

As CFPB Probes Banks' “Exploitative” Junk Fees, The Top 20 Junk Fee Banks Heavily Target Lower-Income Counties

SUMMARY: In January 2022, the Consumer Financial Protection Bureau (CFPB) announced a broad review of banks' “[junk fees](#),” including overdraft, nonsufficient funds (NSF), ATM, and other fees. Noting the heavy burden these charges impose on vulnerable consumers, CFPB director Rohit Chopra said, “[we are beginning the process of breaking banks' reliance on these exploitative income streams](#).”

Overdraft fees, possibly the most notorious of these fees, “[almost exclusively targets the very poor](#),” with a [CFPB study](#) finding that “very frequent overdrafters”—those with 20 or more overdrafts a year—represented just 5% of all bank accounts within the study but produced over 63% of all overdraft fees in 2017.

In the face of the CFPB's actions, a new Accountable.US review of the top 20 U.S. banks most dependent on junk fees—which made an average of **41.7% of their 2021 net incomes from service charges**—has revealed how they disproportionately target lower-income consumers through their branch locations:

As of September 2022, the top 20 junk fee banks had **nearly 60% of their 4,200+ branches in counties with poverty rates at or higher than the national poverty rate**, while over **76% of their branches were in counties with median household income levels less than the national median household income**.

- The average median household income in counties where the top 20 junk fee banks had branches in August 2022 was over **\$8,300 less or 12.4% less than the national median household income**.

Additionally, some of the worst offending banks have long records of civil enforcement actions, class action lawsuits, and widespread criticism for their fee practices:

- **Woodforest National Bank** has nearly 57% of its branches in lower-income counties or independent cities, made nearly [117%](#) of its net income from junk fees in 2021, and has been named among “[check cashers with a charter](#)” while facing widespread criticism for its fee practices.
- **Gate City Bank** has nearly 66% of its branches in lower-income counties, made nearly [128%](#) of its net income from junk fees in 2021, and in 2022 reached a [\\$5.5 million class action settlement](#) over its “[abusive](#)” overdraft and NSF practices.
- **International Bank Of Commerce (Brownsville, TX)** has 100% of its branches in lower-income counties, made over [24%](#) of its net income from junk fees in 2021, and in 2022 the CEO of its parent corporation called overdraft fee reform “[political](#)” while admitting the company depends on the fees.
- **TD Bank** has just over 41% of its branches in lower-income counties, made nearly [37%](#) of its net income from junk fees in 2021, and in 2020 was ordered to pay [a \\$25 million fine and \\$97 million in restitution](#) for its overdraft fees and “[deceptive and abusive acts or practices](#).”
- **Regions Bank** has nearly 49% of its branches in lower-income counties, made [26%](#) of its net income from junk fees in 2021, has faced a recent [CFPB investigation](#) over its overdraft practices, and made [\\$306 million](#) in overdraft-related fees in 2020 even after [multiple senators](#) urged the bank to cease the charges amid the pandemic.

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As The Consumer Financial Protection Bureau (CFPB) Investigates Banks' "Exploitative" Junk Fees—including Overdraft, Nonsufficient Funds (NSF), ATM, And Other Fees—An Accountable.US Analysis Has Found That The Top 20 Junk Fee Banks Heavily Target Lower-Income Consumers.

As The Consumer Financial Protection Bureau (CFPB) Investigates Banks' "Junk Fees"—Including Overdraft, Nonsufficient Funds (NSF), ATM, And Other Fees—20 Banks Lean Far More Heavily On These Charges Than The Rest Of The Industry.

A May 2022 S&P Global Analysis Revealed The Top 20 Banks With The Highest Proportion Of Consumer Deposit Fees, With Such Fees Representing Far More Of Their Operating Revenue Than The Industry Median:

US banks with highest proportion of consumer deposit fees

Based on the 12 months ended March 31, 2022

| Company (top-level ticker) | City, state | Total assets (\$B) | Service charges associated with consumer deposits | | |
|--|-------------------|--------------------|---|-------------|----------------|
| | | | Proportion of operating revenue (%) | Total (\$M) | YOY change (%) |
| Woodforest National Bank | The Woodlands, TX | 9.39 | 29.3 | 217.4 | 1.7 |
| Gate City Bank | Fargo, ND | 3.27 | 16.3 | 23.0 | 21.8 |
| International Bank of Commerce Oklahoma (IBOC) | Oklahoma City, OK | 1.82 | 15.0 | 8.6 | 11.5 |
| International Bank of Commerce (IBOC) | Brownsville, TX | 3.90 | 10.7 | 7.9 | 87.5 |
| City National Bank of West Virginia (CHCO) | Charleston, WV | 5.97 | 10.3 | 23.3 | 12.6 |
| RBC Bank (Georgia) NA (RY) | Raleigh, NC | 6.15 | 9.3 | 11.0 | 11.6 |
| TD Bank NA (TD) | Wilmington, DE | 417.36 | 9.3 | 801.9 | 21.1 |
| BankPlus* | Belzoni, MS | 6.51 | 9.0 | 22.6 | 21.9 |
| Arvest Bank | Fayetteville, AR | 26.61 | 8.9 | 111.0 | 17.1 |
| First Bank (FBMS)* | Hattiesburg, MS | 6.19 | 8.2 | 16.3 | 36.8 |
| Planters Bank & Trust Co.* | Indianola, MS | 1.80 | 8.0 | 4.3 | 24.5 |
| Capital City Bank (CCBG) | Tallahassee, FL | 4.30 | 7.7 | 15.9 | 150.6 |
| International Bank of Commerce (IBOC) | Laredo, TX | 9.31 | 7.7 | 30.1 | 7.2 |
| Austin Bank Texas NA | Jacksonville, TX | 2.72 | 7.6 | 8.5 | 8.8 |
| Regions Bank (RF)* | Birmingham, AL | 163.18 | 6.8 | 432.0 | 10.2 |
| VeraBank NA* | Henderson, TX | 3.85 | 6.6 | 8.7 | 24.0 |
| Lone Star National Bank | McAllen, TX | 3.03 | 6.2 | 7.0 | 33.6 |
| First National Bank* | Paragould, AR | 2.31 | 6.1 | 5.2 | 22.8 |
| First State Community Bank | Farmington, MO | 3.89 | 6.0 | 9.7 | 18.5 |
| Whitaker Bank Inc. | Lexington, KY | 2.08 | 5.6 | 3.7 | 2.2 |
| Industry median | | | 1.4 | | 15.4 |

[S&P Global, [05/19/22](#)]

