



April 1, 2024

The Honorable Rohit Chopra
Director, Consumer Financial Protection Bureau
1700 G Street NW
Washington, DC 20552

Re: Proposed Rule on Overdraft Lending: Very Large Institutions (Docket No. CFPB-2024-0002)

Dear Director Chopra,

Consumer Reports¹ appreciates the opportunity to comment on the Consumer Financial Protection Bureau's (CFPB) proposed rule to amend Regulations E and Z to update regulatory exceptions for overdraft credit provided by very large institutions.

Consumer Reports has long supported efforts to curb excessive overdraft fees. Overdraft fees have increased steadily over time, morphing from an occasional, ad hoc courtesy provided to consumers to a line of business. The CFPB estimates that consumers paid roughly \$9 billion in overdraft fees in 2022 alone.² Many overdraft services are effectively short-term lending programs with extremely high interest rates as banks provide short-term liquidity for overdrawn transactions in exchange for a fee. As noted by the CFPB, large banks typically charge \$35 for an overdraft loan today, even though the majority of consumers' debit card overdrafts are for less than \$26 and are repaid in three days, which translates into an annual percentage rate (APR) of over 16,000 percent.³ These fees disproportionately impact low- and moderate-income consumers with excessive charges, often for small overdrafts on their accounts, and can trap consumers in debt.

We commend the CFPB for taking action in the proposed rule to curb excessive overdraft fees in a flexible manner by requiring that fees for "courtesy" overdraft services be in line with breakeven costs to financial institutions, while allowing for overdraft loans with higher rates as long as they comply with existing requirements and protections in the Truth in Lending Act (TILA). We believe that such an approach is practical and effective in protecting vulnerable consumers from misleading and abusive practices while still allowing consumers the freedom to access necessary services, but with full

¹ Founded in 1936, Consumer Reports (CR) is an independent, nonprofit and nonpartisan organization that works with consumers to create a fair and just marketplace. Known for its rigorous testing and ratings of products, CR advocates for laws and company practices that put consumers first. CR is dedicated to amplifying the voices of consumers to promote safety, digital rights, financial fairness, and sustainability. The organization surveys millions of Americans every year, reports extensively on the challenges and opportunities for today's consumers, and provides ad-free content and tools to 6 million members across the U.S.

² https://files.consumerfinance.gov/f/documents/cfpb_overdraft-credit-very-large-financial-institutions_fact-sheet_2024-01.pdf

³ https://files.consumerfinance.gov/f/documents/cfpb_overdraft-credit-very-large-financial-institutions_fact-sheet_2024-01.pdf

knowledge of associated costs. The CFPB estimates that the new limits could save consumers up to \$5.6 billion annually,⁴ critical savings that could benefit vulnerable consumers in particular.

Consumers have also expressed strong support for the CFPB's proposed rule, as indicated by the 28,708 signatures Consumer Reports received in support of the proposed rule, which we are submitting in Appendix A.

Overdraft Fees are Excessive

To learn more about the impact of overdraft fees on consumers, Consumer Reports asked its members about their experiences. In general, consumers expressed concern about the high costs of overdraft fees in general and how they seemed too expensive and excessive. A full list of consumers experiences with overdraft fees can be found in Appendix B.

Margaret from Nevada said "exorbitant overdraft fees are not fair":

I was hit with an overdraft fee, which is \$37.50 each time at my credit union. I primarily use this account to pay bills, so of course, this was a huge hit on my account. I know that some banks offer no overdraft fees like Capital One. It's unfortunate that banks are greedy.

John from North Carolina said:

Banks are charging outrageous fees mostly to those who can least afford them. They're even worse with customer and employee investments. Let's give them some of their own medicine.

David from California pointed out that overdraft fees have crept up drastically over the decades:

When I got my checking account in 1970 the Overdraft Fee was 50 CENTS, I hit the roof! Back then Computer-time was very EXPENSIVE, computers were humongous monstrosities and took up large rooms, and they needed to be kept in very cool "Climate Controlled" rooms. Computers were very expensive and very SLOW. Computer Programming was very primitive and still the programs did not do all the work. Yet, the banks only charged half a buck for an overdraft. The banks made money at 50 cents per overdraft. Nowadays, computers for business purposes cost under \$2000, and are extremely FAST! Modern Computer Programs do all the real work! Yet, the Greedy Banks want \$35 for an overdraft!

Cynthia from Ohio complained that she incurred a steep penalty fee for someone else's mistake:

I have been charged an overdraft fee of \$30 because I deposited a check someone else wrote that did not clear. Totally not my fault.

Cynthia from New York had a similar experience:

I have a tiny business and when a client accidentally gives me a check that bounces, why am I charged \$35 by my bank? Why is that fee not taken from their bank, if it's about deterring mistakes? Am I charged because I'm supposed to psychically know their bank account? Luckily,

⁴ https://files.consumerfinance.gov/f/documents/cfpb_overdraft-credit-very-large-financial-institutions_proposed-rule_2024-01.pdf

it's a rare experience, but it also seems excessive for them. (I was stuck with the overdraft fee once, but most have reimbursed me.)

David from Colorado was frustrated that his bank didn't help him avoid overdraft fees:

We had just moved from IL to CO and set up bank accounts with money in checking and savings. With house closings and fees, we didn't have enough in checking when a number of charges hit all at once. The bank didn't tell us that they had a feature to automatically move money from savings to checking to cover overages. We were charged \$35 dollars for the shortage in checking even though there was plenty in savings to cover it. When we found out about the automatic coverage, we signed up for it but they wouldn't refund the fee previously charged.

Consumers Are Sometimes Hit By Multiple Overdraft Fees That Quickly Add Up

Jonathan from California said he incurred over \$400 in overdraft fees when he was dining out:

In a time before smart phones and apps, I once was hanging out with my friends and family. I had deposited my paycheck a couple of days prior and verified my deposit on my computer earlier that day. Well it turns out that Washington Mutual, my bank at the time, had an issue with my paycheck and no longer wanted to authorize it. They never sent me an email regarding this and later told me they were sending a letter that I wouldn't get until a day or two after the fact. So my friends and family ordered our food and we split the bill (first overdraft), then some of us move to the restaurant bar and order and pay separately, each time, for appetizers and drinks. Meaning that each appetizer and each drink is being charged independently. So I buy myself a drink, then I buy a friend a drink, I bought an appetizer, I bought my mom a glass of wine, etc. etc. This goes on throughout the evening and my Debit card was never declined, but each and every charge was an overdraft fee.

The next day I log in to my bank account to not only find out that my paycheck was removed from my account, but they had charged me over \$400 in overdraft fees. I called Washington Mutual immediately to find out what happened. I spoke to a couple of supervisors only for them to conclude that they would not cash my paycheck and they would not remove a single fee. In the end I closed my account, the bank black-listed me and I was not able to open another bank account for a long while. Was it my fault they had an issue with my paycheck? No. How was I supposed to know of the situation they had with my paycheck? Why was I allowed to continue paying for items while my account was in the negative? Why were they allowed to charge multiple overdraft fees in one day? The whole situation seemed predatory after my check was retracted.

C. from Florida told us:

I had a recent experience of an overdraft situation at my credit union. They charged \$10 for the first "cash advance", \$30 each for any additional advance with a max of \$500. Then if the overdraft was not paid within a 7 or 10 day?? window, they tacked on \$5 per day until it was paid off. Needless to say, this ballooned into \$100 and growing, and it started with a large withdrawal that should never have been made when it was withdrawn. I was able to get all the fees reduced to 1 \$30 fee, but this was outrageous!! This is an abuse of the banking system, especially for those of us that rarely need it.

Julie from Utah said:

I forgot to change my address with my bank when I moved to a new town 10 years ago. One day soon after I moved, I checked my bank account and found multiple \$25 fees from my bank. Unknowingly, I had overdrawn with an automatic payment, and then several other charges went through shortly afterwards. The bank had sent me letters to my old address, but I didn't receive them. Of course, this wasn't the bank's fault, but the fees racked up to several hundred dollars in a very short time. It was pretty frustrating.

