lending Act (15 U.S.C. 1602).

(2) CREDIT UNION.—The term ''credit union'' means a Federal credit union, a State credit union, or a State-chartered credit union (as such terms are defined, respectively, in section 101 of the Federal Credit Union Act (12 U.S.C. 1752)).

(3) DEPOSITORY INSTITUTION.—The term ''depository institution'' has the meaning given such

term in section 3 of the Federal Deposit Insurance Act (12 U.S.C. 1813).

(4) EXPLOITATION; SENIOR CITIZEN.—The terms "exploitation" and "senior citizen" have the meanings given such terms, respectively, in section 303 of the Economic Growth, Regulatory Relief, and Consumer Protection Act (12 U.S.C. 3423).

(5) FRAUD ALERT.—The term "fraud alert" means a notice provided by a card issuer to an individual of suspected fraudulent activity connected to a credit card associated with such individual and managed by such card issuer that—

(A) is communicated by means of a phone call, email, or text message;

(B) describes the suspected fraudulent activity in sufficient detail to alert the individual of such activity, including account activity that is indicative of financial exploitation of a senior citizen; and

(C) includes information on how to communicate with the card issuer regarding the suspected fraudulent activity at any time of the day and on any day of the week.

(6) PRE-APPROVED CREDIT CARD.—The term "pre-approved credit card" means a credit card

issued as a result of the acceptance of an offer extended to an individual to apply for such credit card based on a determination by the card issuer that such individual likely satisfied the qualifications for obtaining such credit card, including an offer extended to an individual to apply for such credit card that grants elevated or priority consideration for approval to the individual.