January 2022: Consumer Financial Protection Bureau (CFPB) Director Rohit Chopra Announced A Broad Review Of “Junk Fees” Charged By Banks And Other Financial Institutions, Including “Penalties For Late Payments, Nonsufficient Funds And Account Maintenance.” “Rohit Chopra, the director of the Consumer Financial Protection Bureau, has launched a broad review of fees charged by banks, credit unions, mortgage lenders and fintechs as part of an effort to spur more competition for financial services. [...] Chopra specifically called out banks for collecting billions in revenue each year by charging so-called ‘junk fees’ that include penalties for late payments, nonsufficient funds and account maintenance.” [American Banker, [01/26/22](#)]

- **CFPB Director Chopra Said, “We Are Beginning The Process Of Breaking Banks’ Reliance On These Exploitative Income Streams.”** “‘Large banks haul in huge sums in fees from retail customers,’ Chopra said on a call with reporters. ‘When markets become dependent on these back-end fees, it makes it harder for families to realize the benefits of competition. Today with our request for public comment on junk fees, we are beginning the process of breaking banks’ reliance on these exploitative income streams and making prices and features clear upfront.’” [American Banker, [01/26/22](#)]

As Part Of The Review, The CFPB Requested Information On Overdraft, Late, Nonsufficient Funds, And A Variety Of Other Service Fees. “Besides late fees, overdraft and nonsufficient funds fees, the CFPB’s request for information listed a smorgasbord of other charges, including ATM, ACH transfer, balance-inquiry, card cancellation, cash reload, check image and inactivity fees.” [American Banker, [01/26/22](#)]

Further, An Accountable.US Review Has Found That The Average Median Household Income In Counties Where The Top 20 Junk Fee Banks Had Branches In August 2022 Was Over \$8,300 Less Or Over 13% Less Than The National Median Household Income.

In Counties Where The Top 20 Banks Reliant On Service Charges Had Branches, The Average Median Household Income Was \$58,994, As Of August 11, 2022. [Accountable.US Analysis of File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

- **The U.S. Median Household Income Was \$67,340 In 2020.** [File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

| Name | Median Household Income |
|---------------|-------------------------|
| United States | 67,340 |

[File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

- **The 2020 Small Area Income And Poverty Estimates (SAIPE) Data, Released December 2021, Was The Most Recently Available, As Of August 25, 2022.** [File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

The Top 20 Junk Fee Banks—Which Made An Average Of 41.7% Of Their 2021 Net Incomes From Junk Fees—Had An Average Of 62.5% Of Their Branches In Counties With Median House Income Levels Less Than The National Median Household Income.

| Bank | Average Poverty Rate Of Counties With Branches | Percentage Of Branches In Counties/Independent Cities Below State Median Household Income Line (As of September 7, 2022) | Percentage Of Net Income From Deposit Account Service Charges, 2021 |
|---|--|--|---|
| Woodforest Bank (The Woodlands, TX) | 13.5% | 56.8% | 116.9% |
| Gate City Bank (Fargo, ND) | 9.0% | 65.9% | 127.8% |
| International Bank of Commerce Oklahoma (Oklahoma City, OK) | 14.4% | 26.8% | 69% |
| International Bank of Commerce (Brownsville, TX) | 22.8% | 100.0% | 24.3% |

| | | | |
|--|--------------|--------------|--------------|
| City National Bank of West Virginia (Charleston, WV) | 15.0% | 67.4% | 28% |
| RBC Bank (Georgia) NA (Raleigh, NC) | 13.0% | 0% | 37.9% |
| TD Bank (Wilmington, DE) | 10.7% | 41.5% | 36.9% |
| BankPlus (Belzoni, MS) | 19.1% | 46.9% | 44% |
| Arvest Bank (Fayetteville, AR) | 14.7% | 46.3% | 43.5% |
| First Bank (Hattiesburg, MS) | 16.3% | 48.4% | 24% |
| Planters Bank & Trust (Indianola, MS) | 26.5% | 90.5% | 41.2% |
| Capital City Bank (Tallahassee, FL) | 17.0% | 93.6% | 52.1% |
| International Bank of Commerce (Laredo, TX) | 14.7% | 86.4% | 28.4% |
| Austin Bank Texas NA (Jacksonville, TX) | 15.4% | 97.2% | 25.8% |
| Regions Bank (Birmingham, AL) | 15.1% | 48.8% | 26.1% |
| VeraBank (Henderson, TX) | 15.2% | 80.0% | 21.3% |
| Lone Star National Bank (McAllen, TX) | 22.1% | 100.0% | 24.3% |
| First National Bank (Paragould, AR) | 14.3% | 34.8% | 21.3% |
| First State Community Bank (Farmington, MO) | 15.0% | 66.1% | 17% |
| Whitaker Bank (Lexington, KY) | 18.7% | 52.2% | 24.8% |
| Average Percentages: | 16.1% | 62.5% | 41.7% |

[Accountable.US Analysis of File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

The Top 20 Junk Fee Banks Had Over 59% Of Their 4,200+ Branches In Counties With Poverty Rates At Or Higher Than The National Poverty Rate As Of August 2022.

The Top 20 Banks Reliant On Service Charges Had 59.6%, or 2,551 Of Their 4,280 Branches In Counties With Poverty Rates Of 11.9% Or More, As Of September 15, 2022. [Accountable.US Analysis of File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

- This Total Excludes Any Branches In Washington, D.C., Which Totaled 9 As of August 18, 2022.

2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
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| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

Over 76% Of Counties With Top 20 Junk Fee Bank Branches Had Median Household Income Less Than The National Median Household Income.

768 Of 1,004 Counties In Which The Top 20 Banks Reliant On Service Charges Had Branches Had Median Household Incomes Less Than The U.S. Median Household Income Of \$67,340 As Of 2020. [Accountable.US Analysis of File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

Overdraft Fees—A Type Of Junk Fee—"Almost Exclusively Targets The Very Poor," With Just 5% Of All Bank Accounts Producing Over 63% Of All Overdraft Revenue Annually. The Fees Have Also Been Criticized As "A Forced High-Cost Payday Loan," With Several Analyses Finding They Have Effective APRs Of At Least 3,500%.

Overdraft "Almost Exclusively Targets The Very Poor," With A 2017 Consumer Financial Protection Bureau (CFPB) Study Finding That Just 5% Of All Bank Accounts Produced Over 63% Of All Overdraft Fees Through Over 20 Overdrafts A Year.

