



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

Senator Brad Hoylman Introduces Legislation Banning ATM Fees For Unemployment Insurance Benefit Cards

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NEW YORK—Today, Senator Brad Hoylman will introduce legislation to prohibit banks holding state contracts to offer benefit banking services from charging benefit recipients fees for using their benefit debit cards. This legislation is being introduced after hundreds of unemployed New Yorkers waited outside a single KeyBank ATM in Manhattan to withdraw unemployment insurance benefits without paying a fee.

Senator Hoylman said: “In the middle of a massive economic crisis, every dollar counts. Charging a fee to someone who is already facing financial hardship is adding insult to injury. My new legislation will allow New Yorkers to access unemployment insurance and other public benefits without being charged this nuisance fee. We can’t allow big banks to nickel and dime unemployed New Yorkers.”

Senator Hoylman’s legislation would prohibit banks, ATM owners and ATM operators from imposing any fee for benefit banking services related to the use of an electronic benefit transfer card. The legislation would cover any federal, state or local benefit that is distributed through an electronic benefit transfer card; this would include unemployment insurance (UI) benefits, occupational training act program benefits, adoption subsidy electronic payments, medical assistance benefits and SNAP benefits, also known as food

stamps.

Currently, unemployed New Yorkers are given the option of receiving UI benefits on a KeyBank debit card; roughly half a million New Yorkers are utilizing KeyBank debit cards for their UI benefits. KeyBank only operates a single ATM in New York City, which many New Yorkers visited—some waiting in line for more than two hours—in order to avoid paying a fee. After news reports called attention to the situation, KeyBank informed New Yorkers they could use additional ATMs in the AllPoint network; despite this public information campaign, New Yorkers continue to line up at the KeyBank ATM on 22nd Street in Manhattan.