



FOR IMMEDIATE RELEASE

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CFPB Saves Arizona Consumers Millions with Final Rule on Overdraft Fees

Arizonans Must Urge Congress to Support the Cap on Junk Overdraft Fees

Tucson, AZ — Consumers in Arizona that are burdened by abusive overdraft fee practices will receive some relief after yesterday's announcement that the Consumer Financial Protection Bureau (CFPB) has finalized its overdraft rule. The rule will curb fees from \$35 to \$5 nationwide and is expected to save households \$5 billion annually.

The CFPB's rule will prevent big banks from charging huge junk overdraft fees that burden families with hundreds of dollars a year and even push people out of the banking system. The rule will promote straightforward, affordable forms of coverage protection.

“The Consumer Financial Protection Bureau (CFPB) is protecting ordinary families from the harmful practices of big Wall Street banks. Arizona constituents understand the devastating financial impacts of overdraft fees, which can lead to bank account closures and undermine family financial stability. AZ constituents urge our senators and representatives to support the rule and put money back in the pockets of AZ working families”, said Kelly Griffith, Executive Director, Center for Economic Integrity. “This is an issue of fundamental fairness and financial inclusion vs. big bank corporate greed. Vulnerable consumers, including elders on fixed incomes and low-income working families are especially hurt from abusive overdraft fees, but honestly everyone is impacted by exorbitant overdraft fees. Hard working Arizonans are fed up with intentional predatory overdraft actions by big banks.”

The CFPB action to protect consumers provides clear rules of the road to ensure consistency and clarity with overdraft products offered by the largest banks and financial institutions.

The new rule could face the threat of being overturned by Congress using the Congressional Review Act (CRA), however, which allows Congress, with the President's approval, to overturn rules using expedited procedures and a simple majority vote and limited debate.

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“Arizonans must urge their representatives in Washington and President-elect Trump to stand with struggling families over big banks seeking to overturn the rule and remove the cap on overdraft fees”, said Griffith, Center for Economic Integrity.

Congress must protect this rule from industry actors. If big banks were to have their way, consumers would lose protections they need to support their day-to-day finances.

“We need Rep. Ciscomani and the entire Arizona Congressional delegation to be strong leaders to support consumers against big Wall Street banks that operate without the best interest of Arizona workers and families and prevent the predatory targeting of so many of our community members,” said Griffith. “Our lawmakers must stand airtight for these protections and put Arizona constituent’s financial wellness ahead of big banks predatory overdraft practices.”

Additional information can be found here:

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

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