Overdraft And NSF "Almost Exclusively Targets The Very Poor," With A 2017 CFPB Study Finding That Just 5% Of All Bank Accounts Produce Over 20 Overdrafts A Year And 63.3% Of All Overdraft Fees.

"This uniquely profitable part of the banking sector almost exclusively targets the very poor. According to a 2017 study by the Consumer Financial Protection Bureau, 5 percent of all accounts have over 20 overdrafts a year, which produce 63.3 percent of all overdraft fees paid by consumers." [The American Prospect, [04/22/21](#)]

- **Additionally, Another 4.2% Of All Bank Accounts With Over Ten Overdrafts A Year Accounted For Over 15% Of All Overdraft Fees Paid By Consumers.** "Another 4.2 percent of bank accounts have over ten overdrafts a year and make up more than 15 percent of fees paid by consumers." [The American Prospect, [04/22/21](#)]

Overdraft Fees Have Been Called "A Forced High-Cost Payday Loan," With A 2008 Federal Deposit Insurance Corporation (FDIC) Study Finding Overdrafts Have An Effective APR Of Over 3,500% And Another Analysis Finding An Effective APR Of Over 4,500% For A Standard Overdraft Transaction.

Overdraft Fees Have Been Called "A Forced High-Cost Payday Loan" Because They Are Often Imposed For Purchases Much Smaller Than The Typical \$35 Fee. "Overdraft is essentially a forced high-cost payday loan. When a bank customer overdraws their account, they can still pay for whatever put them over the limit, but they are assessed an overdraft fee, typically around \$35, for the privilege. That is often imposed on an overdrafted amount of money even much smaller than that, and can be repeated every day that an account remains overdrawn. The other option would be to deny transactions based on nonsufficient funds, but that wouldn't make the bank any money." [The American Prospect, [04/22/21](#)]

A 2008 Federal Deposit Insurance Corporation (FDIC) Study Found That Overdraft Fees, Which Could Be Seen As A Form Of Credit, Carry An Effective Annualized Percentage Rate (APR) Of Over 3,500%.

"Overdraft is a particularly pernicious form of predatory financial activity, functionally more exploitative and expensive than what we call the 'alternative' financial sector of payday loans and check-cashing stores. As University of California, Irvine professor Mehrsa Baradaran writes in her book *How the Other Half Banks*, 'If you consider the fee as a payment the customer makes for the extension of credit for the overdrawn amount, a 2008 Federal Deposit Insurance Corporation (FDIC) study showed that these fees carry an effective APR in excess of 3,500 percent!'" [The American Prospect, [04/22/21](#)]

Another Analysis Found That An Overdraft Fee Of \$35 For A \$20 Purchase Would Have An Effective APR Of 4,563% If Paid Back Within A Typical 14-Day Pay Period. "Assuming the common overdraft fee of \$35 resulting from a negative balance of \$20 (conservative estimation from CFPB), and a 14-day payback period (time between paychecks), the effective APR for this mishap would be a whopping 4563%. An equivalent payday loan APR would not even be legal in the majority of states (the maximum authorized payday loan APR is in Missouri at 1950% while other states such as Wisconsin, Utah, Texas, Nevada, and Delaware don't even have limits). What's worse is that because of the flat fee structure, the less you overdraft, the more you end up paying as effective interest. For example, overdrafting by \$5 with the same fee and payback period results in an effective interest of 18,250%. You can see what effective interest you might be paying on your overdrafts in the calculator at the bottom of the page." [Harvest, accessed [04/14/22](#)]

1. Woodforest National Bank Has Nearly 57% Of Its Branches In Lower-Income Counties Or Independent Cities, Made Nearly 117% Of Its Net Income From Junk Fees In 2021, And Has Been Named Among "Check Cashers With A Charter" While Facing Widespread Criticism For Its Fee Practices.

WoodForest National Bank—The U.S Bank Most Reliant On Junk Fees—Had 56.8% Of Its 771 Branches In Counties Or Independent Cities With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Woodforest National Bank Was The U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 29.3% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 56.8% Of Woodforest National Bank's 771 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Woodforest National Bank Branches Was 13.5%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program.** [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, Woodforest Made Over \$235 Million On Service Charges On Deposit Accounts While Making A Net Income Of Only \$201 Million, With Junk Fees Representing 116.9% Of Its Net Income.

2021: Woodforest National Bank Made Over \$235 Million In Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | WOODFOREST NATIONAL BANK The Woodlands, TX December 31, 2021 | WOODFOREST NATIONAL BANK The Woodlands, TX December 31, 2020 |
|--------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|---------|---------|
| 8 Service charges on deposit accounts | 235,081 | 230,560 |
|---|---------|---------|

[Search for Woodforest National Bank, Income and Expense, Federal Deposit Insurance Corporation, accessed [04/18/22](#)]

2021: Woodforest National Bank Had A Net Income Of Over \$201 Million:

| Definition | Dollar figures in thousands | WOODFOREST NATIONAL BANK The Woodlands, TX December 31, 2021 | WOODFOREST NATIONAL BANK The Woodlands, TX December 31, 2020 |
|--------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|--|---------|---------|
| 22 Net income attributable to bank | 201,026 | 128,397 |
|--|---------|---------|

[Search for Woodforest National Bank, Income and Expense, Federal Deposit Insurance Corporation, accessed [04/18/22](#)]

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Urged Woodforest National Bank To Cease Its Overdraft And Non-Sufficient Funds As Consumers Struggled During The Early Pandemic—Woodforest Ultimately Made Over \$142 Million On Overdraft-Related Service Charges Throughout 2020.

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Wrote To Woodforest National Bank “Urging Them To Stop Charging Overdraft And Non-Sufficient Funds Fees While The Coronavirus Pandemic Has So Much Of The Country Shut Down And Millions Of Americans Are Out Of Work.”

