

**§ 1693k. Compulsory use of electronic fund transfers**

No person may—

(1) condition the extension of credit to a consumer on such consumer's repayment by means of preauthorized electronic fund transfers; or

(2) require a consumer to establish an account for receipt of electronic fund transfers with a particular financial institution as a condition of employment or receipt of a government benefit.

(Pub. L. 90-321, title IX, §913, as added Pub. L. 95-630, title XX, §2001, Nov. 10, 1978, 92 Stat. 3737.)

**§ 1693l. Waiver of rights**

No writing or other agreement between a consumer and any other person may contain any provision which constitutes a waiver of any right conferred or cause of action created by this subchapter. Nothing in this section prohibits, however, any writing or other agreement which grants to a consumer a more extensive right or remedy or greater protection than contained in this subchapter or a waiver given in settlement of a dispute or action.

(Pub. L. 90-321, title IX, §914, as added Pub. L. 95-630, title XX, §2001, Nov. 10, 1978, 92 Stat. 3737.)

**§ 1693l-1. General-use prepaid cards, gift certificates, and store gift cards**

**(a) Definitions**

In this section, the following definitions shall apply:

**(1) Dormancy fee; inactivity charge or fee**

The terms "dormancy fee" and "inactivity charge or fee" mean a fee, charge, or penalty for non-use or inactivity of a gift certificate, store gift card, or general-use prepaid card.

**(2) General use<sup>1</sup> prepaid card, gift certificate, and store gift card**

**(A) General-use prepaid card**

The term "general-use prepaid card" means a card or other payment code or device issued by any person that is—

(i) redeemable at multiple, unaffiliated merchants or service providers, or automated teller machines;

(ii) issued in a requested amount, whether or not that amount may, at the option of the issuer, be increased in value or reloaded if requested by the holder;

(iii) purchased or loaded on a prepaid basis; and

(iv) honored, upon presentation, by merchants for goods or services, or at automated teller machines.

**(B) Gift certificate**

The term "gift certificate" means an electronic promise that is—

(i) redeemable at a single merchant or an affiliated group of merchants that share the same name, mark, or logo;

(ii) issued in a specified amount that may not be increased or reloaded;

(iii) purchased on a prepaid basis in exchange for payment; and

(iv) honored upon presentation by such single merchant or affiliated group of merchants for goods or services.

**(C) Store gift card**

The term "store gift card" means an electronic promise, plastic card, or other payment code or device that is—

(i) redeemable at a single merchant or an affiliated group of merchants that share the same name, mark, or logo;

(ii) issued in a specified amount, whether or not that amount may be increased in value or reloaded at the request of the holder;

(iii) purchased on a prepaid basis in exchange for payment; and

(iv) honored upon presentation by such single merchant or affiliated group of merchants for goods or services.

**(D) Exclusions**

The terms "general-use prepaid card", "gift certificate", and "store gift card" do not include an electronic promise, plastic card, or payment code or device that is—

(i) used solely for telephone services;

(ii) reloadable and not marketed or labeled as a gift card or gift certificate;

(iii) a loyalty, award, or promotional gift card, as defined by the Bureau;

(iv) not marketed to the general public;

(v) issued in paper form only (including for tickets and events); or

(vi) redeemable solely for admission to events or venues at a particular location or group of affiliated locations, which may also include services or goods obtainable—

(I) at the event or venue after admission; or

(II) in conjunction with admission to such events or venues, at specific locations affiliated with and in geographic proximity to the event or venue.

**(3) Service fee**

**(A) In general**

The term "service fee" means a periodic fee, charge, or penalty for holding or use of a gift certificate, store gift card, or general-use prepaid card.

**(B) Exclusion**

With respect to a general-use prepaid card, the term "service fee" does not include a one-time initial issuance fee.

**(b) Prohibition on imposition of fees or charges**

**(1) In general**

Except as provided under paragraphs (2) through (4), it shall be unlawful for any person to impose a dormancy fee, an inactivity charge or fee, or a service fee with respect to a gift certificate, store gift card, or general-use prepaid card.

**(2) Exceptions**

A dormancy fee, inactivity charge or fee, or service fee may be charged with respect to a

<sup>1</sup> So in original. Probably should be "General-use".