Stephanie from Washington said her household finances were “ruined for months” because of mortgage company billing mistake, compounded by multiple overdraft fees:

We had a mortgage company withdraw double payments on our home. As a young, broke, married couple, this meant that every other bill that month incurred an overdraft charge. The mortgage company never refunded us and just used it as the payment for the following month, but we ended up having several hundred dollars in overdraft fees at our credit union and it took months for us to get back into a positive budget. Those fees occurred at a time when we could least afford it and punished us for months through no fault of our own.

Overdraft and NSF Fees Are Imposed For Minor Lags in Timing, and/or Intentional Reordering of Transactions

Many consumers said they had incurred overdrafts for minor lags in timing for payroll or other deposits.

Mark from California complained about the imposition of overdraft fees because his deposit was “off by half a day”:

I was expecting my credit union to transfer funds from my savings account to my checking account at my bank. That's how I fund my monthly bill payments, by sending from my savings to my checking. But one month, the transfer from savings arrived a half day late. And therefore, I was charged an overdraft fee from my bank. But a \$30 penalty for a half-day late arrival? I've been the bank's customer for 30 years. And I think that was an excessive penalty.

Byron from Illinois said:

After Inland Bank was purchased by Byline, they seem to arrange for checks to clear, in such a manner to generate the most overdraft fees. Even on days where deposits were made, before checks cleared, the bank failed to include the deposits the day they were electronically deposited. In 30 plus years with inlandbank.com, we had 1 overdraft, with byline we had 6 or more, each resulting in 39 costs. Strangely enough most transactions went through cleanly the next day?

Edward from New York told us:

We use a local bank, and their fee is 35.00 for an overdraft. Trouble is, they deduct that charge BEFORE their totals, causing even more overdraft fees. It's just crazy. and they will overdraft you for the overdraft fee. As an elderly couple this really weighs down because we are fixed income. and with food prices being what they are it is easy to overdraft :(.

Robert from California said:

I made a deposit (government check that did not have a hold put on it). A check I had written hit the bank about an hour later and I was charged an overdraft fee because the deposit had not cleared even though the deposit time showed prior to the check.

C. Larry from Ohio said:

I had a regular mid week deposit from a part-time job. My bank would routinely post all charges against my account, early Wednesday morning, before posting the deposit. By doing so my account would often be overdrawn, notwithstanding the fact that the bank had the deposit in hand, which if posted first would have prevented an overdraft(s) and the corresponding overdraft fee(s).

Sam from Rhode Island pointed out that deposits are not always credited in time to avoid timing issues with bill payments:

These days, with so many regular household bills--electricity, water, heating fuel, waste collection, internet, phone service, insurance--many of us have automated payments (or been required to automate payments for better rates). Many people, like me, get paid twice a month; occasionally, so many of those automated regular service bills are withdrawn in the same day or two and before a paycheck clears, briefly overdrawing my checking account (when they hold plenty of my money in the savings account). Suddenly I owe at least \$35 (for a potentially smaller overdraft) before I even have time to recognize the discrepancy.

Overdraft Charges Can Be Triggered By Very Small Transaction Amounts

Richard from North Carolina said:

My daughter was working full time at minimum wage but could not keep money in her account. She unwittingly just clicked "ok" every time she'd take out a small amount of cash from atm and simply clicked thru a warning that it was costing her another \$35 to do a withdrawal which was many times less than \$35! She'd also get zapped for automatic payments hitting the same account. At one point I counted over \$450 in fees for just one statement. You would think someone would reach out to offer other solutions. No one ever contacted her.

Aleasha from Georgia said she was charged multiple overdraft fees for a 29 cent overdraft:

I ended up owing \$346 for a \$.29 overdraft. And on the way inside the bank, I found a quarter and four pennies on the ground. It was at EXCEL FEDERAL CREDIT UNION.

Joseph from New York said he was charged an overdraft for a tiny amount, and got the runaround when he tried to dispute it:

I decided to close out a checking account at Truist bank, and upon their advice, I wrote a check to cover the balance. I deposited this check via my Bank of America Mobile App, and indicated the correct amount. However, Bank of America later made a separate credit to my account for six cents, and overdrew my Truist Account. Truist bank then charged me a \$36.00 overdraft fee, and a \$10.00 Maintenance fee. I called Bank of America Customer Service, only to be told the agent could not make any adjustments to my account! There were no other contact numbers for

either bank, no Address where I could send a Letter, no fax numbers - No way to contact either bank outside of the Customer service phone number. I now live in New York, and Truist has no branches anywhere near me. I finally wrote letters to both banks, picking a Branch office for each. They finally both resolved the issue...Finally!

Troy from Wisconsin said:

Royal Credit Union in Wisconsin gave my account a \$30 fee over a two cent overdraft. I contacted their attorney and told them that another account had 5 dollars with a few cents interest. So, he reversed the no funds fee. But they have made mistakes on assigning fees and if I was not checking on them they would walk away with illicit fines.

“Pending Charges” May Trigger Expensive Overdraft Fees

A few consumers said they had been negatively impacted by debit card “holds” when making purchases, triggering an overdraft fee.

Sherrie from Washington said:

Many companies are creating "pending charges" that are \$100 (unknown amount but news stories have warned the public against \$100 for each time your account is accessed by some companies) in excess of the correct debit charge. I had a \$29 overdraft charged against my account when I had a debit plus an unknown excess charge levied against my account. I called my credit union and complained and the man that I spoke with refused to tell me what the excess amount charged was but did reverse and credit my account for the overdraft. I consider removing money from my account that is not the correct amount to be theft. Some of the companies that I do business with pend their charges for several days. How much money are these companies taking from consumers and then processing the correct charge days later? Please make pending charges illegal and ban this practice.

Diana from Pennsylvania told us:

I was at a local gas station and went in to prepay for the gas with my Debit card so that the pump stops directly at the amount that I paid for. Well, either the attendant didn't set the pump amount correctly or he just never set it up to stop at my prepaid amount.

I start to pump the gas and I would look up occasionally to see how close I was to being completed. I was close to being completed and was preparing to put the gas cap on when the amount ran over 34 cents. I immediately stopped the pump and called my Bank right away to explain to the Bank what had just happened. I was basically told that since I didn't have overdraft protection that I was responsible for the ODFee! \$ 30.00 dollars that I didn't have. I have a job but due to physical health problems I can only work part-time so my income is limited. Those overdraft fees added up to almost \$ 700.00, yes, \$ 700.00 dollars which in turn got my account sent to a collection agency. So now what was a good credit score went down to a fair credit score.

I don't have the funds to pay back those Overdraft fees and I took a 40 point credit score loss! All of these financial problems are all because of 34 cents!!!! And I wasn't even the one at

fault. For that incredibly small amount I should have had that fee waived!

Negative Impacts on Consumers with Low and Moderate Incomes

High overdraft fees can be especially harmful to people with low-incomes, seniors, people with disabilities and others living on fixed incomes. For these groups, the high fees can cause a cascade of problems in keeping up with bills and create significant economic hardship.

Judy from Texas told us:

Just because I happen to miss a deposit by a day and my EFT comes before the deposit, I can be stuck with an overdraft fee of \$35! and more depending on your bank! Unless my bank will refund it and sometimes they won't. Sometimes an overdraft may be unavoidable, but we should not be penalized as if we robbed the bank! Being a senior citizen depending on social security, funds can be tight most of the time. A \$35 fee can sometimes multiply when this happens at the wrong time of month and no other funds are available to deposit into your account! A memory and embarrassment I choose not to share; except, in this case.

Andrea from California said:

I raised my 2 kids as a working single mom, working long retail hours and always stressed about money. One of the main reasons for this was because of overdraft fees charged by my bank. If I got one, they would charge be \$35, and \$5 each day following, until the balance was brought to over \$0 (next paycheck). It was often so hard to catch up! Although the service sometimes saved me, it put me back more times than I care to remember. It caused stress in my household and our lives very negatively. I'm sure my story is common, and want to bring attention to, and for deeper consideration of this demographic.

Dean from Indiana said:

As a young father, we were barely getting by. My wife accidentally over-drew our checking account by 20 cents resulting in overdraft fees that created a domino effect that bounced all our monthly checks. It ruined our fledgling creditworthiness which took years to correct.

