SENATE DOCKET, NO. FILED ON: 1/9/2009

**SENATE . . . . . . . . . . . . . . . No.**

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The Commonwealth of Massachusetts

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PRESENTED BY:

**Morrissey, Michael (SEN)**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

*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 passage 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: | District/Address: |
| Morrissey, Michael (SEN) | Norfolk and Plymouth |

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. S00621 OF 2007-2008.]

The Commonwealth of Massachusetts

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**In the Year Two Thousand and Nine**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

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:*

 SECTION 1. Chapter 167B of the General Laws, as appearing in the 2002 official edition, is amended by inserting after section 10 the following new section:-

Section 10A. If a financial institution fails to pay a preauthorized transfer authorized by a consumer for any reason other than those stated in section 10, and as a result the consumer is charged with a fine, penalty and/or late charge, by a third party then said financial institution shall pay the third party or reimburse the consumer the fine, penalty and/or charge, and any interest associated with the failure to pay within 5 days of discovering the error by the financial institution or within 5 days of when the consumer reports to the error to the financial consumer.  Should a financial institution who willfully and knowingly fails to comply with this section, then a consumer shall be entitled to treble damages as determined under clause (1) of subsection (a) of section 20 from said financial institution.