“Former presidential candidate Sen. Cory Booker (D-N.J.) and Sen. Sherrod Brown (D-Ohio) want to help Americans avoid these unnecessary fees. Although federal regulators have encouraged banks to waive overdraft fees during the current health crisis, the two senators sent letters to 15 banks on Friday, urging them to stop charging overdraft and non-sufficient funds fees while the coronavirus pandemic has so much of the country shut down and millions of Americans are out of work. [...] Booker and Brown sent letters to Ameris Bank, Bank of America, BankPlus, Citi, HSBC, JPMorgan Chase, Ocean Bank, PNC Bank, Regions Bank, TD Bank, Truist Bank (BB&T and SunTrust), U.S. Bank, Wells Fargo and Woodforest National Bank — all of which are either among the top 10 banks in the U.S. that earn the most from overdraft fees, or a bank with over \$2 billion in assets that takes in the most overdraft and non-sufficient-funds revenue per account.” [CNBC, [04/27/20](#)]

Sens. Booker And Brown’s Letter Said, “We Are Writing To Urge Woodforest National Bank To Take Steps To Relieve Consumers From Burdensome Practices As They Face Financial Constraints Related To The Covid-19 Pandemic,” Asking The Bank To Cease Overdraft And Non-Sufficient Funds Fees. “We are writing to urge Woodforest National Bank to take steps to relieve consumers from burdensome practices as they face financial constraints related to the COVID-19 pandemic. In particular, we urge you to cease charging overdraft and non-sufficient funds fees during this time. Reasonably priced overdraft lines of credit are a far better and more fair alternative, especially during a time of financial crisis.” [Sen. Cory Booker, [04/15/20](#)]

Woodforest National Bank Made Over \$142.3 Million In Overdraft-Related Service Charges In 2020:

| | | | |
|--|----------|---------|---------|
| a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use..... | RIADH032 | 142,362 | M.15.a. |
|--|----------|---------|---------|

[Search for Woodforest National Bank FFIEC Call Report, [12/31/20](#)]

A Brookings Institution Expert Named Woodforest Among “Overdraft Giants” Dependent On Fees, Arguing They Were “Not Banks. They Are Check Cashers With A Charter”—In 2020, Over 111% Of Woodforest's Profit Was From Overdraft Fees.

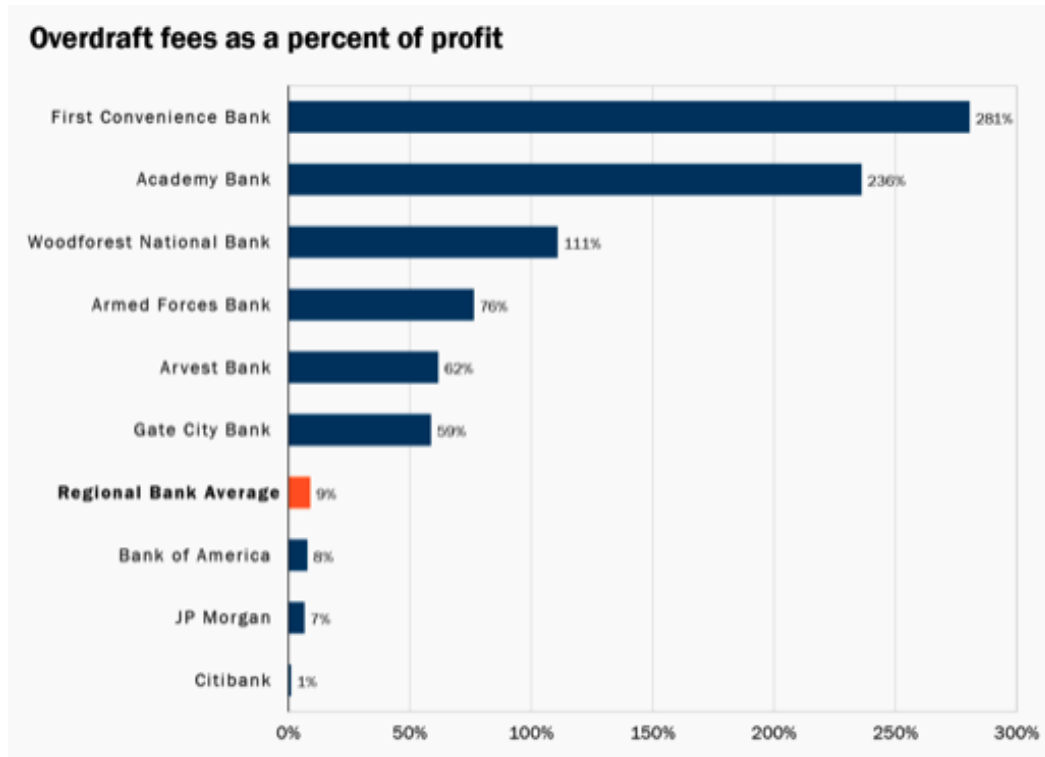
Brookings Institution Senior Fellow In Economic Studies Aaron Klein Named Woodforest Among “Overdraft Giants” Since It Made More In Overdraft Revenue Than Net Income. “A couple smaller banks more reliant on overdraft revenue reported less of a decline in service charges. Both First National Bank Texas and Woodforest National Bank booked service charges that accounted for more than 30% of their operating revenue for the 2020 full year. The pair of banks reported declines of less than 8% year over year, compared with a median decline of 22% across the entire banking industry. Aaron Klein, a senior fellow in economic studies for the Brookings Institution, calls both banks 'overdraft giants' since both reported more in overdraft revenue than they did in net income.” [S&P Global, [03/01/21](#)]

Klein Said Of Woodforest And First National Bank Texas, “They Are Not Banks. They Are Check Cashers With A Charter.” “They are not banks. They are check cashers with a charter,” Klein said in an interview. “For multiple years, the majority of their profit comes from a single fee that is only charged to people

who run out of money. I seriously question why the [regulators] allow that business model and consider it safe and sound.'" [S&P Global, [03/01/21](#)]

In 2020, Woodforest's Overdraft Revenue Was More Than Its Profit And In 2019 It Was "Entirely Reliant On Overdraft Fees For Any Profit." "Academy Bank and Woodforest National banks likewise made more money on overdraft revenues than profits in 2020. All three were entirely reliant on overdraft fees for any profit in 2019 as well." [Brookings Institution, [03/01/21](#)]

In 2020, Woodforest's Overdraft Fees Were 111% Of Its Profit:



[Brookings Institution, [03/01/21](#)]

- **2020: Woodforest Had \$142.4 Million In Overdraft Fees And \$128.4 Million In Net Income.** "Woodforest reported \$142.4 million in overdraft fees and \$128.4 million in net income for the full year." [S&P Global, [03/01/21](#)]

Woodforest Was Featured In A 2014 Wall Street Journal Story About Banks In Walmart Locations That Relied Heavily On Fees—The Bank's Founder Said Overdraft Drove 78% Of Its Fee Income And One Former Manager Said The Bank "Targets People Who Can Bring In The Fees."

