

Despite Soaring Profits, Synchrony Still Pushing Burden Of Stayed Late Fee Rule Onto Consumers

Summary: On March 5th, the Consumer Financial Protection Bureau (CFPB) [finalized](#) a rule to cap credit card late fees at \$8. The rule was met with defiance by the U.S. Chamber of Commerce and other industry groups, who, on March 7th [filed](#) a lawsuit to prevent the rule from going into effect. Trump-appointed Judge Mark Pittman temporarily [stayed](#) the rule on May 10th and has been [prevented](#) from transferring the case to Washington D.C. twice.

In their Q1 2024 financial report, Synchrony [reported](#) net earnings had doubled since Q1 2023 to \$1.3 billion. Meanwhile, the company spent \$300 million on stock buybacks and planned to spend another \$1 billion by June 2025. During the earnings call, executives told investors they had begun [implementing](#) fee and APR increases months before the CFPB's proposed credit card late fee rule was meant to go into effect, [stating](#) they "weren't going to wait for the outcome of the litigation." Synchrony executives [dismissed](#) the idea of absorbing the cost of the late fee rule, [implying](#) that not raising prices for customers was suboptimal and [continuing](#) to provide credit to consumers was "impossible to do without these offsets."

In a June 5th [interview](#) at the TD Financial Services & Fintech Summit, Synchrony CFO Brian Wenzel confirmed they were continuing to [implement](#) "mitigation" policies regardless of when the litigation over the CFPB's proposed credit card late fee rule is resolved. Wenzel [stated](#) that the profits extracted from consumers through these fees were "benefits that now will be shared with partners."

Synchrony has already begun [increasing](#) APRs to as high as 39.99% and has implemented a \$1.99 paper statement fee per card, [increasing](#) the cost for some consumers by more than \$100 a year. In July, Synchrony will begin [charging](#) a "promo fee" for [deferred interest offers](#), equal to 2% of the original purchase price.

The Consumer Financial Protection Bureau's (CFPB's) Late Fee Rule Has Faced Intense Industry Opposition Since It Was Announced On March 5th; The Rule Was Temporarily Stayed On May 10th And Is Subject To A Jurisdictional Fight That Will Likely Be Resolved By Mid-June.

On March 5th, The Consumer Financial Protection Bureau (CFPB) Finalized A Rule To Cap Credit Card Late Fees At \$8.

March 5, 2024: The CFPB Finalized A Rule That Would Cap Credit Card Late Fees At \$8, Saving Consumers Over \$10 Billion In Annual Late Fees. "The Consumer Financial Protection Bureau (CFPB) finalized a rule today to cut excessive credit card late fees by closing a loophole exploited by large card issuers. The rule will curb fees that cost American families more than \$14 billion a year. The CFPB estimates that American families will save more than \$10 billion in late fees annually once the final rule goes into effect by reducing the typical fee from \$32 to \$8. This will be an average savings of \$220 per year for the more than 45 million people who are charged late fees." [CFPB, [03/05/24](#)]

The Rule Was Met With Defiance By The U.S. Chamber Of Commerce And Other Industry Groups, Who Filed A Lawsuit To Prevent The Rule From Going Into Effect On March 7th.

March 5, 2024: In A Statement, U.S. Chamber Of Commerce Executive Vice President, Chief Policy Officer, And Head Of Strategic Advocacy Neil Bradley Said The CFPB Had "Once Again" "Exceeded Its Authority" In Finalizing Its Credit Card Late Fee Rule, Vowing To "Imminently" File A Lawsuit To "Prevent This Misguided And Harmful Rule From Going Into Effect." "U.S. Chamber of Commerce Executive Vice President, Chief Policy Officer, and Head of Strategic Advocacy Neil Bradley issued the following statement regarding the new Consumer Financial Protection Bureau (CFPB) credit card late fees rule that will limit access to affordable consumer credit. 'Once again, the Consumer Financial Protection Bureau has exceeded its authority. The agency's final credit card late fee rule punishes Americans who pay their credit card bills on time by forcing them to pay for those who don't. This will result in fewer card offerings and limit access to affordable credit for many consumers. The Chamber will be filing a lawsuit against the agency imminently to prevent this misguided and harmful rule from going into effect.'" [U.S. Chamber of Commerce, [03/05/24](#)]