Victoria from Virginia described the hardship of receiving overdraft fees on a fixed income:

My only bank account is checking with Atlantic Union bank. When I signed up for the account checking the choice to deny debit cards transactions that would over draw my account. Maybe the rule changed recently because in February the bank let 3 under \$10 tv subscription payments through when I had a \$4.00 balance. When my Social Security funds (my only income) were directly deposited my \$1542.00 funds were reduced almost \$120.00. This was my food & medication money. I am a disabled widow trying to live with a little dignity. The banks have other plans.

Andree from Louisiana told us:

Due to a severe chronic health crisis in my family, I only do odd jobs in order to have the flexibility I need to meet my family's health needs. One such time within the last nine months,

when things were extremely difficult, I was paid late for a job and as a result, I over-drafted my account by ~ \$19. So, on top of everything else going on, I had to shell out another \$35 I didn't (& still don't) have during this time when I literally barely meet my bill responsibilities every month.

It makes absolutely NO SENSE to kick someone harder when they're already struggling financially - especially in this country's current economic situation, & also when banks make money hand over fist every day!

Barbara from Virginia said:

This year has been very difficult for my husband and me. We are living on Social Security mainly and have had a difficult time balancing paying bills, buying groceries and buying fuel. We live frugally and try to make sure we have everything covered that automatically comes out of our credit union account before spending money on food. Because our Social Security comes into the Credit Union account on different days each month, some automatic debits are taken out before the Social Security is deposited even though the account shows it is pending.

A couple months ago Social Security was deposited at the latest date in that month and there were 3 small debits that were paid a couple days before the Social Security was deposited. We were charged \$105.00! That left absolutely nothing for food for the next 2 weeks! Fortunately, the person at the Credit Union was nice and understood our situation and refunded the money. However it continues to happen in months where the deposit date is late in the month and items like our cell phone monthly fees are taken out on different dates each month or something unexpected is withdrawn. I do call the Credit Union and they will often refund some of the money but I thought the law prevented them from taking money from Social Security for overdrafts.

Angue from Missouri described her experiences with “the \$36 Highway Robbery fee”:

Hello, I'm a single mom, of four grown children. Back in the day when they were younger and I had to support them without help from one of the fathers. I was charged over \$1000 in bounced check fees, in just one year. I knew the fee was going to be there, but when you have to buy food for four kids and you don't make very much money, there is no choice. My only option was to write a check for the food and pay the bank fee. I eventually had to move out of that home. I could no longer afford the rent, the food, the utilities, everything that went along with living a life.

Since then I still have an occasional \$36 fee added to my bank account but just this month alone. I was charged five \$36 fees that's \$180 that would've bought me two weeks worth of food. The frustration is real. The highway robbery is real what these banks are doing, should be illegal. I'm aware I can opt out of that overdraft protection, but what happens when I'm three dollars short on my rent? The check bounces and the rent doesn't get paid. I paid my electric bill it was \$2.03 that was because I had overpaid the previous month. And it ended up bouncing in my bank so my \$2.03 electric bill cost me \$38.03 I live in an apartment with my son he is 35 and has schizophrenia. I'm in my 50s and I can't even begin to tell you how much money I've lost to the 36 Dollar Highway Robbery fee.

Kimberly from Tennessee described the pain of dealing with the “late fees struggle”:

I was hit several times with late fees when I was younger as a single mother. I was living on my one income and sometimes I would forget to mail the bill or sometimes I didn't have all the money yet I would call the credit card or car payment bank to let them know. Sometimes they would accommodate ie waive the fee or skip the car payment (add another month to my end date). I was grateful for their understanding and support. It didn't last long as when it occurred within the year again, they wanted me to at least pay the interest and the credit card refused to remove the hefty late fee. I understand they want their \$ but when you're adding ridiculously high late fees onto already struggling people, it's disheartening.

I once called Wells Fargo (I'll never do business with this company based on this one experience) for my mother who didn't have all the money to pay her car payment but had majority of it and within the week would have the rest yet it would be past the payment date. She was rarely ever late but when you're living paycheck to paycheck and an unexpected life event happens, it can set you back a month or two trying to catch up. So I called Wells Fargo to inform them of her situation and was willing to pay them the amount she currently had and would get them the remainder the following week and asked to not put a late fee on it. The man was extremely rude and told me to send it once I had all of it and he wasn't going to waive the late fee.

Heartless people who work for companies and companies who hire heartless employees who cause harm to those trying to do the right thing. It's the lack of compassion and empathy for people. Me as a single mother in the military trying to make ends while my ex-husband was avoiding paying child support, and my mother who was rarely late couldn't get one exception when she needed it (it was her first late payment and we called before the due date to make arrangements). A lot of heartless greedy companies with no compassion or empathy for those struggling. I'm not talking about those who avoid or take no accountability/responsibility to pay their bills. Our humanity is all we have and instead of supporting it, we'd rather rape them into living a destitute life.

Consumers Can Benefit from Overdraft Protection If Structured As A Low-Cost Loan

Craig from New York pointed out that financial institutions could make life easier for customers by providing low-cost credit to cover overdrafts:

I've been banking with a credit union since I was right out of college 43 years ago. They allowed me to apply for a "ready cash line of credit" (aka overdraft loan) at that time. Ever since I never worry about overdraft. If I have insufficient funds, it automatically draws from my \$25,000 overdraft loan. There are NO FEES ever, I just pay the interest, which is variable, and computed on a daily basis. On 3-12-24 the rate was 14.99%, a fraction of a credit card's rate. I know this is not the kind of story you were asking for, but I think it's an important story since credit unions are an option many people may have heard of or thought of.

Coverage of the proposed rule

The current proposed rule applies only to very large financial institutions with assets of \$10B or more. The CFPB has stated that this threshold covers roughly 175 of the largest banks and credit unions who are responsible for more than two-thirds of total market-wide overdraft fee revenue, while the

remaining institutions are overwhelmingly relationship-focused community banks and credit unions. The proposed rule notes that the CFPB intends to monitor market response to the rule before determining whether to revise regulatory requirements for financial institutions with assets below the \$10B threshold.

Problematic overdraft practices among credit unions and smaller banks

We appreciate the rationale of beginning with the largest financial institutions, as this approach will already benefit a significant number of consumers, while such institutions are arguably better positioned than smaller institutions to adapt their practices to adjust for the new requirements.

However, we believe it is important to note that there is clear evidence of problematic overdraft practices among some credit unions and smaller banks. The credit union sector is not homogenous, and not all credit unions are relationship-focused. Many if not all of the concerns regarding overdraft practices highlighted in the proposed CFPB rule are not limited to the largest financial institutions, but can be found among smaller institutions as well.

While comprehensive data on credit union overdraft practices is currently lacking, the limited data that is available indicates that some credit unions rely on income from overdraft fees more frequently than banks. A report from the CA Department of Financial Protection and Innovation (DFPI) showed that the 114 credit unions chartered by the state brought in \$183 million in overdraft fees in 2022, more than 5 times the \$35 million earned in overdraft fees by the state's 101 banks. While no state-chartered bank in CA received more than 3.5% of its total income from overdraft fees in 2022, 38 state-chartered credit unions exceeded this figure, with two credit unions exceeding 10% of total income in overdraft fees.⁵

It is likely that these problematic practices extend to credit unions across the country. As highlighted in the stories above as well as in Appendix B, numerous consumers shared with us negative experiences with overdraft at their credit unions. The CFPB's own data shows that credit unions with overdraft programs earn slightly higher average amounts in overdraft revenue per account (\$42.3) compared to banks (\$40.4). In addition, credit unions are more likely than banks to charge intraday overdraft fees and are more likely to process debits before credits, increasing the likelihood of an account becoming overdrawn. At the same time, only 20.1% of credit unions had some type of *de minimis* policy (e.g. not assessing fees if the transaction amount is below a certain size or the resulting negative balance is less than a certain threshold), compared to 67.3% of banks.⁶

Credit unions are non-profit organizations with a stated mission of improving the financial well-being of their members. Nonetheless, it appears that some credit unions have built their business models around collecting excessive fees from their consumers. These concerns have increasingly been acknowledged within the industry itself. Todd Harper, the chair of the National Credit Union Administration (NCUA), has noted that the "the statutory mission of credit unions is to meet the credit and savings needs of their members, especially those of modest means" and raised the question of whether a credit union

⁵ Annual Report of Income from Fees on Nonsufficient Funds and Overdraft Charges. DFPI, 2023.