As Of March 2022, The Vast Majority Of Woodforest Branches Are Located In Retail Stores, Most Predominantly Walmarts. "Woodforest's Conroe branch building is one of just about three dozen freestanding branches nationwide. The vast majority, 731, are inside retailers - most of them in Walmart stores. Woodforest National Bank operates in 17 states." [Houston Business Journal, [03/03/22](#)]

2014: The Wall Street Journal Featured Woodforest In A Story About Banks In Walmart Locations Whose Customers Were "Among America's Highest Payers Of Bank Fees." "Wal-Mart Stores Inc. is known as a low-cost retailer, but customers of some of the independent banks inside its outlets are among America's highest payers of bank fees—a large chunk of which come from overdraft charges." [The Wall Street Journal, [05/11/14](#)]

- **Headline: Why Banks at Wal-Mart Are Among America's Top Fee Collectors** [The Wall Street Journal, [05/11/14](#)]
- **Woodforest Had 702 Branches In Walmart Stores At The Time.** "Woodforest is by far the leader in Wal-Mart branches, with 702 of the retailer's 1,665 in-store banks in 17 states. Based in The Woodlands, Texas, it also has 37 traditional branches and some offices in Texas supermarkets. All its locations outside Texas are in Wal-Mart stores." [The Wall Street Journal, [05/11/14](#)]

At The Time, Woodforest Founder Robert E. Marling Jr. Said That About 78% Of Woodforest's Fee Income Was From Overdrafts. "Some of the leading banks at Wal-Mart pitch accounts to people who otherwise might not have access to banks, including those with bad credit histories. Woodforest's chief executive, Robert E. Marling Jr., said his bank provides convenient hours, free financial education and unusually forgiving account features, often for riskier customers previously shut out of the banking system. The bank lets clients overdraw, in some cases up to \$500, for a fee. About 78% of Woodforest's fee income is from overdrafts, Mr. Marling said, including fees on unpaid items such as bounced checks." [The Wall Street Journal, [05/11/14](#)]

- **Robert E. Marling Jr. Was Woodforest's Founder And Chairman, As Of December 2020.** "The official groundbreaking ceremony, held in conjunction with the Bank's annual Conroe appreciation event, was attended by several city and county leaders and officials. In attendance were Conroe City Administrator and Conroe Economic Development Council advisory board member Paul Virgadamo, Jr., Conroe Mayor Pro Tem Raymond McDonald, Woodforest National Bank board members, bank founder and Chairman, Robert E. Marling, Jr. and bank President and CEO, Jay Dreibelbis." [Woodforest National Bank, [12/16/20](#)]

Woodforest Managers Said Many Of The Bank's Walmart Locations "Typically Made No Loans," Instead "Focusing On Signing Up Customers Who Could Generate Fees." "Some former Woodforest managers said many of its Wal-Mart branches typically made no loans until recently, focusing on signing up customers who could generate fees." [The Wall Street Journal, [05/11/14](#)]

A Former Woodforest Manager Said "'Their Demographic Targets People Who Can Bring In The Fees.'" "'Their demographic targets people who can bring in the fees,' said Tony Winger, a former Woodforest manager in Virginia who said he liked working for the bank but left in 2011." [The Wall Street Journal, [05/11/14](#)]

2010: Woodforest Agreed To A \$33 Million Settlement With Federal Regulators Over Its Overdraft Practices, Which Included Making It Difficult For Consumers To Make Their Accounts Current And Marketing Overdraft Protection As "Low-Cost."

2010: Woodforest Reached A \$33 Million Settlement With Federal Regulators Over Its Overdraft Fees, Including A \$1 Million Civil Penalty. "Woodforest National Bank will refund \$32 million in overdraft fees as part of a settlement with federal regulators. The settlement with the Office of the Comptroller of the Currency also calls for the Woodlands-based bank to pay a civil penalty of \$1 million and change its overdraft program." [Houston Chronicle, [10/13/10](#)]

- **The Settlement Covered Consumers Who Were Affected By Woodforest's Overdraft Practices As Early As 2005.** "The refunds will apply to customers since Jan. 1, 2005, who, in any month or on any monthly account statement, were charged and paid overdraft fees in excess of the limit set by the bank on their accounts. Customers since Oct. 1, 2007 who paid more than seven continuous overdraft fees for an account are also eligible." [Houston Chronicle, [10/13/10](#)]

Woodforest "Charged Excessive Overdraft Fees And Improperly Charged Continuous Overdraft Fees Against Some Consumers, Making It Difficult For Those Consumers To Make Their Accounts Current." "Regulators say the bank charged excessive overdraft fees and improperly charged continuous overdraft fees against some consumers, making it difficult for those consumers to make their accounts current. The continuous fees — distinct from the ones charged for each overdraft - kicked in when an account remained overdrawn for more than seven days." [Houston Chronicle, [10/13/10](#)]

Woodforest "Failed" To Tell Customers How Expensive Overdraft Fees Could Be, Despite Marketing Its Services As "Low-Cost." "The bank marketed some accounts as low-cost and a good fit for consumers who had trouble managing accounts, but it failed to include information about how expensive overdraft protection could become, according to regulators." [Houston Chronicle, [10/13/10](#)]

2. Gate City Bank Has Nearly 66% Of Its Branches In Lower-Income Counties, Made Nearly 128% Of Its Net Income From Junk Fees In 2021, And In 2022 Reached A \$5.5 Million Class Action Settlement Over Its “Abusive” Overdraft And NSF Practices.

Gate City Bank—The 2nd U.S. Bank Most Reliant On Junk Fees—Had 65.9% Of Its 44 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Gate City Bank Was The Second U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 16.3% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 65.9% Of Gate City Bank's 44 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Gate City Bank Branches Was 9%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program.** [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, Gate City Bank Made Almost \$23.7 Million From Service Charges On Deposit Accounts—A 12.4% Increase From 2020—While Seeing A Net Income Of Only \$18.5 Million, With Service Charges Representing 127.7% This Net Income.

2021: Gate City Bank Made Nearly \$23.7 Million In Service Charges On Deposit Accounts—A 12.3% Increase From The \$21.1 Million It Made In 2020:

| Definition | Dollar figures in thousands | GATE CITY BANK Fargo, ND December 31, 2021 | GATE CITY BANK Fargo, ND December 31, 2020 |
|--------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|--------|--------|
| 8 Service charges on deposit accounts | 23,699 | 21,101 |
|---|--------|--------|

[Search for Gate City Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: Gate City Bank Had A Net Income Of Over \$18.5 Million:

| Definition | Dollar figures in thousands | GATE CITY BANK Fargo, ND December 31, 2021 (Year-to-date) | GATE CITY BANK Fargo, ND December 31, 2020 (Year-to-date) |
|--------------------|-----------------------------|--|--|
| Income and Expense | | | |

[...]

| | | |
|--|--------|--------|
| 22 Net income attributable to bank | 18,551 | 24,100 |
|--|--------|--------|

[Search for Gate City Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2022: Gate City Bank Reached A \$5.5 Million Class Action Settlement Over Its “Abusive” Overdraft And Non-Sufficient Fund Practices.

