

Congress of the United States
House of Representatives
Washington, DC 20515-1317

March 4, 2014

Director Richard Cordray
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, D.C. 20552

Re: *The use of Debit Cards in lieu of a paycheck or direct deposit*

Dear Director Cordray:

We are writing today to express our concern for the growing practice by employers of issuing debit cards, also known as "payroll cards," in lieu of a paycheck or direct deposit. These payroll cards are generally issued by third-party financial institutions and carry with them various fees and charges that are often not explained up-front to the newly-hired employee, many of whom are low-to-middle-income, and the cards effectively reduce their take-home pay.

Employers may claim that payroll cards are less expensive than issuing a traditional printed payroll check or setting up a direct deposit. However, these cards often carry with them an exorbitant amount of hidden fees for everything from checking the balance, speaking with a bank representative, and using an A.T.M. to withdraw funds, to even transferring funds to an existing bank account.

As you know, current law prohibits employers from offering a payroll card as the only form of payment to employees and also requires employers to inform workers of any fees related to the use of payroll cards. However, as recent reports have pointed out, many employers are not giving their employees the option of choosing another form of payment while also failing to inform them of the various fees associated with these cards.

Many of the workers who are given payroll cards are those that earn minimum wage, and they are least able to afford these additional charges. These workers oftentimes are unaware of their rights and even if they do know that by law they are allowed to receive a different form of payment, they may fear losing their job if they complain or ask too many questions.

It has come to our attention that the Consumer Financial Protection Bureau (CFPB) issued a bulletin last year alerting employers of federal regulations that prohibit them from only offering employees a payroll card to receive their wages. However, we are concerned that not enough is being done to enforce these regulations.

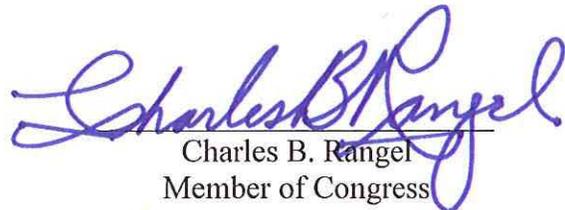
We respectfully urge you to further investigate this disturbing practice, and at the very least ensure that employers are complying with current federal regulations, by providing conspicuous notice to employees as to their options of how they may receive their paycheck, and in the case of using payroll cards, by providing the employee with an upfront list of all associated fees.

The growing issue of employers taking advantage of employees through payroll cards is a serious one, and we respectfully urge you make this a top priority. Please respond within ten business days with an update on the present and future steps the CFPB has and will be taking to curtail this practice. In the midst of this still-recovering economy when the middle class and working families continue to get squeezed by stagnant wages while Wall Street banks are making record profits, employees shouldn't be asked to take even more of a hit in their take home pay.

Sincerely,



Cheri Bustos
Member of Congress



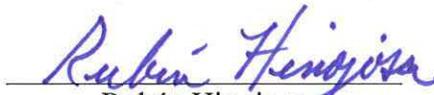
Charles B. Rangel
Member of Congress



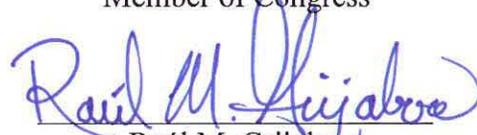
Eleanor Holmes Norton
Member of Congress



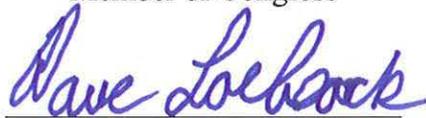
Niki Tsongas
Member of Congress



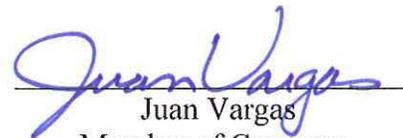
Rubén Hinojosa
Member of Congress



Raúl M. Grijalva
Member of Congress



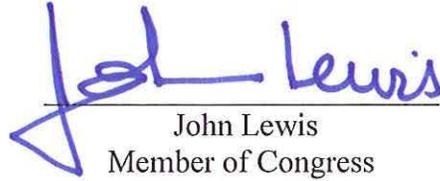
Dave Loebsack
Member of Congress



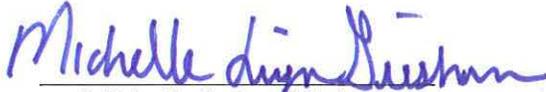
Juan Vargas
Member of Congress



Carol Shea-Porter
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John Lewis
Member of Congress