⁶ Data Point: Checking Account Overdraft at Financial Institutions Served by Core Processors. CFPB, December 2021. The CFPB data point includes data on overdraft at 3,904 financial institutions nationwide, representing 25.4% of credit unions and 58.0% of banks offering checking account services.

that relies too heavily on overdraft fees is compliant with that mission.⁷ Credit union industry stakeholders have also identified the need to address problematic overdraft practices. A 2022 Filene Research Institute report states at the outset that it is time to rethink credit union non-interest income. The report further notes that these programs tend to be used more heavily by low-income members with poor credit who may already be struggling to manage their finances and that many credit unions are ready and willing to make big changes.⁸

Similar concerns arise with respect to smaller banks below the \$10B cutoff for application of the proposed rule. CFPB research indicates that the average per transaction overdraft fee of banks with less than \$10B in assets is \$31.89, not much lower than the typical \$35 fee that the CFPB indicates large banks charge. In addition, 17% of accounts at all banks with an opt-in policy in the research sample (which includes both large and small banks) were assessed an overdraft fee in any given year, compared to 19.2% of accounts at large banks, indicating that the incidence of incurring overdraft fees does not differ greatly between customers of smaller banks versus customers of larger banks.⁹ As with credit unions, it appears that some small banks rely on overdraft revenue for a majority of their profits, raising serious concerns of predatory behavior.¹⁰

Expansion of proposed rule to institutions below \$10B in assets

Given the fact that the problematic overdraft practices can also be found at credit unions and smaller banks, we would recommend that similar requirements be extended to financial institutions below \$10B in assets, in order to protect customers of such institutions who often face the same problematic practices the proposed rule is intended to address.

At a minimum, the CFPB should collect updated data and closely monitor overdraft practices among credit unions and smaller institutions. We would suggest that the CFPB aim to expand application of the proposed rule to smaller institutions in a phased manner, given that smaller institutions may require more time to adjust business practices and operations. It may also be necessary to tailor requirements in the proposed rule for smaller institutions, including recalculating appropriate benchmark fees for courtesy overdrafts, given that the current calculations are based on operational data from large banks.

Conclusion

In conclusion, Consumer Reports strongly supports the proposed rule on overdraft lending as an important step to curbing excessive fees, protecting vulnerable consumers, and fostering a more transparent and fair financial sector. We would encourage the CFPB to expand the safeguards in the proposed rule to institutions below \$10 billion, as customers of smaller institutions are also subject to problematic overdraft practices.

Sincerely,

⁷ <https://www.brookings.edu/articles/a-conversation-with-national-credit-union-administration-chairman-todd-m-harper-highlights-from-the-event/>

⁸ Overdraft Protection Programs Credit Union Best Practices. Filene Research Institute, Jan 2022.

⁹ Data Point: Checking Account Overdraft at Financial Institutions Served by Core Processors. CFPB, December 2021.

¹⁰ <https://www.brookings.edu/articles/overdraft-fees-are-big-money-for-small-banks/>

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Appendix A. Consumer Signatures to Consumer Reports' Petition in Support of CFPB's Proposed Overdraft Rule – March 2024

See separate attachment

Appendix B. Consumer Reports – Overdraft Fee Stories from Consumers – March 2024

Category	First Name	State	Title	Body of story
FIXED INCOME	Kimberly	TN	Late Fees Struggle	<p>I was hit several times with late fees when I was younger as a single mother. I was living on my one income and sometimes I would forget to mail the bill or sometimes I didn't have all the money yet I would call the credit card or car payment bank to let them know. Sometimes they would accommodate ie waive the fee or skip the car payment (add another month to my end date). I was grateful for their understanding and support. It didn't last long as when it occurred within the year again, they wanted me to at least pay the interest and the credit card refused to remove the hefty late fee. I understand they want their \$ but when you're adding ridiculously high late fees onto already struggling people, it's disheartening.</p> <p>I once called Wells Fargo (I'll never do business with this company based on this one experience) for my mother who didn't have all the money to pay her car payment but had majority of it and within the week would have the rest yet it would be past the payment date. She was rarely ever late but when you're living paycheck to paycheck and an unexpected life event happens, it can set you back a month or two trying to catch up. So I called Wells Fargo to inform them of her situation and was willing to pay them the amount she currently had and would get them the remainder the following week and asked to not put a late fee on it. The man was extremely rude and told me to send it once I had all of it and he wasn't going to waive the late fee.</p> <p>Heartless people who work for companies and companies who hire heartless employees who cause harm to those trying to do the right thing. It's the lack of compassion and empathy for people. Me as a single mother in the military trying to make ends while my ex husband was avoiding paying child support, and my mother who was rarely late couldn't get one exception when she needed it (it was her first late payment and we called before the due date to make arrangements). A lot of heartless greedy companies with no compassion or empathy for those struggling. I'm not talking about those who avoid or take no accountability/responsibility to pay their bills. Our humanity is all we have and instead of supporting it, we'd rather rape them into living a destitute life.</p>
FIXED INCOME	Judy	TX	Outrageous Bank overdraft FEES	<p>Just because I happen to miss a deposit by a day and my EFT comes before the deposit, I can be stuck with an overdraft fee of \$35! and more depending on your bank! Unless my bank will refund it and sometimes they won't. Sometimes an overdraft may be unavoidable, but we should not be penalized as if we robbed the bank! Being a senior citizen depending on social security, funds can be tight most of the time. A \$35 fee can sometimes multiply when this happens at the wrong time of month and no other funds are available to deposit into your account! A memory and embarrassment I choose not to share; except, in this case.</p>
FIXED INCOME	Dean	IN	A Scam	<p>As a young father, we were barely getting by. My wife accidentally overdrew our checking account by 20 cents resulting in overdraft fees that</p>

				created a domino effect that bounced all our monthly checks. It ruined our fledgling creditworthiness which took years to correct.
FIXED INCOME	ANDREA	CA	A single working mom always underwater	I raised my 2 kids as a working single mom, working long retail hours and always stressed about money. One of the main reasons for this was because of overdraft fees charged by my bank. If I got one, they would charge be \$35, and \$5 each day following, until the balance was brought to over \$0 (next paycheck). It was often so hard to catch up! Although the service sometimes saved me, it put me back more times than I care to remember. It caused stress in my household and our lives very negatively. I'm sure my story is common, and want to bring attention to, and for deeper consideration of this demographic.
FIXED INCOME	Andree	LA	Bank Overdraft Fee Abuse	Due to a severe chronic health crisis in my family, I only do odd jobs in order to have the flexibility I need to meet my family's health needs. One such time within the last nine months, when things were extremely difficult, I was paid late for a job and as a result, I over-drafted my account by ~ \$19. So, on top of everything else going on, I had to shell out another \$35 I didn't (& still don't) have during this time when I literally barely meet my bill responsibilities every month. It makes absolutely NO SENSE to kick someone harder when they're already struggling financially - especially in this country's current economic situation, & also when banks make money hand over fist every day!
FIXED INCOME	L	PA	Living paycheck to paycheck	When my late husband and I bought our house, we expected to be able to support our household on one income when necessary. We wanted to have a family and there would be times when only one of us would be working. Unfortunately, within a year of the birth of our daughter there was a gas crisis and transportation costs skyrocketed. We needed two incomes, not one. There were several times when we only had one income, such as just before and after childbirth, job loss, or ultimately when my husband was too ill to work. We wound up putting some expenses on credit over the years and living paycheck to paycheck. More than once we paid our bills late, causing late fees to be charged and added to our bills. We might be only a day or two late, but a large late fee and high interest rate added to our financial woes. Once falling into a financial hole, it was almost impossible to get out of it. Frankly, I finally got out of the financial hole only when my husband died! A life insurance payout, selling the family home, and moving to a lower cost area let me get on top of our financial expenses but at the cost of the loss of my husband. Banks may make a good profit, but too many families are the ones paying the price of high late fees and interest rates. These costs need to be adjusted so they are more fair. I miss my husband.