July 2022: Gate City Bank Settled A Class Action Lawsuit For \$5.5 Million Over Its “Abusive” Overdraft Fee Practices, Including Charging Consumers Multiple Non-Sufficient Funds Or Overdraft Fees. “Gate City Bank has agreed to pay \$5.5 million to settle a class-action lawsuit alleging the bank breached its agreement with account holders by charging multiple non-sufficient funds or overdraft fees. The proposed settlement has not yet been approved by a judge, and Gate City Bank does not admit any wrongdoing under the agreement reached in the case, pending in Cass County District Court. Accusations that Gate City Bank has improperly assessed overdraft and non-sufficient funds have occurred over the past decade. The bank has \$3.1 billion in assets and is based in Fargo with offices in 43 locations throughout North Dakota and central Minnesota.” [InForum, [07/11/22](#)]

- **Headline: Gate City Bank agrees to pay \$5.5M settlement in lawsuit alleging ‘abusive’ overdraft fees** [InForum, [07/11/22](#)]

3. International Bank of Commerce Oklahoma Has Over 26% Of Its Branches In Lower-Income Counties, Made Nearly 69% Of Its Net Income From Junk Fees In 2021, And In 2022 The CEO Of Its Parent Corporation Called Overdraft Fee Reform “Political” While Admitting The Company Depends On The Fees.

International Bank of Commerce Oklahoma—The 3rd U.S. Bank Most Reliant On Junk Fees—Had 26.8% Of Its 41 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, International Bank Of Commerce Oklahoma Was The Third U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 15.0% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

- **S&P’s Analysis Treated International Bank Of Commerce Oklahoma (Oklahoma City, OK), International Bank Of Commerce (Brownsville, TX), And International Bank Of Commerce (Laredo, TX) As Separate Entities.** [S&P Global, [05/11/22](#)]

- **International Bank Of Commerce Oklahoma Is A Member Of International Bancshares Corporation, Based In Laredo, Texas.** “IBC Bank-Oklahoma is a member of International Bancshares Corporation (NASDAQ: IBOC), an \$11.9 billion multi-bank financial holding company headquartered in Laredo, Texas, with 204 facilities and 309 ATMs serving 88 communities in Oklahoma and Texas. IBC Bank-Oklahoma has been serving the Sooner State since 2004 and has a retail branch network of 50 locations.” [International Bancshares Corporation, [01/02/17](#)]

As of September 15, 2022, 26.8% Of International Bank Of Commerce Oklahoma’s 41 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State’s Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With International Bank Of Commerce Oklahoma Branches Was 14.4%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau’s Small Area Income And Poverty Estimates (SAIPE) Program.** [File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

In 2021, Nearly 69% Of International Bank Of Commerce Oklahoma’s \$14.2 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: International Bank Of Commerce (Oklahoma City, OK) Made Over \$9.8 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | INTERNATIONAL BANK OF COMMERCE Oklahoma City, OK December 31, 2021 | INTERNATIONAL BANK OF COMMERCE Oklahoma City, OK December 31, 2020 |
|--------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|-------|-------|
| 8 Service charges on deposit accounts | 9,817 | 9,511 |
|---|-------|-------|

[Search for International Bank of Commerce (Oklahoma City, OK), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: International Bank Of Commerce (Oklahoma City, OK) Had Over \$14.2 Million In Net Income:

| Definition | Dollar figures in thousands | INTERNATIONAL BANK OF COMMERCE Oklahoma City, OK December 31, 2021 | INTERNATIONAL BANK OF COMMERCE Oklahoma City, OK December 31, 2020 |
|--------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|--|--------|--------|
| 22 Net income attributable to bank | 14,229 | 10,351 |
|--|--------|--------|

[Search for International Bank of Commerce (Oklahoma City, OK), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2022: The CEO Of International Bank Of Commerce's (Oklahoma, OK) Parent Admitted That The Company Depended On Overdraft Fee Revenue While Saying: "I Don't Really Understand All This Political Interest In Taking This Away From The Consumer. It's Something That They Like."

August 2022: Dennis Nixon, The Ceo Of International Bank Of Commerce's (Oklahoma, OK) Parent Company International Bancshares Corporation Admitted That "Smaller Banks Like His Depend On The Revenue From Overdraft Fees," While He Claimed That Bigger Banks' Moves To Reduce The Fees Were "Political." "Among big banks nationally, overdraft fees are somewhat on the way out. Capital One, Citigroup and Wells Fargo all announced plans in the past year to phase them out. Bank of America lowered its fee to \$10, and J.P. Morgan says it will revisit the issue soon. You know which bank will not be phasing out overdraft fees? Laredo-based International Bank of Commerce, or IBC. CEO Dennis Nixon told me in no uncertain terms that while he views the big banks' moves as 'political,' smaller banks like his depend on the revenue from overdraft fees to offer free checking to other customers." [San Antonio Express-News, [08/03/22](#)]

- **International Bank Of Commerce (Oklahoma, OK) Is A Subsidiary Of International Bancshares Corporation, Based In Laredo, TX:**

Our principal assets at December 31, 2021, consisted of all the outstanding capital stock of four Texas state banking associations and one Oklahoma state banking corporation as follows:

- International Bank of Commerce, located in Laredo, Texas (IBC);
- Commerce Bank, located in Laredo, Texas (Commerce Bank);
- International Bank of Commerce, located in Brownsville, Texas (IBC Brownsville);
- International Bank of Commerce, located in Zapata, Texas (IBC Zapata); and
- International Bank of Commerce, located in Oklahoma City, Oklahoma (IBC-Oklahoma).

These five subsidiary banks are collectively referred to in this report as our "Subsidiary Banks."

