



# SUPPORT THE CFPB'S OVERDRAFT RULE

## THE CFPB'S OVERDRAFT FEE RULE CLOSES A DECADES-OLD LOOPHOLE THAT WILL PUT BILLIONS BACK INTO THE POCKETS OF HARDWORKING AMERICANS

In 2023, consumers paid **\$5.8 billion** in overdraft fees. As recently as in 2019 banks and credit unions charged consumers for **\$12.6 billion** in overdraft fees.

In 2023, JPMorgan Chase and Wells Fargo charged **\$1.1 billion** and **\$937 million**, respectively, in overdraft and non-sufficient funds fees.

The rule will help everyone, but especially families that are struggling with high prices to make ends meet.

The rule lowers overdraft fees from **\$35 to \$5**, a move that will save households **\$5 billion** annually.

**Hardworking Americans** that pay overdraft fees spend an average of **\$225 on these fees every year**. Typically targeting lower income households, people of color, and households with a disability.

Most debit card overdrafts are for **less than \$26 in purchases**, and are repaid within 3 days, resulting in what amounts to a **16,000 percent annual percentage rate (APR) loan**, often for transactions consumers would have chosen to be denied.

Banks have charged overdraft fees when the account had **sufficient funds**, **manipulated the order of transactions**, and **engaged in other abuses**.

The rule **does not apply to small community banks**. It is limited to large financial institutions with over \$10B in assets, many have already adopted similar protections.

**It also protects service members** through the Military Lending Act protections on an overdraft line of credit.

**84% of voters support the idea** of limiting the amount banks can charge in overdraft fees to the amount of banks' costs.

## STATUS OF THE RULE

Bills have been introduced in the House Financial Services Committee and the Senate Banking Committee to reverse the overdraft rule through Congressional Review Act resolutions of disapproval.

**H.J. 59 by Rep. French Hill:** "Disapproving the rule submitted by the Bureau of Consumer Financial Protection relating to "Overdraft Lending: Very Large Financial Institutions."

**S.J. Res. 18 by Senator Tim Scott:** "A joint resolution disapproving the rule submitted by the Bureau of Consumer Financial Protection relating to "Overdraft Lending: Very Large Financial Institutions."