

**Federal Protections for Consumer Debit Cards:** The federal Electronic Fund Transfer Act (EFTA) protects you from errors, loss, or theft of your debit card. However, unlike the Truth in Lending Act protections for credit cards, which cap a consumer's liability for unauthorized transactions at \$50, the law limits liability to \$50 if the cardholder notifies the bank within two business days after discovering the theft. If you do not notify your bank within those two days, you could lose up to \$500. If you receive a bank statement that includes an unauthorized debit-card withdrawal and you wait more than 60 days to alert your bank, you could be liable for any amount of the transactions made after that 60-day period. The good news is that many banks do not hold a consumer responsible for unauthorized transactions if they notify the institution in a timely fashion. However, remember that with a debit card, the money tapped by the thief has already been taken out of your account.

Under the EFTA, a bank has 10 business days to investigate the matter (20 business days if your account is new) and report back to you with its results. If the bank needs additional time, it may, under certain circumstances, temporarily give you some or all of the disputed amount until it finishes its investigation. Generally, a bank is allowed up to 45 days of additional investigation time.<sup>60</sup>

### **How to Use an ATM**

While machines vary slightly, most ATMs have similar characteristics which makes them fairly easy to navigate. The basic steps are generally the same:

1. Either insert your card into the slot or swipe it, depending on the machine.
2. Enter your personal identification number (PIN).
3. If you are using a machine unaffiliated with your bank, you may be asked if you accept the charge to use the machine (usually between \$1.00 and \$3.00). If you do not want these charges to be taken from your account, you can cancel at this time.
4. Choose a transaction.
  - a. If you want to withdraw money, select this option. Most machines dispense money only in increments of \$20 (i.e. \$20; \$40; \$60 etc.). Most banks have a limit of what you can withdraw from an ATM in a single day, usually \$300 or \$400. If you want more than your limit, you'll have to go into your bank and speak with a teller.

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<sup>60</sup> "Beware of ATM, Debit and Credit Card 'Skimming' Schemes." *FDIC Consumer News*, 2018.  
<https://www.fdic.gov/consumers/consumer/news/cnwin18/cardskimming.html>