

# Meeting Outline for Consumer Advocacy Week 2024

*Last update: April 12th, 2024*

## **Roles**

Facilitator

Speakers, including a storyteller, for each section

Notetaker

Correspondent - Sends two-pagers ahead of time and follows up after the meeting with thank you and any additional materials.

## **Introductions**

Thank you for taking the time to meet with us. We are meeting with you today as part of Consumer Advocacy Week. There are more than 130 advocates like us from 36 states, DC, and Puerto Rico who are meeting with Congressional offices this week in support of the Administration's junk fees agenda.

[Do a round of introductions: Name, role, and organization. Note if you're a constituent (and for how many years) or are from the same state. Note what your organization provides in your state (affordable housing, financial counseling, legal aid, community organizing, civil rights defense, etc) and who your members include (labor, faith, military, etc).]

What's in your portfolio/what's on your plate these days? [Ask if they don't bring it up in intros.]

Our top priorities right now include making sure three rules will be able to protect consumers as intended: Those rules are the Federal Trade Commission's CARS rule and the Consumer Financial Protection Bureau's proposed rule on overdrafts and the credit card late fees rule.

## **CARS Rule**

### **Talking Points:**

First we'd like to talk about the FTC's CARS Rule, which was finalized in December. How familiar are you with the rule?

Some main things to know about the rule are that:

- It requires car dealers to provide the full "offering price" up front, which will save consumers 3 hours per car purchase, and create a level playing field for honest dealers.
- It will also require dealers to give the total price of the vehicle when discussing monthly payments. Consumers deserve to know the full price - and not just the monthly payment.

- Importantly, the CARS Rule provides clear regulation of dealer conduct and ensures the FTC can directly seek refunds for consumers when there is a violation, such as a deceptively low advertised price, or a worthless add-on product like a warranty program that duplicates a manufacturer's warranty.
- It explicitly prohibits dealers from lying to servicemembers about military affiliations.

[Tell a personal story or a story on behalf of a constituent, if your group has one.]

Do you have any questions about the rule?

### **Make the Ask:**

As you might know, the rule was set to take effect on July 30th but has been [paused](#) after two industry groups challenged the rule in the courts.

Also, there is an additional effort to reverse the bill in Congress. We ask the Rep./Sen. to vote against the FTC REDO Act of 2024, which will roll back the FTC's new CARS rule, and would roll back the authority that Congress specifically gave the FTC to regulate car dealers. The bill has been introduced in the House (H7101) and Senate (S3014).

- Will Rep./Sen. XX oppose the FTC REDO Act, S 3014/HR 7101?
- Will Rep./Sen. XX oppose the bill publicly? [Suggest examples: social media post, op-ed, press release. We can help with those action steps.]

## **Overdraft Loans Proposed Rule**

### **Talking Points:**

Next we'd like to talk about the CFPB's proposed overdraft fees rule.

[If the legislator supported the Overdraft Protection Act in the 117th Congress, please thank them for their support. The list of House co-sponsors for the bill, led by now retired Congresswoman Carolyn Maloney (D-NY) [is available here](#). A similar bill, the Stop Overdraft Profiteering Act, was introduced in the Senate by Senator Cory Booker. The bill had three co-sponsors (Sens. Warren, Markey, and Wyden).]

Let me explain the problem: Banks rake in billions of dollars from extremely punitive overdraft fees -- mostly penalizing people who have the least money to lose.

[Provide stories if you have them.]

Even though some banks have changed their overdraft practices under the CFPB's closer watch over the past few years, many banks still charge about \$35 for overdraft fees, sometimes three to five times in a single day.

How familiar are you with the proposed rule?

[If they're not familiar, review the following bullet points.]

Under the CFPB's proposal, which would only apply to financial institutions with more than \$10 billion in assets:

- Banks could offer overdraft services as a courtesy, or as a line of credit.
- Banks could charge fees to recoup their costs for providing "courtesy" overdraft services.
- Or they could charge overdraft fees that exceed their costs, but they would have to comply with the same Truth in Lending Act protections required for consumer credit, including transparent disclosure of APR and fees, and assessment of a customer's ability to repay.

In practice, overdraft fees have functioned as high-cost credit, so it only makes sense to treat excessive fees as credit.

The public comment period ended on April 1st. A coalition of 142 consumer, labor, civil rights, faith-based, and military organizations submitted a comment. The next step will be for the CFPB to release a final rule, which is likely to happen in summer or fall of 2024. In the meantime, it will be important to provide support for the CFPB's work.

Do you have any questions about the proposed rule?

**Make the Ask:**

- Does Rep./Sen. XX support the proposed rule?
- Will Rep./Sen. XX support it publicly? [Suggest examples: social media post, op-ed, press release. *We can help with those action steps.*]

**Credit Card Late Fees Rule**

**Talking Points:**

Finally, we'd like to point out the CFPB's credit card penalty fees rule, also known as its late fees rule, which was finalized in March. A Congressional Review Act resolution of disapproval was filed in the House Financial Services Committee on March 29th.

The largest credit card companies are charging late fees that are approximately five times their processing costs, even as technology has lowered their costs.

And the CFPB found that many issuers have hiked their late fees each year without evidence of increased costs.

[Provide stories if you have them.]

We support the CFPB's rule because it will:

- Finally make late fees more “reasonable and proportional” to the costs of handling late payments, which is what Congress required when it passed the CARD Act.
- It will set a maximum fee of \$8 and is projected to save Americans more than \$10 billion a year. The average late penalty is currently about \$32.

Member groups within our coalition organized a public petition to support the credit card late fees rule. At last count, [it has been signed by more than 56,000 individuals](#).

Do you have any questions about the rule?

### **Make the Ask:**

We expect a committee markup in the House on April 17th for [a CRA resolution](#) to reverse the credit card late fees rule. We ask that Rep./Sen. XX oppose the CRA resolution.

- Will Rep./Sen. XX oppose the CRA resolution? [If they are a [member](#) of the House Financial Services Committee (HFSC), ask if they will oppose the CRA in committee. Otherwise, ask if they will oppose it when it comes for a full vote.]

### **Closing**

Thank you for your time!

[Also thank them for any support or consideration they provided and let them know we will follow up accordingly. Please send them any additional information they might have requested and indicate those fulfilled requests in your post-meeting survey.]