- **March 7, 2024: The U.S. Chamber Of Commerce Filed A Lawsuit In The Northern District Of Texas Alongside The American Bankers Association, Consumer Bankers Association, And Other Banking Trade Groups In An Effort To Block The CFPB's Credit Card Late Fees Rule.** "Today, the U.S. Chamber of Commerce filed a lawsuit in the Northern District of Texas seeking a preliminary injunction to stop the Consumer Financial Protection Bureau (CFPB) from implementing a rule that punishes responsible credit card users who pay their bills on time. In promulgating its rule to limit credit card late fees, the CFPB not only exceeded its statutory authority but did so by relying on the use of secret data collected for an unrelated purpose." [U.S. Chamber of Commerce, [03/07/24](#)]

Trump-Appointed Judge Mark Pittman Temporarily Stayed The Rule From Going Into Effect On May 10th And Has Twice Been Prevented From Transferring The Case To Washington, DC.

March 28, 2024: Judge Mark Pittman, A Texas Federal Judge Appointed By Former President Trump, Transferred The Case To Washington, DC, Saying "Venue Is Not A Continental Breakfast" Where You "Pick And Choose[...] Where And How A Lawsuit Is Filed." "A Texas federal judge on Thursday accused the major banking industry groups and U.S. Chamber of Commerce of venue shopping in their lawsuit against the Consumer Financial Protection Bureau, a major win for the federal regulator. The bureau had argued the only reason banks filed their lawsuit in Texas was to increase their chance of a favorable ruling. Judge Mark Pittman ruled that the lawsuit should be transferred to Washington, where the banking lobby has armies of lawyers able to handle this case. 'Venue is not a continental breakfast; you cannot pick and choose on a Plaintiff's whim where and how a lawsuit is filed,' Pittman wrote." [AP News, [03/28/24](#)]

- **Judge Mark Pittman Was Appointed By Former President Donald Trump.** [United States District Court, accessed [06/11/24](#)]

April 5, 2024: The New Orleans-Based Fifth Circuit Court Of Appeals Ruled That Pittman "Wrongly Transferred" The Case To Washington, D.C. "A federal appeals court ruled on Friday that a Texas judge wrongly transferred to another court in Washington, D.C., an industry-backed lawsuit challenging an agency rule on credit card late fees, highlighting the debate over 'judge shopping' in the U.S. The New Orleans-based 5th U.S. Circuit of Appeals on a 2-1 vote sided, with business and banking groups who last month filed the lawsuit in Fort Worth, Texas, a city whose federal courthouse has become a favorite venue for litigants challenging President Joe Biden's administration's policies." [Reuters, [04/08/24](#)]

May 10, 2024: Judge Pittman Blocked The CFPB's Credit Card Late Fee From Going Into Effect On May 14th, Citing A 2022 Fifth Circuit Appeals Court Decision That Found The Funding Mechanism For The CFPB, And Therefore Its Ability To Enforce The Late Fee Rule, Unconstitutional. "A federal judge in Texas has blocked a new government rule that would slash credit card late-payment charges, a centerpiece of the Biden administration's efforts to clamp down on 'junk' fees. Judge Mark Pittman of the U.S. District Court for the Northern District of Texas on Friday granted an injunction sought by the banking industry and other business interests to freeze the restrictions, which were scheduled to take effect on May 14. In his ruling, Pittman cited a 2022 decision by the U.S. Court of Appeals for the Fifth Circuit that found that funding for the Consumer Financial Protection Bureau (CFPB), the federal agency set to enforce the credit card rule, is unconstitutional. [CBS News, [05/13/24](#)]

