Mass Bankers
ASSOCIATION

March 29, 2024

Comment Intake—2024 NPRM Overdraft
c/o Legal Division Docket
Manager, Consumer Financial Protection Bureau
1700 G Street, NW Washington, DC 20552

Re: **Docket No. CFPB–2024–0002; RIN 3170 AA42**

To Whom It May Concern:

Thank you for the opportunity to comment on behalf of our 120 commercial, cooperative and savings banks and federal savings banks and savings and loan associations that employ more than 72,000 employees throughout Massachusetts and New England. We believe that the **proposed Overdraft Notice of Proposed Rulemaking (Overdraft NPRM)**, as proposed by the Consumer Financial Protection Bureau (CFPB), will ultimately hurt consumers, and should be rescinded.

The proposal would apply the Truth in Lending Act (TILA) and Regulation Z requirements to overdraft protection services offered by banks and credit unions with assets above $10 billion that charge an overdraft fee above a certain dollar threshold with the intent to drive impacted banks to lower the overdraft fee to the established benchmark as set by the CFPB. While the proposal is directed towards financial institutions with assets above $10 billion, we believe banks of all sizes will work to conform to the CFPB's rules, which will impact not only each individual institution, but the customers they serve.

Additionally, the constant layering of thousands of pages of regulations targeting the financial services industry unduly burdens community banks across the country and ultimately impacts the very customers whom they are charged with protecting and supporting their financial success and wellbeing. As we noted in another recent comment letter to the CFPB relative to NSF Fees, there are numerous concurrent and conflicting proposed regulations targeting the financial services industry proposed by other federal agencies including the Federal Reserve, the FDIC, the Office of the Comptroller of Currency (OCC), the Federal Trade Commission (FTC), and the Securities and Exchange Commission (SEC), not to mention additional regulations proposed by the various state agencies with regulatory authority over the financial services industry. Among other things, many of these proposed regulations seem to fail to account for the existing laws, rules and regulations that dictate how banks must clearly and conspicuously disclose what fees consumers are obligated to pay.

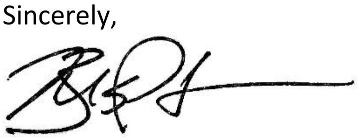
The banking industry is among the most regulated industries across the United States and is mandated to follow stringent protocols as stipulated by state and federal laws and regulations. Unlike other industries, FDIC-insured banks are subject to state and federal regulators such as the state bank regulators, the FDIC, the Federal Reserve, OCC and the CFPB, depending on their charter, and must consider and strictly adhere to a host of rules and directives in regard to protecting their customers' personal and confidential information, financial health, as well as fully disclosing information on certain fees charged for various services to customers, to only name a few.

In a 2023 Morning Consult survey conducted on behalf of the American Bankers Association, 84% of consumers indicated that they are “very satisfied” or “satisfied with their bank, and 94% rate their bank’s customer service as “excellent,” “very good” or “good.” Furthermore, 78% of consumers indicated their bank is transparent with disclosing fees. The same survey showed that 61% of respondents believed that now is not the time to implement additional regulations on the banking industry due to certain current economic challenges facing the country today.

Also, according to the survey, “a strong majority of Americans appreciate and value bank overdraft programs. For the fourth year in a row, 9 in 10 consumers (88%) find their bank’s overdraft protection valuable, and nearly 8 in 10 consumers (77%) who have paid an overdraft fee in the past year were glad their bank covered their overdraft payment, rather than returning or declining payment. Sixty-three percent of consumers think it’s reasonable for banks to charge a fee for an overdraft, as opposed to only 24% who think it’s unreasonable.” Importantly, consumers have the freedom to choose a bank with which to do business based on their individual and unique financial needs.

For these reasons and more we strongly encourage the CFPB to rescind this proposed rule. We appreciate the opportunity to provide our comments in opposition to the **proposed Overdraft Notice of Proposed Rulemaking (Overdraft NPRM)**, proposed by the Consumer Financial Protection Bureau.

Sincerely,



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