FIXED INCOME	Barbara	VA	Overdraft fees mean no groceries from my Social Security money	<p>This year has been very difficult for my husband and me. We are living on Social Security mainly and have had a difficult time balancing paying bills, buying groceries and buying fuel. We live frugally and try to make sure we have everything covered that automatically comes out of our credit union account before spending money on food. Because our Social Security comes into the Credit Union account on different days each month, some automatic debits are taken out before the Social Security is deposited even though the account shows it is pending. A couple months ago Social Security was deposited at the latest date in that month and there were 3 small debits that were paid a couple days before the Social Security was deposited. We were charged \$105.00! That left absolutely nothing for food for the next 2 weeks! Fortunately, the person at the Credit Union was nice and understood our situation and refunded the money however it continues to happen in months where the deposit date is late in the month and items like our cell phone monthly fees are taken out on different dates each month or something unexpected is withdrawn. I do call the Credit Union and they will often refund some of the money but I thought the law prevented them from taking money from Social Security for overdrafts.</p>
FIXED INCOME	Judy	TX	Drastic Accident	<p>One day I felt I had I crashed and was left stranded with no one to call for help. I'm on Social Security and at the time my crash happened I'd just retired and was adjusting to living on such a low fixed income. Juggling the timing of bills and SS deposits in the beginning were a learning curve for me. Well, I had a bill to hit just before my SS deposit, like a day or 2. Needless to say this was the collision that caused me to have a returned check plus an overdraft charge. The returned check to the vendor cost me too. I was not only side swiped but hit head on and no insurance to cover the repairs to my checking account or my nerves! When this happened, my income flow was drastically reduced and caused a major hardship on me to make mortgage and utility payments that month and the next month. Forget about fuel, reduced food budget, and minus some medications.</p> <p>I was and still am a single senior citizen. Although I better manage my funds now, the above scenario happened a couple of times and caused me major distress not to mention the fear of security in life. Back then, there was no such thing as asking for a refund on insufficient fund fees. I know there is a limit to what a bank can tolerate when insufficient funds occur. However, if they don't pay the bill, seems unfair to charge such exorbitant fees. If they do cover the insufficient amount, I think maybe a scale could be established to fit the sum of overdraft for the amount covered would be in order and a cap placed on that scale of fees charged. But, when the individual rarely has a shortage of funds; especially, if they own other deposit accounts/loans, etc., these fees, if any, should be refunded or not charged at all.</p>

FIXED INCOME/MULT FEES	Angue	MO	The \$36 Highway Robbery	Hello, I'm a single mom, of four grown children. Back in the day when they were younger and I had to support them without help from one of the fathers. I was charged over \$1000 in bounced check fees, in just one year. I knew the fee was going to be there, but when you have to buy food for four kids and you don't make very much money, there is no choice. My only option was to write a check for the food and pay the bank fee. I eventually had to move out of that home. I could no longer afford the rent, the food, the utilities, everything that went along with living a life. Since then I still have an occasional \$36 fee added to my bank account but just this month alone. I was charged five \$36 fees that's \$180 that would've bought me two weeks worth of food. The frustration is real. The highway robbery is real what these banks are doing, should be illegal. I'm aware I can opt out of that overdraft protection, but what happens when I'm three dollars short on my rent? The check bounces and the rent doesn't get paid. I paid my electric bill it was \$2.03 that was because I had overpaid the previous month. And it ended up bouncing in my bank so my \$2.03 electric bill cost me \$38.03 I live in an apartment with my son he is 35 and has schizophrenia. I'm in my 50s and I can't even begin to tell you how much money I've lost to the 36 Dollar Highway Robbery fee.
GOOD CREDIT UNION	Craig	NY	Never - I Use a Credit Union	I've been banking with a credit union since I was right out of college 43 years ago. They allowed me to apply for a "ready cash line of credit" (aka overdraft loan) at that time. Every since I never worry about overdraft. If I have insufficient funds, it automatically draws from my \$25,000 overdraft loan. There are NO FEES ever, I just pay the interest, which is variable, and computed on a daily basis. On 3-12-24 the rate was 14.99%, a fraction of a credit card's rate. I know this is not the kind of story you were asking for, but I think it's an important story since credit unions are an option many people may have heard of or thought of.
HIGH FEE	Margret	NV	Exhorbitant overdraft fees are not fair	I was hit with an overdraft fee, which is \$37.50 each time at my credit union. I primarily use this account to pay bills, so of course, this was a huge hit on my account. I know that some banks offer no overdraft fees like Capital One. It's unfortunate that banks are greedy.
HIGH FEE	Juan	FL	Banking	Much too long wait for the Government to finally take action against the banking industry's chokehold on excessive banking fees that net banks Billion\$ on the back of the general public. Claw back immediately!
HIGH FEE	John	NC	High Bank Fees	Banks are charging outrageous fees mostly to those who can least afford them. They're even worse with customer and employee investments. Let's give them some of their own medicine.
HIGH FEES	susan	AZ	Hate overdraft fees	I support anything the CFPB can do to reduce these fees.
HIGH FEES	Kevin	AL	After this...	They NEED to go after the thieving mortgage companies NEXT !!!!!
HIGH FEES	David	CA	A little History	When I got my checking account in 1970 the Overdraft Fee was 50 CENTS, I hit the roof! Back then Computer-time was very EXPENSIVE, computers were humongous monstrosities and took up large rooms, and they needed to be kept in very cool "Climate Controlled" rooms. Computers were very expensive and very SLOW. Computer Programming was very primitive and still the programs did not do all the work. Yet, the banks only charged half a buck for an overdraft. The banks made money at 50 cents per overdraft. Nowadays, computers for business purposes cost under \$2000, and are

				extremely FAST! Modern Computer Programs do all the real work! Yet, the Greedy Banks want \$35 for an overdraft!
HIGH FEES	Cynthia	OH	Ridiculous!	I have been charged an overdraft fee of \$30 because I deposited a check someone else wrote that did not clear. Totally not my fault,
HIGH FEES	Sandy	CA	Excessive	The \$35 overdraft fee is terrible, offensive and ridiculous. Makes no sense. Just a way for banks to make more \$\$\$.
HIGH FEES	kervin	CA	Overdraft Fees	Aloha! When I was a semi-starving college student, I occasionally had an overdraft. Driven by the deregulation frenzy of the 80s banks morphed from focusing on serving our local communities to maximizing profit. Well this led to students paying fee after fee all while trying to get a degree so they could start making enough money to pay back all the loans it took to get a degree in the first place! Fortunately college was much more affordable back then, yet everything else still cost plenty.
HIGH FEES	Cynthia	NY	But it wasn't my fault!	I have a tiny business and when a client accidentally gives me a check that bounces, why am I charged \$35 by my bank? Why is that fee not taken from their bank, if it's about deterring mistakes? Am I charged because I'm supposed to psychically know their bank account? Luckily, it's a rare experience, but it also seems excessive for them. (I was stuck with the overdraft fee once, but most have reimbursed me.)
HIGH FEES	David	CO	Failure to be informed.	We had just moved from IL to CO and set up bank accounts with money in checking and savings. With house closings and fees, we didn't have enough in checking when a number of charges hit all at once. The bank didn't tell us that they had a feature to automatically move money from savings to checking to cover overages. We were charged \$35 dollars for the shortage in checking even though there was plenty in savings to cover it. When we found out about the automatic coverage, we signed up for it but they wouldn't refund the fee previously charged.
ID THEFT	Yolanda	CA	Vandalized by BOA, while comatose with COVID.	November of 2019 I applied for unemployment, I never received nothing, not even a denial letter. May 2020 I found out I was one of millions failed victim of EDD unemployment identity theft. June 2020 tested positive for corona virus hospitalized in a coma heart stopped three times. July 2020 BOA approved access to the person who stole my identity access to unemployment checking account with the sum of \$62K. All while I was on life support fighting to survive. July 27, 2020 at 4:38 am. Flatline----- -----.
ID THEFT	JoEllen	NJ	JoEllen Knie	My information was found on the dark web and Citibank froze my accounts - the problem is they didn't tell me. About 10 days later I got a call from my phone provider saying my ACH was returned for non payment. This is when I realized there was an issue. Everything snowballed from there. It's week 4 and I'm still digging out from the mess, with Citibank not paying me back for late and returned check fees. I had a 40+ year relationship with Citibank, but that's over.