May 16, 2024: The Supreme Court Rejected A Challenge To The CFPB's Funding Mechanism, Protecting Its Ability To Enforce Regulations, In A 7 To 2 Decision. "The Supreme Court rejected a challenge on Thursday to the way the Consumer Financial Protection Bureau is funded, one that could have hobbled the bureau and advanced a central goal of the conservative legal movement: limiting the power of independent agencies. The vote was 7 to 2, with Justice Clarence Thomas writing the majority opinion. Had the bureau lost, the court's ruling might have cast doubt on every regulation and enforcement action it had taken in its 13 years of existence, including ones concerning mortgages, credit cards, consumer loans and banking." [New York Times, [05/16/24](#)]

May 28, 2024: Pittman Tried Again To Transfer The Case To Washington D.C. After The Fifth Circuit Court Of Appeals Relinquished Jurisdiction. "The U.S. Consumer Financial Protection Bureau (CFPB) on Tuesday scored a jurisdictional victory when a federal judge in Texas transferred to another court in Washington an industry-backed lawsuit challenging the agency's rule capping credit card late fees at \$8. U.S. District Judge Mark Pittman in Fort Worth moved swiftly to transfer the lawsuit out of his courthouse for a second time after a federal appeals court that had previously prevented him from doing so relinquished jurisdiction on Friday." [Reuters, [05/29/24](#)]

May 29, 2024: The Fifth Circuit Court Of Appeals Once Again Stayed Pittman's Order To Have The Case Transferred To The District Of Columbia Until June 18th After Plaintiffs Filed An Emergency Petition For Writ Of Mandamus And Administrative Stay Of Transfer. "In a replay of earlier events, in response to an emergency petition for writ of mandamus and administrative stay of transfer filed by the plaintiffs in the lawsuit challenging the legality of the CFPB's credit card late fee rule, the Fifth Circuit Court of Appeals on May 29, stayed a District Court order that would have transferred the case to the District of Columbia. The emergency petition seeks mandamus relief 'to prevent a legally erroneous transfer to the District of Columbia that would delay the resolution of this challenge and deprive Petitioners of their choice of a proper and appropriate venue.' The Fifth Circuit stayed the transfer until June 18, 2024, and requested that the CFPB respond to the petition by June 6, 2024." [JD Supra, [05/31/24](#)]

As Synchrony Reported Doubling Profits And Expanding Stock Buybacks In Q1 2024, Executives Assured Investors They Would Make Up Any Lost Late Fee Revenue By Crushing Consumers Through "Product, Policy, And Pricing Changes."

In Q1 2024, Synchrony Reported Net Earnings Doubling Over The Year Alongside \$300 Million In Stock Buybacks, With The Board Approving An Additional \$1 Billion In Buybacks Through June 2025

In Their Q1 2024 Financial Report, Synchrony Announced Their Net Earnings Doubled Year-Over-Year, From \$601 Million To \$1.3 Billion. "Synchrony Financial (NYSE: SYF) today announced first quarter 2024 net

earnings of \$1.3 billion, or \$3.14 per diluted share, compared to \$601 million, or \$1.35 per diluted share in the first quarter 2023.” [Synchrony, [04/24/24](#)]

Meanwhile, Synchrony Spent \$300 Million On Stock Buybacks And \$102 Million On Dividends. “The company returned \$402 million in capital to shareholders, including \$300 million of share repurchases and \$102 million of common stock dividends.” [Synchrony, [04/24/24](#)]

In April, Synchrony’s Board Of Directors Approved An Additional \$1 Billion In Stock Buybacks Through June 30, 2025. “In April, the Company’s Board approved an incremental share repurchase authorization of \$1.0 billion through June 30, 2025, and intends to maintain the quarterly cash dividend at its current amount of \$0.25 per share of common stock.” [Synchrony, [04/24/24](#)]

During Synchrony’s Q1 2024 Earnings Call, Executives Told Investors They Had Begun Implementing Fee and APR Increases Months Before The CFPB’s Credit Card Late Fee Rule Was Meant To Go Into Effect, And That They “Weren’t Going To Wait For The Outcome Of The Litigation.”