[International Bancshares Corporation SEC Form 10-K, [02/24/22](#)]

- **International Bancshares Corporation's Principal Office Is In Laredo, Texas:**

**1200 San Bernardo Avenue
Laredo, Texas 78042 - 1359
(Address of Principal Executive Office and Zip Code)**

[International Bancshares Corporation SEC Form 10-K, [02/24/22](#)]

Nixon Said, "I Don't Really Understand All This Political Interest In Taking This Away From The Consumer. It's Something That They Like." "Far from worrying about his bank's extensive use of overdraft fees as a revenue driver, Nixon explained that a free checking account with overdraft fees is a product both highly regulated and highly sought after by customers. 'We've done a number of focus groups on the product,' he said. 'We are very comfortable with it. I don't really understand all this political interest in taking this away from the consumer. It's something that they like. When Nixon refers to big banks reducing overdraft fees for 'political reasons,' he means pressure from the Consumer Financial Protection Bureau and elected officials such as U.S. Sen. Elizabeth Warren who have called out banks for the fees." [San Antonio Express-News, [08/03/22](#)]

4. International Bank Of Commerce (Brownsville, TX) Has 100% Of Its Branches In Lower-Income Counties, Made Over 24% Of Its Net Income From Junk Fees In 2021, And In 2022 The CEO Of Its Parent Corporation Called Overdraft Fee Reform “Political” While Admitting The Company Depends On The Fees.

International Bank of Commerce (Brownsville, TX)—The 4rd U.S. Bank Most Reliant On Junk Fees—Had 100% Of Its 41 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, International Bank Of Commerce (Brownsville, TX) Was The Fourth U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 10.7% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

- S&P’s Analysis Treated International Bank Of Commerce Oklahoma (Oklahoma City, OK), International Bank Of Commerce (Brownsville, TX), And International Bank Of Commerce (Laredo, TX) As Separate Entities. [S&P Global, [05/11/22](#)]

As of September 15, 2022, 100% Of International Bank Of Commerce’s (Brownsville, TX) 41 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With International Bank Of Commerce (Brownsville, TX) Branches Was 22.8%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau’s Small Area Income And Poverty Estimates (SAIPE) Program. [File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

In 2021, Over 24% Of International Bank Of Commerce’s (Brownsville, TX) Nearly \$26.4 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: International Bank Of Commerce (Brownsville, TX) Made Over \$6.4 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | INTERNATIONAL BANK OF COMMERCE Brownsville, TX December 31, 2021 (Year-to-date) | INTERNATIONAL BANK OF COMMERCE Brownsville, TX December 31, 2020 (Year-to-date) |
|--------------------|-----------------------------|--|--|
| Income and Expense | | | |

[...]

| | | | |
|---|-------------------------------------|-------|-------|
| 8 | Service charges on deposit accounts | 6,402 | 5,907 |
|---|-------------------------------------|-------|-------|

[Search for International Bank of Commerce (Brownsville, TX), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: International Bank Of Commerce (Brownsville, TX) Had A Net Income Of Nearly \$26.4 Million:

| Definition | Dollar figures in thousands | INTERNATIONAL BANK OF COMMERCE Brownsville, TX December 31, 2021 | INTERNATIONAL BANK OF COMMERCE Brownsville, TX December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|--|--------|--------|
| 22 Net income attributable to bank | 26,381 | 22,907 |
|--|--------|--------|

[Search for International Bank of Commerce (Brownsville, TX), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2022: The CEO Of International Bank Of Commerce's (Brownsville, TX) Parent Admitted That The Company Depended On Overdraft Fee Revenue While Saying: "I Don't Really Understand All This Political Interest In Taking This Away From The Consumer. It's Something That They Like."

August 2022: Dennis Nixon, The CEO Of International Bank Of Commerce's (Brownsville, TX) Parent Company International Bancshares Corporation Admitted That "Smaller Banks Like His Depend On The Revenue From Overdraft Fees," While He Claimed That Bigger Banks' Moves To Reduce The Fees Were "Political." "Among big banks nationally, overdraft fees are somewhat on the way out. Capital One, Citigroup and Wells Fargo all announced plans in the past year to phase them out. Bank of America lowered its fee to \$10, and J.P. Morgan says it will revisit the issue soon. You know which bank will not be phasing out overdraft fees? Laredo-based International Bank of Commerce, or IBC. CEO Dennis Nixon told me in no uncertain terms that while he views the big banks' moves as 'political,' smaller banks like his depend on the revenue from overdraft fees to offer free checking to other customers." [San Antonio Express-News, [08/03/22](#)]

- **International Bank Of Commerce (Brownsville, TX) Is A Subsidiary Of International Bancshares Corporation, Based In Laredo, TX:**

Our principal assets at December 31, 2021, consisted of all the outstanding capital stock of four Texas state banking associations and one Oklahoma state banking corporation as follows:

- International Bank of Commerce, located in Laredo, Texas (IBC);
- Commerce Bank, located in Laredo, Texas (Commerce Bank);
- International Bank of Commerce, located in Brownsville, Texas (IBC Brownsville);
- International Bank of Commerce, located in Zapata, Texas (IBC Zapata); and
- International Bank of Commerce, located in Oklahoma City, Oklahoma (IBC-Oklahoma).

These five subsidiary banks are collectively referred to in this report as our "Subsidiary Banks."

[International Bancshares Corporation SEC Form 10-K, [02/24/22](#)]

- **International Bancshares Corporation's Principal Office Is In Laredo, Texas:**

1200 San Bernardo Avenue
Laredo, Texas 78042 - 1359
(Address of Principal Executive Office and Zip Code)

[International Bancshares Corporation SEC Form 10-K, [02/24/22](#)]

Nixon Said, "I Don't Really Understand All This Political Interest In Taking This Away From The Consumer. It's Something That They Like." "Far from worrying about his bank's extensive use of overdraft fees as a revenue driver, Nixon explained that a free checking account with overdraft fees is a product both highly regulated and highly sought after by customers. 'We've done a number of focus groups on the product,' he said. 'We are very comfortable with it. I don't really understand all this political interest in taking this away from the consumer. It's something that they like. When Nixon refers to big banks reducing overdraft fees for

'political reasons,' he means pressure from the Consumer Financial Protection Bureau and elected officials such as U.S. Sen. Elizabeth Warren who have called out banks for the fees." [San Antonio Express-News, [08/03/22](#)]

5. City National Bank Of West Virginia Has Just Over 67% Of Its Branches In Lower-Income Counties Or Independent Cities And Made 28% Of Its Net Income From Junk Fees In 2021.