JUNK FEES	Michele	IL	State Laws allowing retailers to charge credit card surcharge fee - Outrageous	Most of the states with the exception of a few have elected to allow merchants (retailers) the right to charge a credit card processing fee to their customers which literally takes away any rewards that a customer would received from a company such as Costco among others. These are not deductible fees to the individual but deductible to the company.. Once again the consumer is getting robbed. This is wrong and outrageous and gravy boat money to the retailers that are passing these fees onto consumers. We know what's behind the cash only game; the fact that the retailers can hide their income and not pay their fair taxes. Retailers need to be accountable show the real price of the item being purchased. Consumers should stop patronizing these establishments. The truth of the matter is that retailers rely on their credit card customers heavily. Once again the general public is being taken advantage of. Laws need to be passed forbidding this practice now!
JUNK FEES	GARY	TX	Had a ton of money in the bank's high yield account but got hit for a fee for my regular checking	I keep my business accounts with a bank and have a regular checking and a high yield and a regular yield savings account. My checking account went below the limit not to be charged a monthly fee even though I had close to \$70K in my high-yield savings account. Ridiculous.
JUNK FEES	JOHN	CA	Rip-off	What about the foreign transaction fee charged for every ATM withdrawal outside the US. It's 3%!
JUNK FEES	mike	IL	Abusive Rates	Bank charged a 30\$ fee for being few days late on \$100 bill. If I were to put \$100 into their savings account at 1% INTEREST it would take 80 years to get \$30 interest. This is on top of the 29% interest they charge.
JUNK FEES	L	CA	Stop Payment Fee	I haven't been hit with an overdraft fee as I try not to carry a balance. However, when I had to make a stop payment on a lost check, they charged me \$35.00! That was a shocker.
JUNK FEES	William	LA	Junk fee's	Every time I pay a bill over the phone or in person with my debit card I am charged a convenience fee. These are totally ridiculous non necessary fees. Simply for the service being convenient.
JUNK FEES	Bill	VA	Vehicle processing fees!!	Ever go buy a car in VA and there is a processing fee that is approaching \$1000!!! Go after them
JUNK FEES	Lynn	NM	Sloppy banking	I have a Visa card with my bank (Bellco federal credit union), and for years have paid it by auto-pay. The bank switched their autopay software, but failed to port over the autopay data or announce it to customers, so they showed me as missing a payment. It affected my credit score. I am furious.
JUNK FEES	Susan	OR	Thank you. But what about sky high intertest rates?	I really appreciate you lobbying for lower late and overdraft fees, but what about excessive, almost criminal, interest rates on credit cards, In the 20's and 30 percentiles. That would save billions of dollars for consumers who are responsible and pay all their bills on time and don't overdraft their accounts. That's got to be even more. Can you help those who are responsible that way, but just don't always pay in full each month. Please give it some consideration.

JUNK FEES/COERCED DEBT	Jane	TX	My husband stole and maxed out my credit card.	I reported it as soon as I got a bill with nearly 18,000.00 charged on it, with all the charges made in the state he moved to when we separated. The card company told me they would break payments down and remove a late fee. They did not. Instead they kept the large payments and kept adding 40.00. If I couldn't make the payments, how did they think I could make higher payments with added late fee additions! They were more concerned with hitting me with late fees than investigating the evidence I gave them.
LIFE HAPPENS	Haecker	WI	Life things can surprise	My sister has needed help due to serious medical problems. I missed a few late items. I immediately paid these the minute I noted this. This is something I rarely do.
LINKED CREDIT CARD	Paul	CA	Overdraft fee charged to credit card	My elderly mother forgot to record several checks in her register. Each time she wrote another check that exceeded her balance, the bank charged an overdraft fee to her bank credit card. She made paid the minimum balance due on the credit card, not understanding what was being charged. This bank practice resulted in large interest charges on her credit card...a costly double whammy. The cycle continued until I got involved with helping her manage her bank and credit card accounts, and discovered the problem. My mother was in the early stages of dementia, and I would not be surprised to find this is a common problem with older folks.
MULT FEES	Jonathan	CA	Over \$400 in overdraft fees	In a time before smart phones and apps, I once was hanging out with my friends and family. I had deposited my paycheck a couple of days prior and verified my deposit on my computer earlier that day. Well it turns out that Washington Mutual, my bank at the time, had an issue with my paycheck and no longer wanted to authorize it. They never sent me an email regarding this and later told me they were sending a letter that I wouldn't get until a day or two after the fact. So my friends and family ordered our food and we split the bill (first overdraft), then some of us move to the restaurant bar and order and pay separately, each time, for appetizers and drinks. Meaning that each appetizer and each drink is being charged independently. So I buy myself a drink, then I buy a friend a drink, I bought an appetizer, I bought my mom a glass of wine, etc. etc. This goes on throughout the evening and my Debit card was never declined, but each and every charge was an overdraft fee. The next day I log in to my bank account to not only find out that my paycheck was removed from my account, but they had charged me over \$400 in over draft fees. I called Washington Mutual immediately to find out what happened. I spoke to a couple of supervisors only for them to conclude that they would not cash my paycheck and they would not remove a single fee. In the end I closed my account, the bank black listed me and I was not able to open another bank account for a long while. Was it my fault they had an issue with my paycheck? No. How was I supposed to know of the situation they had with my paycheck? Why was I allowed to continue paying for items while my account was in the negative? Why were they allowed to charge multiple overdraft fees in one day? The whole situation seemed predatory after my check was retracted.

MULT FEES	Mark+Hay duke	AZ	I had to pay \$600 in overdraft fees to Desert Finacial Credit Union in Phoenix, Yuck, Sprawl AZ.	I had to pay \$650 in overdraft fees to Desert Financial Credit Union in Phoenix, Yuck, Sprawl AZ 85032.
MULT FEES	C.	FL	Overdraft Fees and then MORE FEES	I had a recent experience of an overdraft situation at my credit union. They charged \$10 for the first "cash advance", \$30 each for any additional advance with a max of \$500. Then if the overdraft was not paid within a 7 or 10 day?? window, they tacked on \$5 per day unutil it was paid off. Needless to say, this ballooned into \$100 and growing, and it started with a large withdrawal that should never have been made when it was withdrawn. I was able to get all the fees reduced to 1 \$30 fee, but this was outrageous!! This is an abuse of the banking system, especially for those of us that rarely need it.
MULT FEES	Julie	UT	Hundreds in overdraft charges	I forgot to change my address with my bank when I moved to a new town 10 years ago. One day soon after I moved, I checked my bank account and found multiple \$25 fees from my bank. Unknowingly, I had overdrawn with an automatic payment, and then several other charges went through short afterwards. The bank had sent me letters to my old address, but I didn't receive them. Of course, this wasn't the bank's fault, but the fees racked up to several hundred dollars in a very short time. It was pretty frustrating.
MULT FEES	Stephanie	WA	ruined for months	We had a mortgage company withdraw double payments on our home. As a young, broke, married couple, this meant that every other bill that month incurred an overdraft charge. The mortgage company never refunded us and just used it as the payment for the following month, but we ended up having several hundred dollars in overdraft fees at our credit union and it took months for us to get back into a positive budget. Those fees occurred at a time when we could least afford it and punished us for months through no fault of our own.
NO OD	C.	KY	ONE-SIDED STORY	SEEMS AS THOUGH YOUR SURVEY SHOULD INCLUDE PERSONS WHO HAVE NEVER WRITTEN A BAD CHECK OR USED A CREDIT OR DEBIT CARD BEYOND APPLICABLE LIMITS. I HAVE USED CHECKING, CREDIT AND DEBIT-CARD ACCOUNTS FOR OVER SIXTY-FIVE YEARS WITHOUT INCIDENT. OVERDRAFT, INSUFFICIENT FUNDS, ETC., FEES SHOULD BE REDUCED TO AN AMOUNT EQUIVALENT TO COVER ADMINISTRATION COSTS AND POSSIBLY A MODEST PENALTY FEE. IF SUCH FEES ARE EXCESSIVELY LIMITED THEN ALL DEPOSITORS ARE FORCED TO SHARE THE COSTS FOR PEOPLE WHO ARE CARELESS IN GOVERNING THEIR SPENDING ACCOUNTS.
NO OD	JOHN	FL	Never	I have never really faced that problem, but I know a lot of people that have and usually it's people are busier than the devil and just forget to pay a bill or don't pay attention and pay those outrageous fees
NO OD	Timothy	IL	We have never had an overdraft!	See above