In Their Q1 2024 Earning Call, Synchrony Vice President And CFO, Brian Wenzel, Told Investors They Would Implement “Product, Policy, And Pricing Changes” As A Result Of The CFPB’s New Credit Card Late Fee Rule:

Synchrony remains well positioned to return capital to shareholders as guided by our business performance, market conditions, regulatory restrictions, and subject to our capital plan. Turning to Slide 13 for a review of our 2024 business trends. As a reminder, Synchrony previously filed an 8-K on March 5, 2024, with a revised financial outlook, including EPS guidance for the full year 2024, specifically related to the framework around the pending late fee rule change and our product, policy, and pricing changes, there continues to be uncertainty regarding the timing and outcome of the late fee related litigation that was filed in March, the potential changes in consumer behavior that could occur as a result of late fee rule changes and any potential changes in consumer behavior in response to the product, policy, and pricing changes we implement as a result of the new rule. Outcomes and actual performance related to any of these uncertainties could impact the EPS outlook.

[Synchrony Financial Q1 2024 Earnings Call Transcript via Motley Fool, [04/24/24](#)]

Wenzel Told Analysts Synchrony Had “A Set Of Pricing Strategy Changes That Will Come Through [This Year],” Including Increased Fees And Interest Rates:

Brian Wenzel – *Executive Vice President, Chief Financial Officer*

Yeah. So, obviously, John, we have a set of pricing strategy changes that will come through, some of which come through with a faster cadence in 2024, which will be fee oriented as well as some policy orientation. And then there will be APR increases that build with some of which you'll see in 2024 if the rule gets issued and then build into 2025. So, we'll be back if the rule does get issued.

We'll come back and probably provide a little bit more color with regard to how to think about that in the context of 2024. Some of these will have a bigger short-term impact; some of them will have a bigger long-term impact. And so, we'll be in a position to provide a little more clarity when we have a final rule and we start to roll out some of these actions.

[Synchrony Financial Q1 2024 Earnings Call Transcript via Motley Fool, [04/24/24](#)]

Synchrony President And CEO, Brian Doubles, Further Clarified That Synchrony Was “Executing [Its] Plan” And Wasn’t “Going To Wait For The Outcome Of The Litigation,” Later Confirming That Synchrony Had Started Implementing Changes In December And Was “60% Done” By April:

Sanjay Sakhrani – *Keefe, Bruyette and Woods – Analyst*

OK. Very helpful. Thank you. And I couldn't let you guys get away without a late fee question.

So maybe just as we're waiting here on the courts at this point. Maybe you can just talk about how you're planning for a mid-May implementation and how much flexibility you have if there's an injunction after the current planned implementation period? And any early observations on the PPPC behavior changes? I know most of that will be in the second half. Thank you.

Brian Doubles – *President and Chief Executive Officer*

Yes, Sanjay. So we're not surprised this was the second question, we thought it might be the first. Obviously, we are waiting on the outcome of litigation that is uncertain but we're executing our plan. We said from the beginning that we weren't going to wait for the outcome on litigation, just given the uncertainty.

So we began the implementation of our changes in December. We're already over 60% done with those. We've got to send out the changes in terms, etc. The vast majority of those will be done in the next two months.

So look, we're executing the plan. In terms of timing, our basis was October 1 that assumed an injunction. With that said, it will be extremely operationally challenging to get this implemented in May, but we're preparing for that as well as a scenario.

