



Lucas White, Chairman  
Jack E. Hopkins, Chairman-Elect  
Alice P. Frazier, Vice Chairman  
Quentin Leighty, Treasurer  
James H. Sills, III, Secretary  
Derek B. Williams, Immediate Past Chairman  
Rebeca Romero Rainey, President and CEO

March 4, 2025

The Honorable French Hill  
Chairman  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Maxine Waters  
Ranking Member  
Committee on Financial Services  
U.S. House of Representatives  
Washington, D.C. 20515

**Re: Support for H.J.Res. 59 Disapproving CFPB Overdraft Protection Rule**

Dear Chairman Hill and Ranking Member Waters:

On behalf of ICBA and the nearly 45,000 community bank branches we represent, I write to thank you for scheduling a markup of H.J.Res. 59, which would nullify the Consumer Financial Protection Bureau’s recent rule on overdraft protection. This rule exceeds the Bureau’s statutory authority and violates existing regulations that have determined overdrafts are not extensions of credit. **ICBA urges all members of the Committee to vote in favor of this important resolution.**

Community banks offer many forms of overdraft protection services to address a variety of consumer needs in a highly competitive financial services marketplace. These services play a valuable role in bringing consumers into the banking system and offer them alternatives to payday loans and non-traditional loan products and the harmful consequences often associated with them.

For example, community banks offer safeguards to help prevent customers from overdrawing their accounts such as alerts to inform them of account status, transfers from designated accounts, small dollar loans, lines of credit, and deposit advances. The goal of these services is to accommodate customers and help them avoid bounced payments and overdraft fees and to responsibly manage their finances. Community banks are prohibited by laws and regulations from “surprising” customers with fees that have not been fully disclosed.

When overdrafts occur, it is generally in the consumer’s best interest for their bank to pay them rather than returning the items unpaid and triggering returned-item, late, or other payee fees levied by merchants, utilities, landlords, and other creditors, or even loss of service. The CFPB’s final rule would disrupt the offering of these valuable overdraft protection services.

The rule would subject overdraft protection programs to the Truth in Lending Act unless overdraft

protection fees are capped at \$5 or the “breakeven” rate. While the rule would not apply to banks with assets of less than \$10 billion, it would disrupt the competitive marketplace in which community banks operate. Ultimately, the CFPB’s rule would force many community banks to stop offering overdraft services to their customers, resulting in significantly more bounced checks and declined debit card transactions. The rule may not only reduce access to services but could create a chilling effect on financial inclusion efforts, and force unbanked and underbanked consumers to predatory options.

We urge this Committee’s support for H.J.Res. 59 to nullify a misguided rule and preserve overdraft protection programs on which millions of consumers rely.

Thank you for your consideration.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

CC: Members of the House Committee on Financial Services