

# RESCINDED

OCC Bulletin 1998-47 | October 15, 1998

Outdated – See OCC 2020-11

## Debt Collection Improvement Act of 1996: Message to Bankers/Examiners

The Financial Management Service of the Department of the Treasury published the attached final rule in the Federal Register on September 25, 1998. The final rule implements provisions of the Debt Collection Improvement Act of 1996, known as Electronic Funds Transfer 99 (EFT 99). The Act requires that all federal payments (other than those under the Internal Revenue Code) be made by EFT beginning January 2, 1999, unless waived by the Secretary of the Treasury.

The final rule establishes the circumstances under which waivers are available; sets forth requirements for accounts to which federal payments may be sent by EFT; provides that any individual who receives a federal benefit, wage, salary or retirement payment shall be eligible to open a low-cost Treasury-designated account, called an Electronic Transfer Account or ETA , at a financial institution that offers such accounts; and sets forth the responsibilities of federal agencies and recipients under the regulation.

The final rule expands the hardship waiver provisions of the proposed rule by allowing individuals to make self-determinations that a hardship exists and to choose to receive payments by check. In the future, individuals who receive federal benefit, wage, salary or retirement payments will be eligible to open a low-cost account, called an ETA . The Treasury will determine the attributes of this account and federally-insured financial institutions will have the option to enter into an ETA Financial Agency Agreement with the Department of the Treasury.

In anticipation of EFT 99, some financial institutions have entered into, or plan to enter into, arrangements with non- depository providers of federal payments services, such as check cashers or money transmitters. Such arrangements may involve giving customers access to EFT deposits in their insured accounts through an uninsured third-party provider. As conveyed in OCC Bulletin 98-15, the Treasury Department has requested that financial institutions that participate in such arrangements voluntarily provide disclosures to customers that fully and fairly convey information about the fees and costs imposed by all of the parties to the arrangement, the legal relationships involved and the applicability of federal deposit insurance insofar as it is relevant to the arrangement.

The attached final rule and other explanatory information are available on the Internet at <http://www.fms.treas.gov>.

For more information, contact your supervisory office or Carol Workman, compliance specialist, Community and Consumer Policy at (202) 649-5470.

To

Chief Executive Officers and  
Compliance Officers of all  
National Banks, Department and  
Division Heads, and all  
Examining Personnel

Stephen M. Cross  
Deputy Comptroller  
Community and Consumer Policy

#### Related Link

- [Final Rule 63 FR 51489](#)

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