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April 8, 2024

The Honorable Tim Scott
United States Senate
Washington, D.C. 20510

Dear Senator Scott:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to express our strong support for your resolution of disapproval of the Consumer Financial Protection Bureau's (CFPB's) recently finalized rule relating to "Credit Card Penalties Fees" (Regulation Z). The CFPB rule is part of a broader effort to mischaracterize as "junk fees" legitimate and clearly disclosed fees that make possible banking services that consumers seek and rely on.

ICBA believes the CFPB rule will carry unintended consequences for American consumers. Specifically, it could result in consumers making more late payments and incurring additional interest charges that would harm them in the long term. Credit card late fees — which are clearly disclosed — deter late payments and help offset the significant costs of collection for issuers. Notably, late fees are widely used by all types of businesses — and by federal, state, and local governments — to encourage timely payment.

Thank you for introducing this resolution of disapproval under the Congressional Review Act. Passage of this resolution would nullify a rule that will interfere with the operation of a free market, fix prices, and limit consumer choice. We look forward to working with you to advance your resolution.

Sincerely,

/s/

Rebeca Romero Rainey
President & CEO