[Synchrony Financial Q1 2024 Earnings Call Transcript via Motley Fool, [04/24/24](#)]

Synchrony Executives Dismissed The Idea That Some Lenders Could Absorb The Cost Of The Late Fee Rule, Implying That Not Raising Prices For Customers Was Suboptimal And Continuing To Provide Credit Was “Impossible To Do Without These Offsets.”

When An Analyst Asked Doubles About Smaller Card Vendors Indicating A “Willingness To Absorb The Late Fee,” Doubles Assured Them That He Didn’t “See It As A Competitive Threat” Arguing That A “Vast Majority” Of Issuers Are Going To “Do The Same Types Of Things” Synchrony Is Doing:

John Pancari -- Evercore ISI -- Analyst

Good morning. Some of your -- on that very last point, they just brought up some of the peer card vendors that have somewhat smaller private label and co-brand card businesses that have begun to indicate maybe a willingness to absorb the late fee -- the foregone late fees as a result of the rule change. Can you talk about if we do see that happen at some players where late fees are a smaller piece of their overall revenue, but they're in the private label in co-brand business, do you view that as a competitive threat? They do absorb the impact?

Brian Doubles -- President and Chief Executive Officer

I don't see it as a competitive threat today. I think in our space, in the vast majority of our business, I think you're going to see issuers do the same types of things that we're doing. I think it's going to be really important in terms of the economic sharing with the partners. I think we're obviously focused on providing credit to the customers that we do today.

And fortunately, you need to do some of these things in order to protect that and protect our partners. So I do think you'll start to see -- and we're starting to see this now. You'll start to see some issuers. We're building this into pricing models as we look at new business.

We're starting to build it as we bring on portfolios from our competitors you've got to contemplate an \$8 late fee. You have to assume that while we're hoping for a better outcome on the litigation, obviously, you got to build in scenarios where we have a much lower late fee. So I think it will even out over time across the industry, primarily in the space that we operate in today.

[Synchrony Financial Q1 2024 Earnings Call Transcript via Motley Fool, [04/24/24](#)]

Wenzel Called Absorbing The Cost Of Reduced Fees “Suboptimal” Implying That Any Company That Did Not Raise Rates On Consumers Would Fail To Attract Capital And That It Was “Not A Long-Term Viable Strategy”:

Brian Wenzel – *Executive Vice President, Chief Financial Officer*

The one thing, John, you just took it up a level for a second. So if you had a theoretical case where someone who has a smaller business than ours decides to absorb some of that late fee, what you end up into is a suboptimal return profile. And inside a large institutionwide may be immaterial. The question would be, does it attract capital? And how long can you sustain that? And we've seen over history, businesses come out of flavor in certain larger institutions where this is a small part.

This is what we do in the same way that we look inside our businesses, our platforms and allocate capital to some of our better performing, higher returning portions of the portfolio that, I think, over time will have to happen to these institutions. So I'm not sure that that's a long-term viable strategy if someone wants to do that. But again, it's very theoretical your question.

[Synchrony Financial Q1 2024 Earnings Call Transcript via Motley Fool, [04/24/24](#)]

Doubles Said Synchrony Wanted To Continue Providing Credit To The Consumers And Suggested That Was “Impossible To Do Without These Offsets”:

Brian Doubles – *President and Chief Executive Officer*

We only see what's out there in terms of public changes in terms. But I would tell you, my expectation is that everybody is going to do a combination of the same things that we're doing. It's a pretty -- it's a relatively standard playbook. You might see some issuers do a couple of things differently.

But I think on the whole, it's going to be the APR increases, different types of fees, etc., to offset this. And it's important that we do. Our goal from the beginning has been to protect our partners and continue to provide credit to the customers that we do today. And unfortunately, that's impossible to do without these offsets.

[Synchrony Financial Q1 2024 Earnings Call Transcript via Motley Fool, [04/24/24](#)]

In A June 5th Interview At The TD Financial Services & Fintech Summit, Synchrony CFO, Brian Wenzel Confirmed They Were Continuing To Implement “Mitigation” Regardless Of When The Litigation Is Resolved, And That Profits Extracted From Consumers Through These Fees Were “Benefits That Now Will Be Shared With Partners.”

