

Overdraft Loans

Policy Analysis || Additional Resources

The banking industry is making forays into the high-cost lending market with “bounce protection” plans, a new form of high-cost credit that boosts fee income for banks. Using aggressive marketing techniques, banks are encouraging their low- and moderate-income customers to use bounce loans as a source of credit. Rather than denying a withdrawal, banks permit customers to overdraw at the ATM or through debit card transactions without informing them about the overdraft or accompanying fees.

Policy Analysis

Policy Briefs, Reports & Press Releases

- Press Release: Consumer Advocates Urge CFPB to Protect Consumers from “Junk Fees,” May, 2, 2022
- Policy Brief: 2021 Banking Agency Predatory Lending and Safe Banking Priorities, December 2020
- Press Release: CFPB Quietly Launches Web Database of Prepaid and Payroll Card Fees and Disclosures but Some Cards with Overdraft Fees are Missing, Oct. 16, 2019
- Press release: Consumer, Civil Rights Advocates to CFPB: Don’t Water Down Overdraft Fee “Opt In” Rule, July 2, 2019

More+

Comments & Letters

- Consumer comments in response to the CFPB’s request for information regarding junk fees imposed by providers of consumer financial products or services, May 2, 2022
- Group Letter supporting H.R. 4277 (Rep. Maloney), Overdraft Protection Act of 2021, March 30, 2022
- Consumer and civil-rights coalition opposition letter to the Consumer Financial Protection Bureau (CFPB) re: Overdraft rule review pursuant to the Regulatory Flexibility Act, Docket No. CFPB-2019-0023 (opposing weakening overdraft fee opt-in rule), July 1, 2019; press release

Testimony

- Written Testimony for Senate Banking Committee Overdraft Fees Hearing, May 4, 2022
- NCLC statement for House Financial Services Committee hearing on overdraft fees, March 31, 2022

More+

Litigation

- Group Amicus Brief: Roberts v Capital One, N.A., (On Appeal from the United States District Court for the Southern District of New York, Case No. 16-cv-4841), Aug. 7, 2017

Additional Resources

- [Bounce Protection: How Banks Turn Rubber into Gold by Enticing Consumers to Write Bad Checks - An Examination of Bounce Protection Plans](#)

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