Michelle Lujan Grisham
Member of Congress



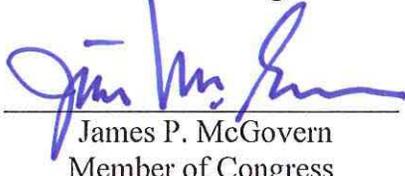
Mark Pocan
Member of Congress



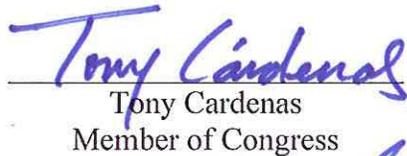
Ann McLane Kuster
Member of Congress



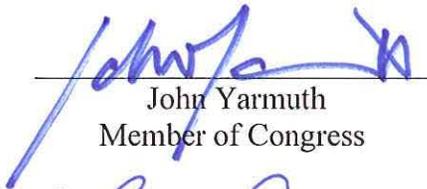
Matthew A. Cartwright
Member of Congress



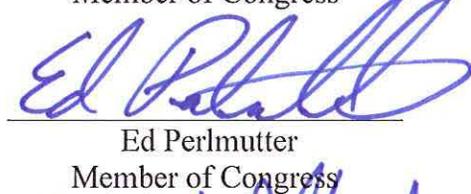
James P. McGovern
Member of Congress



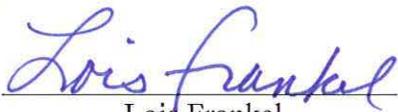
Tony Cardenas
Member of Congress



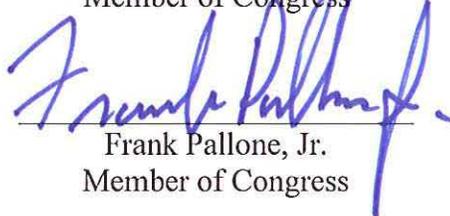
John Yarmuth
Member of Congress



Ed Perlmutter
Member of Congress



Lois Frankel
Member of Congress



Frank Pallone, Jr.
Member of Congress



Robert C. "Bobby" Scott
Member of Congress



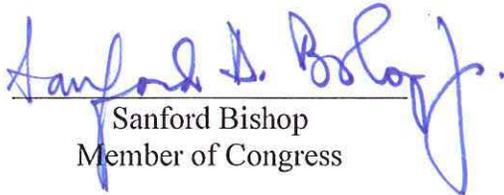
Mike Quigley
Member of Congress



Alan Grayson
Member of Congress



Chellie Pingree
Member of Congress



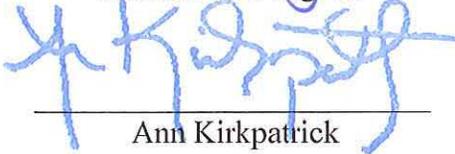
Sanford Bishop
Member of Congress



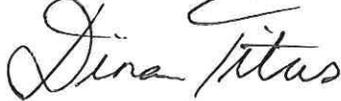
James P. Moran
Member of Congress



Wm. Lacy Clay
Member of Congress



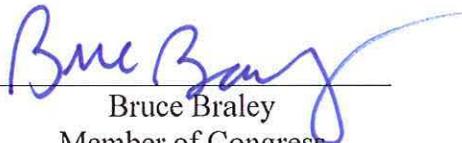
Ann Kirkpatrick
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Dina Titus
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Eric Swalwell
Member of Congress



