

**Center for Responsible Lending  
Consumer Action  
Consumer Federation of America  
Consumers Union  
Demos  
National Association of Consumer Advocates  
National Consumer Law Center  
Public Citizen  
U.S. Public Interest Research Group**

17 October 2006

The Honorable Hillary Rodham Clinton  
United States Senator  
476 Russell Senate Office Building  
Washington, DC 20510

Dear Senator Clinton:

We, the undersigned consumer organizations, are writing in support of S. 3978, the “Debit and Check Card Consumer Protection Act of 2006.” Today, often to the surprise of consumers, debit cards feature fewer protections than credit cards. This bill updates consumer protection laws to ensure that debit cards have the same consumer protections as credit cards.

The bill would add in protections for debit card users in these areas to match the consumer protections for credit cards. Under the bill:

- The maximum liability for unauthorized charges on a debit card would be \$50, regardless of when the fraud was reported, to match today’s liability cap for credit card use. Under current law, debit card users face a \$50 cap only if they report the fraud within 2 business days of discovery. If they don’t, but report it within 60 days, they face a maximum liability of \$500; beyond that, in some circumstances, they may be held liable for the full amount of the fraud.
- Debit cards users would be able to “chargeback” a charge to the merchant in order to receive a refund for unacceptable merchandise, just as credit card users can do. For example, consumers using debit cards would not be responsible for authorized charges when goods or services were not delivered, or were unacceptable when delivered. Currently, this right only exists for those using a credit card.

This legislation represents an important first step in making the marketplace more fair for consumers. There are, of course, other consumer problems associated with the use of debit cards, such as the issue of certain inadequately unregulated gift and other prepaid cards, which we hope you will address in future legislation.

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**Consumer Groups Support S. 3978, the Debit and Check Card Consumer Protection Act of 2006.**

Thank you for your leadership on this important issue.

Sincerely,

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