In A June 5th Interview At The TD Financial Services & Fintech Summit, Synchrony CFO, Brian Wenzel Confirmed They Were Raising Fees To Maintain “ROA (Return On Assets) Neutrality”...

June 5, 2024: In An Interview At The TD Financial Services & Fintech Summit, Synchrony CFO, Brian Wenzel, Argued That Their Goal In Raising Fees And APRs Was Maintaining ROA (Return On Assets) Neutrality For Themselves And Their Partners. “We wanted to get to ROA neutrality, and we wanted to do that on a basis where we preserved as many sales as we can with our partners. That was the goal, and I

think...going on one of your questions in the middle of that, how is it going with partners...that led to very productive conversations...because we had aligned interests...right...through RSA's...but we also had aligned interests on how to solve the goal." [TD Financial Services, (4:10-4:33) [06/05/24](#)]

- **Return On Assets Refers To How Profitable A Company Is In Relation To Its Total Assets.** “The term ‘return on assets’ (ROA) refers to a financial ratio that indicates how profitable a company is in relation to its total assets. Corporate management, analysts, and investors can use ROA to determine how efficiently a company uses its assets to generate a profit.” [Investopedia, [01/28/24](#)]

...And That They Were Continuing To Implement “Mitigation” Measures Regardless Of When The Litigation Is Resolved.

Wenzel Confirmed Synchrony Was Continuing To Implement “Mitigation” Measures, Including APR Increases, A Paper Statement Fee, Promotional Financing Fees, And A Reduction In Interest Waivers. “So, when you think about getting that ROA neutrality...and trying to that with...you know...relative speed...there was a combination of items that come through. Some of which come through over a longer period of time...which were APR increases, which we put in across a lot of the portfolios. There were some that had more immediate impacts, when you think about a paper statement fee...which we said you can either elect to go into e-bill...and avoid the fee...which saves us dollars on OPEX...or we can charge you a fee. We have certain promotional financing fees that we are putting into the marketplace, they were already there before...and then there were some policy things around how we assessed interest...waivers...things like that...if late fees go lower, we won't waive as many of them. So, there's a combination of actions, and that combination was designed to try to get to a mitigation faster than some of our other peers.” [TD Financial Services, (4:34-5:26) [06/05/24](#)]

Wenzel Concluded By Spinning The Anti-Consumer Changes As “Benefits That Now Will Be Shared With Partners.”

Wenzel Concluded By Saying That If The Late Fee Rule's Implementation Was Delayed, The Benefits For Partners Will Be Greater, Suggesting That As A Company They Are Treating The Rule Like It Will Go Into Effect As Soon As Possible. “If it comes sooner than October obviously...then the impact is going to be more negative than anticipated, more RSA would have to absorb that. If it shifts later in the year, it's the other way...you're going to have the RSA go up because these benefits that now will be shared with partners. So that timing and how litigation plays out over the coming months will dictate it a little bit.” [TD Financial Services, (6:21-6:47) [06/05/24](#)]

The Product, Policy, And Pricing Changes Include Adding A Promo Fee To Deferred Interest Offers, Charging For Paper Statements, And Increasing APRs.

Synchrony Has Already Began Increasing APRs To As High As 39.99%.

