

# Antitrust, Oversight Chairs Pushing to Stop Overdraft Fees During Pandemic

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## *Cicilline-Maloney Stop Overdraft Profiteering During COVID-19 Emergency Act will protect working people from additional financial burdens*

House Antitrust Subcommittee Chairman David N. Cicilline (RI-01) and House Oversight and Reform Committee Chairwoman Carolyn Maloney (NY-12) announced today that they have introduced legislation to prohibit banks from collecting overdraft fees during the COVID-19 pandemic.

**“As we all do our parts to flatten the curve, it’s critical that Congress do whatever it takes to make sure working people get through this crisis with their finances intact,”** said Cicilline. **“Under President Trump, the big banks are doing just fine. They don’t need to be punishing their customers with overdraft fees right now. This is a commonsense bill that protects consumers. Members of both parties should get behind it today.”**

**“Unfair, deceptive, and costly overdraft fees hit those who can afford them the least the hardest; cash-strapped hardworking Americans and college students who are struggling to pay their bills. This is why I introduced the Overdraft Protection Act of 2019 in September,”** said Maloney. **“Now, with the COVID-19 crisis, even more Americans are struggling financially — with 15 million people filing for unemployment. Even one overdraft penalty can quickly trigger hundreds of dollars in fees and drive customers into a financial hole. At the very least, we need to immediately stop this practice during this pandemic.”**

In 2017, consumers paid more than \$34 billion in overdraft fees. Many consumers do not even know if they have opted-in to overdraft services. According to a 2014 Pew report, more than half of people who overdrew their checking accounts, and who were charged an overdraft fee in the year before, could not recall consenting to the coverage.

In addition, a 2014 Consumer Financial Protection Bureau (CFPB) report found that most debit card overdraft fees are triggered by transactions of less than \$25 and repaid within 3 days—the equivalent of a 17,000% annual percentage rate (APR). With unemployment soaring in the midst of a once-in-a-century global pandemic, even more working people are at risk of being negatively impacted by overdraft fees.

That's why, for the duration of the COVID-19 public health emergency, the Cicilline-Maloney Stop Overdraft Profiteering During COVID-19 Emergency Act will:

- Prohibit financial institutions from assessing overdraft fee or nonsufficient fund fee for any transaction, including at ATMs, at the register, or involving checks or recurring payments.
- Ban financial institutions from reporting consumers' use of overdraft coverage to a credit reporting agency.
- And allow financial institutions to extend a reasonable overdraft line of credit to consumers with insufficient funds.

A PDF copy of the Cicilline-Maloney Stop Overdraft Profiteering During COVID-19 Emergency Act can be downloaded by **clicking here**.

(<https://cicilline.house.gov/sites/cicilline.house.gov/files/documents/OverdraftProfiteering.pdf>)