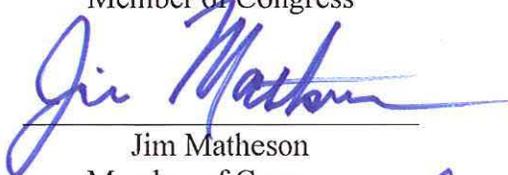
Bruce Braley
Member of Congress



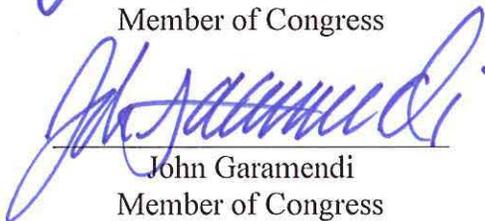
Keith Ellison
Member of Congress



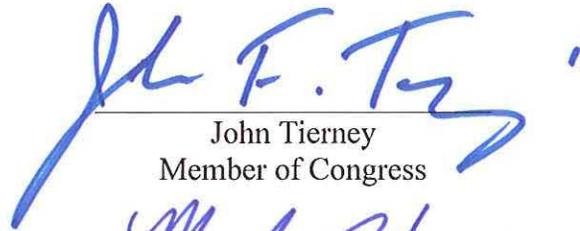
Timothy J. Walz
Member of Congress



Jim Matheson
Member of Congress



John Garamendi
Member of Congress



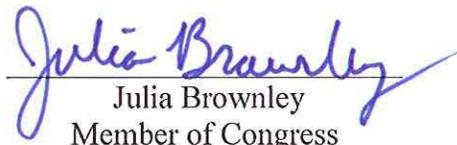
John Tierney
Member of Congress



Mark Takano
Member of Congress



Karen Bass
Member of Congress



Julia Brownley
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Alan S. Lowenthal
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Janice D. Schakowsky
Member of Congress



Loretta Sanchez
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Marcy Kaptur
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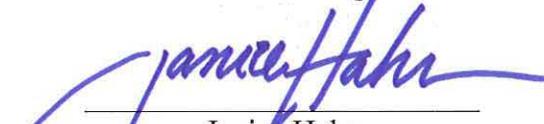
Daniel B. Maffei
Member of Congress


Kyrsten Sinema
Member of Congress

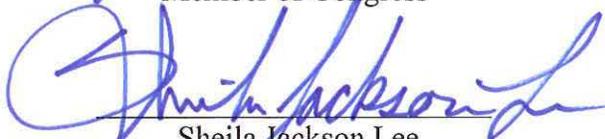

Ron Barber
Member of Congress

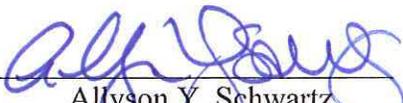

Jackie Speier
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Peter DeFazio
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Janice Hahn
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John P. Sarbanes
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Sheila Jackson Lee
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Allyson Y. Schwartz
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Ron Kind
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Jim McDermott
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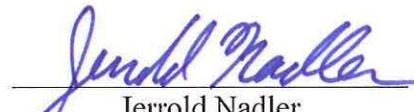

John Dingell
Member of Congress


Raul Ruiz
Member of Congress

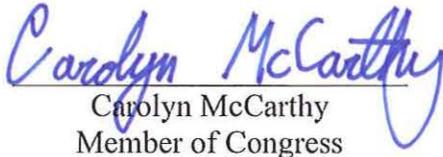

Dan Kildee
Member of Congress

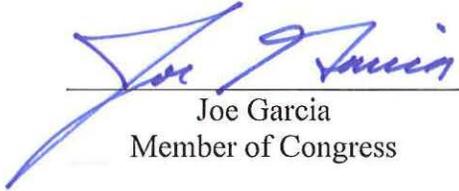

Donna F. Edwards
Member of Congress


William L. Owens
Member of Congress

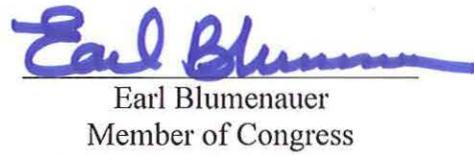

Jerrold Nadler
Member of Congress

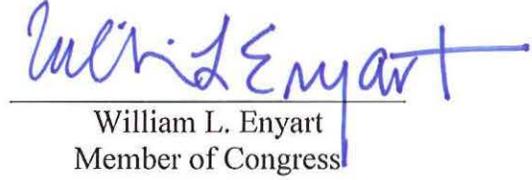

Betty McCollum
Member of Congress

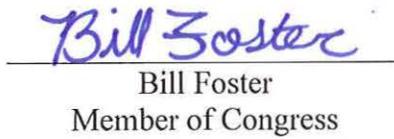

Carolyn McCarthy
Member of Congress


Joe Garcia
Member of Congress


Judy Chu
Member of Congress


Earl Blumenauer
Member of Congress


William L. Enyart
Member of Congress


Bill Foster
Member of Congress