NO OD	Richard	MI	Overdraft	I think only 3 times I've been hit with overdraft fees, and I'm 66. In every case I've called the credit union I was with (3 different CU) and every time it has been waived. Thank god for credit unions - most banks would never waive the fee from what I understand from friends.
PRE-AUTH	Sherrie	WA	Overdraft from pending excess deduction	Many companies are creating "pending charges" that are \$100 (unknown amount but news stories have warned the public against \$100 for each time your account is accessed by some companies) in excess of the correct debit charge. I had a \$29 overdraft charged against my account when I had a debit plus an unknown excess charge levied against my account. I called my credit union and complained and the man that I spoke with refused to tell me what the excess amount charged was but did reverse and credit my account for the overdraft. I consider removing money from my account that is not the correct amount to be theft. Some of the companies that I do business with pend their charges for several days. How much money are these companies taking from consumers and then processing the correct charge days later? Please make pending charges illegal and ban this practice.
PRE-AUTH	Diana L.	PA	Gas Station employee error	I was at a local gas station and went in to prepay for the gas with my Debit card so that the pump stops directly at the amount that I paid for. Well, either the attendant didn't set the pump amount correctly or he just never set it up to stop at my prepaid amount. I start to pump the gas and I would look up occasionally to see how close I was to being completed. I was close to being completed and was preparing to put the gas cap on when the amount ran over 34 cents. I immediately stopped the pump and called my Bank right away to explain to the Bank what had just happened. I was basically told that since I didn't have overdraft protection that I was responsible for the ODFee ! \$ 30.00 dollars that I didn't have. I have a job but due to physical health problems I can only work part time so my income is limited. Those Overdraft fees added up to almost \$ 700.00, yes, \$ 700.00 dollars which in turn got my account sent to a collection agency. So now what was a good credit score went down to a fair credit score. I don't have the funds to pay back those Overdraft fees and I took a 40 point credit score loss ! All of these financial problems are all because of 34 cents !!!!! And I wasn't even the one at fault. For that incredibly small amount I should have had that fee waived !
QUIT THAT BANK	Fenton	NM	Wells Farg	They did that to us once, we left them, never to return!
QUIT THAT BANK	Teresa	MA	Don't let them do it.	Whenever I get a fee from any service, I immediately contact them and tell them to cancel my account. They drop the fee when I do this. Except for one time, and I stopped doing business with them.
REPRESENT MENT	Amy	WA	Multiple fines for the same transaction	My mortgage company retried its charge after the first one failed, and the credit union - not even a bank, so you think they'd be better - charged overdrafts on both attempts. I even contacted the CU and they stood by the two overdraft charges. What business a financial institution has charging you for a transaction they decline I've never seen. The entity that doesn't get paid, sure - they've failed to get paid - but the bank that's doing nothing besides saying no? It's ridiculous. It's a discouragement for poor people to bank

				with that institution, and effectively makes it expensive to be poor, a shameful practice indeed. End overdraft fees entirely.
SMALL AMOUNTS	Richard	NC	My daughter lost hundreds of dollars	My daughter was working full time at minimum wage but could not keep money in her account. She unwittingly just clicked "ok" every time she'd take out a small amount of cash from atm and simply clicked thru a warning that it was costing her another \$35 to do a withdrawal which was many times less than \$35! She'd also get zapped for automatic payments hitting the same account. At one point I counted over \$450 in fees for just one statement. You would think someone would reach out to offer other solutions. No one ever contacted her.
SMALL AMOUNTS	Victoria	VA	Bank fees or food & meds?	My only bank account is checking with Atlantic Union bank. When I signed up for the account checking the choice to deny debit cards transactions that would over draw my account. Maybe the rule changed recently because in February the bank let 3 under \$10 tv subscription payments through when I had a \$4.00 balance. When my Social Security funds (my only income) were directly deposited my \$1542.00 funds were reduced almost \$120.00. This was my food & medication money. I am a disabled widow trying to live with a little dignity. The banks have other plans. Thank you for your time.
SMALL AMOUNTS	Aleasha	GA	Twenty nine cents	I ended up owing \$346 for a \$.29 overdraft. And on the way inside the bank, I found a quarter and four pennies on the ground. It was at EXCEL FEDERAL CREDIT UNION.
SMALL AMOUNTS	Don	TX	Miscalculati ons Cost Me Big	Well, it was big to me at the time. In the late 90s and early 2000s, I frequently had only a couple dollars or so at the end of my monthly check. Once I had to borrow a couple hundred dollars from a payday loan operation at nearly 600% to cover a dollar and some change overdraft plus the 29 dollar fee. It happened more than once, to my eternal shame and guilt at having to live so close to the edge.
SMALL AMOUNTS	JOSEPH	NY	A mistake by the bank - and no way to contact them.	I decided to close out a checking account at Truist bank, and upon their advice, I wrote a check to cover the balance. I deposited this check via my Bank of America Mobile App, and indicated the correct amount. However, Bank of America later made a separate credit to my account for six cents, and overdrew my Truist Account. Truist bank then charged me a \$36.00 overdraft fee, and a \$10.00 Maintenance fee. I called Bank of America Customer Service, only to be told the agent could not make any adjustments to my account! There were no other contact numbers for either bank, no Address where I could send a Letter, no fax numbers - No way to contact either bank outside of the Customer service phone number. I now live in New York, and Truist has no branches anywhere near me. I finally wrote letters to both banks, picking a Branch office for each. They finally both resolved the issue...Finally!

SMALL AMOUNTS	Caleb	NY	Credit Union Woes	I used a credit union (Teachers Federal Credit Union) thinking they'd be more responsible and a better steward of the customers finances. Turns out that was a wrong assumption. I'd pay my credit card from the credit unions account and do my math a little wrong. To my shock I got an overdraft fee, despite the fact that the credit card company pulled the money and put it right back. It had to be seconds between when it pulled and when it returned realizing there wasn't enough. But low and behold between the two was an overdraft fee. So rather than the extra \$35 going to my credit card payment, it went to my credit union who just this year closed my local branch.
SMALL AMOUNTS	ELIZABETH	OH	Got hit with an overdraft fee more than the amount overdrafted	Got hit with an overdraft fee with 4 overdrafts made in about twenty minutes. I was in college and running to the campus stores for a few items, not realizing my pay check wasn't in yet. I got charged 4 times, 25 a pop for a total amount that was about 15 bucks. The bank employee was able to help get two of those removed, but 50 bucks was sure expensive at the time.
SMALL AMOUNTS	Troy	WI	Over 2 cents	Royal Credit Union in Wisconsin gave my account a 30 dollar fee over a two cent overdraft. I contacted their attorney and told them that another account had 5 dollars with a few cents interest. So, he reversed the no funds fee. But, they have made mistakes on assigning fees and if I was not checking on them they would walk away with illicit fines.
TIMING	Mark	CA	Off by Half a Day	So, I do my banking online. I pay my bills from my checking account. It goes well every month. Except one time when it didn't. I got an overdraft charge in my checking account. The bank paid my bill for me, but they still charged me an overdraft fee. I was expecting my credit union to transfer funds from my savings account to my checking account at my bank. That's how I fund my monthly bill payments, by sending from my savings to my checking. But one month, the transfer from savings arrived a half day late. And therefore, I was charged an overdraft fee from my bank. But a \$30 penalty for a half-day late arrival? I've been the bank's customer for 30 years. And I think that was an excessive penalty.