In April 2024, American Banker Reported Synchrony Had Increased The Purchase APR Of Its T.J. Maxx Credit Card To 34.99% And The Penalty APR To 39.99%. “In a notice received this week by the holder of a Synchrony-issued T.J. Maxx credit card, the card company stated that the APR for purchases would increase to 34.99%. That's substantially above the average interest rate on new credit card offers of 24.7%, according to April data from LendingTree. Meanwhile, the T.J. Maxx card's penalty APR, which may be applied after a customer has made a late payment, would rise to 39.99%.” [American Banker, [04/24/24](#)]

- **As Noted In The Card's Terms, The Penalty Interest Rate Could Remain Indefinitely:**

Interest Rates and Interest Charges		
	TJX REWARDS® PLATINUM MASTERCARD®	TJX REWARDS® CREDIT CARD
Annual Percentage Rate (APR) for Purchases	34.99% This APR will vary with the market based on the Prime Rate.	34.99% This APR will vary with the market based on the Prime Rate.
APR for Cash Advances	34.99%	Not Applicable
Penalty APR and When It Applies	39.99% This APR will vary with the market based on the Prime Rate.* This APR may be applied to your account if you make a late payment. How Long Will the Penalty APR Apply?: If your APRs are increased for this reason, the Penalty APR may remain in effect indefinitely.	39.99% This APR will vary with the market based on the Prime Rate.* This APR may be applied to your account if you make a late payment. How Long Will the Penalty APR Apply?: If your APRs are increased for this reason, the Penalty APR may remain in effect indefinitely.

[Synchrony, accessed [06/11/24](#)]

They Have Also Implemented A \$1.99 Paper Statement Fee Per Card, Increasing The Cost For Some Consumers By More Than \$100 A Year.

In May 2024, *USA Today* Reported Synchrony Had Begun Telling Consumers They Would Begin Implementing A \$1.99 A Month Per Card Paper Statement Fee. “Synchrony Financial – which specializes in co-branded store credit cards – told some consumers that they’re looking at a \$1.99-a-month fee – or \$23.88 a year – if they continue to receive paper statements. Credit card holders would be charged this fee if they’re sent a paper statement when they have a balance that’s greater than \$2.50. And that’s true even if the customer also receives a statement in an electronic form.” [USA Today, [05/12/24](#)]

This Charge Is Already Present On The T.J. Maxx Credit Card Terms:

How We Will Calculate Your Balance	We use a method called “daily balance.” See your credit card account agreement below for more details.	
Billing Rights	Information on your rights to dispute transactions and how to exercise those rights is provided in your credit card account agreement below.	
Paper Statement Fee	\$1.99 per month.	\$1.99 per month.

[Synchrony, accessed [06/11/24](#)]

- **For People With Multiple Credit Cards, This Cost Can Add Up To More Than \$100 A Year.** “The Palmdale couple has six credit cards through Synchrony Bank, and they receive paper statements. But Synchrony recently told the Galowitschs the paper statements would now cost \$1.99 each. ‘It’s going to be \$11.94,’ said Ms. Galowitsch.” [NBC Los Angeles, [05/03/24](#)]

In July, Synchrony Will Begin Charging A “Promo Fee” For Deferred Interest Offers, Equal To 2% Of The Original Purchase Price.

A Deferred Interest Promotion Is An Offer That Only Accrues Interest If The Balance Is Not Paid Off By A Certain Date. “A Deferred Interest Promotion is an offer that may be available on your purchase. With this offer, interest accrues (adds up) on your account from the purchase date, but is only charged if you do not pay off your promotional balance within the defined promotional period. This promotional financing offer is typically

advertised as special financing, promotional financing or No Interest If Paid In Full Within X Months, where X is the number of months in the promotional period.” [Synchrony, accessed [06/11/24](#)]

Synchrony Will Add A New “Promo Fee” To Some Of These Deals As Of July 16, 2024:

05/01/24: Purchase APR is 29.99%. Minimum Interest Charge is \$2. New Accounts as of 07/16/24: Purchase APR 34.99%. Penalty APR 39.99%. Min Interest Charge \$2. A promo fee will be charged equal to 2% of the amount financed on an equal payment no interest promotion of 18 months or more. Existing cardholders: See your credit card agreement terms. Subject to credit approval. We reserve the right to discontinue or alter the terms of this offer any time.

[Synchrony, accessed [06/11/24](#)]