TIMING	William	AL	Regions, Regions, Regions	<p>I thought consumers were CUSTOMERS that should be appreciated, but after having a nearly 30 year banking relationship with Regions, Regions has managed to reduce my trust in THEIR handling of MY money to absolutely zero/nil/no confidence but a high level of concern.</p> <p>I left Regions because they, first of all, DID ABSOLUTELY NOTHING for their account holders during the entire COVID-19 world wide boondoggle. Business as usual with Regions.</p> <p>Secondly, while other banks were forgiving their depositors for small overdrafts and lessening deposit restrictions, Regions was forcing their account holders to make deposits by 8:00PM sharp, while not providing ATMs that would receive deposits until 8:00PM. I would regularly go into see my local Regions branch manager 9:00AM sharp to let them know "your ATM (Coliseum Blvd. @ Eastbrook) was not working again last night and neither was the other two (2nd-Coliseum Blvd. @ Vista View & 3rd-Eastdale Mall Circle). I was at all three (3) before 8:00PM and have pics on my phone and receipts stating REGIONS ATM machines were not receiving deposits. As worthless as boobs on a boar hog, she/he would explain that "We've already forgiven your two (2) annual overdraft charges, and our policy simply will not allow us to exceed that... It's the computer not us!" WTF??</p> <p>REGIONS INABILITY TO MAINTAIN THEIR EQUIPMENT WHICH SERVICES THEIR CUSTOMERS IN THEIR ABSENCE OF OTHER ABILITY OR MEANS BY WHICH CUSTOMERS MUST SERVICE THEMSELVES AT REGIONS BEHEST DOES NOT RELIEVE THEM OF THEIR RESPONSIBILITY TO MEET THE LEVEL OF SERVICE REGIONS STATES THEY WILL PROVIDE.</p> <p>In other words, Regions was penalizing me when I could not make a deposit because none of their machines were either not accepting deposits BEFORE 8PM or were otherwise OUT-OF-ORDER! That's some bull-malarky!</p>
TIMING	Byron	IL	Bank bought by another	<p>After Inland Bank was purchased by Byline, they seem to arrange for checks to clear, in such a manner to generate the most overdraft fees. Even on days where deposits were made, before checks cleared, the bank failed to include the deposits the day they were electronically deposited. In 30 plus years with inlandbank.com, we had 1 overdraft, with byline we had 6 or more, each resulting in 39 costs. Strangely enough most transactions went through cleanly the next day?</p>
TIMING	Fred	OR	Move your money to a credit union.	<p>On a few occasions money would not transfer on time and I would get hit. For the most part, I stopped using checks and credit cards, I only use a debit card 99% of the time. 12 years ago I moved everything to a credit union to avoid ridiculous fees. It's not just the over draft fees it's also all the other things they think of to slap a fee on. This all happens on top of their corrupt activities ie: Wells Fargo.</p>
TIMING	Henry	TX	Late Deposit	<p>Our direct deposit was late a day and our out going payments are on auto pay. This caused over draft fees. The bank stated we would need to open a savings or money market account to avoid issues in the future. We have a money market account through our investment company which pays a much higher interest rate compared to the bank. We now do all our banking through the investment company.</p>

TIMING	Edward	NY	Excessive and unfair	We use a local bank, and their fee is 35.00 for an overdraft. Trouble is, they deduct that charge BEFORE their totals, causing even more overdraft fees. It's just crazy. and they will overdraft you for the overdraft fee. As an elderly couple this really weighs down because we are fixed income. and with food prices being what they are it is easy to overdraft :(.
TIMING	Robert	CA	Slow deposit processing	I made a deposit (government check that did not have a hold put on it). A check I had written hit the bank about an hour later and I was charged an overdraft fee because the deposit had not cleared even though the deposit time showed prior to the check.
TIMING	Joyce	CA	mONDAY NIGHT!	Back in the 1990s Wells Fargo bought the savings & loan where I had a checking account, did not give any real info about their operations. My partner did not have an account, cashed his check at a local business & gave me cash to deposit in my account to cover household expenses. I would deposit the cash Saturday am. The first weekend after WF took over we followed the usual procedure but the following mid week I got a notice from the bank that I owed them \$30-odd after they had cleaned out my account: deposits made after closing on Friday-even cash- were not entered until Monday night. Each of the checks I had written cost \$35(? Can't remember the exact amount). I had written around a half dozen checks by then. I refused to pay, closed the account & was not able to have a bank account anywhere for 4 years.
TIMING	Rob	HI	Well, I have never"	To respond to a person who wrote recently: I HAVE NEVER WRITTEN A BAD CHECK OR USED A CREDIT OR DEBIT CARD BEYOND APPLICABLE LIMITS. I was charged \$35 by Bank of Hawaii for a overdraft check when a transfer of funds from another bank did not get cleared in time to cover my check, despite that I also pay \$50 a year for "overdraft protection"!!!
TIMING	C. Larry	OH	Posting Games to Create Overdrafts	I had a regular mid week deposit from a part-time job. My bank would routinely post all charges against my account, early Wednesday morning, before posting the deposit. By doing so my account would often be overdrawn, notwithstanding the fact that the bank had the deposit in hand, which if posted first would have prevented an overdraft(s) and the corresponding overdraft fee(s).
TIMING	Jacqueline	GA	Overdraft fees even with funds in the account.	In January 2022, I was travelling to Atlanta from Illinois. I had made a \$1500 deposit a few days before travelling and decided to pay some bills to be on the safe side of my credit. As I was travelling I had incurred some expenses but felt pretty safe with the \$1500 as insurance. However, my credi union, ESFCU, located in Maryland, charged me \$70 for 2 transactions at \$35 each because of some rule that the funds from the 1500 deposit was on hold and not available to me at said time. I have overdraft protection the payments were made. Upon calling the CU to reverse the fees, because I could not remember my password, I could get no one to even look at my account and to this day, I am out \$70. I also did not live in MD at the time where the CU is located so I could not personally go in.

TIMING	Kathleen	MN	Already struggling to make it	<p>The younger generation grew up with the internet & love online banking. But some of the banks & credit unions don't have the timely balances online & that is how they determine how much money is in their account. So, of course, they incur late fees. If the bank lags in updating their balance, they think they have more money than they do & incur late fees on top of late fees.</p> <p>I once went into my bank to see if they would reverse a late fee & they told me no. I asked why (because most will reverse the fee if you only incur one in a years time). They said that they plan on that income in their budget projections & refused to refund it. This really hurts a person that is struggling financially to just to get by! That's just wrong!</p>
TIMING	Jeanette	FL	Erroneous Bank Fee	<p>I made a deposit to my checking account which has a two day hold. The credit union I use did not count the day of my deposit as a day but the next day. Then it was the weekend and my check was held until that Monday. A transfer went out of my account causing the automatic \$35 fee to hit my account. My account was never at a zero balance and you could see that the money was showing on the account. I called them immediately to get a reversal and the representative on the phone said she did not have the authority to do so but that she would escalate my request. I am still waiting for a response and filed a complaint with the credit union financial regulators. I presently have an open case.</p>
TIMING / SMALL AMOUNTS	Sam	RI	It's Just the Way It Is.....	<p>These days, with so many regular household bills--electricity, water, heating fuel, waste collection, internet, phone service, insurance--many of us have automated payments (or been required to automate payments for better rates). Many people, like me, get paid twice a month; occasionally, so many of those automated regular service bills are withdrawn in the same day or two and before a paycheck clears, briefly overdrawing my checking account (when they hold plenty of my money in the savings account). Suddenly I owe at least \$35 (for a potentially smaller overdraft) before I even have time to recognize the discrepancy.</p>
WRONG ACCOUNT	James	ME	Used wrong account	<p>Paying bills online and clicked on the wrong banking account to pay a large bill. The intended account had plenty of money on balance, the account erroneously selected had insufficient funds. \$25.00 overdraft charge even though they didn't pay the overdraft.</p>