City National Bank Of West Virginia—The 5th U.S Bank Most Reliant On Junk Fees—Had 67.4% Of Its 95 Branches In Counties Or Independent Cities With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, City National Bank Of West Virginia Was The 5th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 10.3% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 67.4% Of City National Bank Of West Virginia's 95 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With City National Bank Of West Virginia Branches Was 15.0%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 28% Of City National Bank Of West Virginia's Nearly \$87.3 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: City National Bank Of West Virginia Made Over \$24.4 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | CITY NATIONAL BANK OF WEST VIRGINIA Charleston, WV December 31, 2021 (Year-to-date) | CITY NATIONAL BANK OF WEST VIRGINIA Charleston, WV December 31, 2020 (Year-to-date) |
|---|-----------------------------|--|--|
| Income and Expense | | | |
| [...] | | | |
| 8 Service charges on deposit accounts | | 24,420 | 24,556 |

[Search for City National Bank of West Virginia, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: City National Bank Of West Virginia Had A Net Income Of Nearly \$87.3 Million:

| Definition | Dollar figures in thousands | CITY NATIONAL BANK OF WEST VIRGINIA Charleston, WV December 31, 2021 | CITY NATIONAL BANK OF WEST VIRGINIA Charleston, WV December 31, 2020 |
|--|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 22 Net income attributable to bank | | 87,289 | 90,215 |

[Search for City National Bank of West Virginia, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

6. RBC Bank Made Nearly 38% Of Its Net Income From Junk Fees In 2021.

RBC Bank—The 6th U.S Bank Most Reliant On Junk Fees—Only Had One Branch Listed With The Federal Deposit Insurance Corporation (FDIC), A Branch Which Was Not Located In Any Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, RBC Bank (Georgia) NA Was The 6th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 9.3% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, RBC Bank—A Subsidiary Of The Royal Bank Of Canada—Did Not Have Any Branches Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

- **RBC Bank (Georgia) NA Is A Subsidiary Of The Royal Bank Of Canada.** "RBC Bank means RBC Bank (Georgia), N.A., a subsidiary of Royal Bank of Canada." [RBC Bank, accessed [08/17/22](#)]

RBC Bank, (Georgia) National Association Had Only One Branch As Of August 11, 2022, According To The Federal Deposit Insurance Corporation. [Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

As Of August 18, 2022, The Poverty Rate Of The County With The Sole RBC Bank Location Was 13%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program.** [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 37.9% Of RBC Bank (Georgia) NA's \$34.8 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: RBC Bank (Georgia) NA Made Over \$13.2 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | RBC BANK, (GEORGIA) NATIONAL ASSOCIATION Atlanta, GA December 31, 2021 | RBC BANK, (GEORGIA) NATIONAL ASSOCIATION Atlanta, GA December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | | |
|---|-------------------------------------|--------|--------|
| 8 | Service charges on deposit accounts | 13,207 | 11,921 |
|---|-------------------------------------|--------|--------|

[Search for RBC Bank (Georgia) National Association, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: RBC Bank (Georgia) NA Had A Net Income Of Over \$34.8 Million:

| Definition | Dollar figures in thousands | RBC BANK, (GEORGIA) NATIONAL ASSOCIATION Atlanta, GA December 31, 2021 | RBC BANK, (GEORGIA) NATIONAL ASSOCIATION Atlanta, GA December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | | |
|----|---------------------------------|--------|--------|
| 22 | Net income attributable to bank | 34,814 | 39,656 |
|----|---------------------------------|--------|--------|

[Search for RBC Bank (Georgia) National Association, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

7. TD Bank Has Just Over 41% Of Its Branches In Lower-Income Counties, Made Nearly 37% Of Its Net Income From Junk Fees In 2021, And In 2020 Was Ordered To Pay A \$25 Million Fine And \$97 Million In Restitution For Its Overdraft Practices And "Deceptive And Abusive Acts Or Practices."

TD Bank NA—The 7th U.S Bank Most Reliant On Junk Fees—Had 41.2% Of Its 1165 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, TD Bank NA Was The 7th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 9.3% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 41.5% Of TD Bank's 1157 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income, Excluding Those Located In The District Of Columbia.

As Of August 18, 2022, The Average Poverty Rate Of Counties With TD Bank Branches Was 10.7%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 36.9% Of TD Bank N.A.'s Net Income Was From Service Charges On Deposit Accounts.

In 2021, TD Bank N.A. Made Over \$1.1 Billion On Service Charges On Its Deposit Accounts:

| Definition | Dollar figures in thousands | TD BANK, NATIONAL ASSOCIATION Wilmington, DE December 31, 2021 (Year-to-date) | TD BANK, NATIONAL ASSOCIATION Wilmington, DE December 31, 2020 (Year-to-date) |
|---------------------------------------|-----------------------------|--|--|
| Income and Expense | | | |
| [...] | | | |
| 8 Service charges on deposit accounts | | 1,102,443 | 977,646 |

[TD Bank National Association, Income and Expense, Federal Deposit Insurance Corporation, accessed [04/15/22](#)]

In 2021, TD Bank N.A. Had Over \$2.98 Billion In Net Income:

| Definition | Dollar figures in thousands | TD BANK, NATIONAL ASSOCIATION Wilmington, DE December 31, 2021 (Year-to-date) | TD BANK, NATIONAL ASSOCIATION Wilmington, DE December 31, 2020 (Year-to-date) |
|------------------------------------|-----------------------------|--|--|
| Income and Expense | | | |
| [...] | | | |
| 22 Net income attributable to bank | | 2,989,611 | 1,337,926 |

[Search for TD Bank National Association, Income and Expense, Federal Deposit Insurance Corporation, accessed [04/15/22](#)]

August 2020: The CFPB Ordered TD Bank To Pay \$97 Million In Restitution And A \$25 Million Penalty After The Bank Violated Federal Consumer Protection Laws And Regulations By Charging Overdraft Fees Without Consent And Engaging In "Deceptive And Abusive Acts Or Practices."

August 2020: Consumer Financial Protection Bureau Announces Settlement with TD Bank for Illegal Overdraft Practices [Consumer Financial Protection Bureau, [04/15/22](#)]

The CFPB Found That TD Bank, N.A. Violated Federal Laws And Regulations By Charging Overdraft Fees Without Consumers' Consent And That TD Bank "Engaged In Deceptive And Abusive Acts Or Practices." "The Consumer Financial Protection Bureau (Bureau) today announced a settlement with TD Bank, N.A. regarding its marketing and sale of its optional overdraft service: Debit Card Advance (DCA). TD Bank is headquartered in Cherry Hill, New Jersey, and operates about 1,250 locations throughout much of the eastern part of the country. The Bureau found that TD Bank's overdraft enrollment practices violated the Electronic Fund Transfer Act (EFTA) and Regulation E by charging consumers overdraft fees for ATM and one-time debit card transactions without obtaining their affirmative consent, and that TD Bank engaged in deceptive and abusive acts or practices in violation of the Consumer Financial Protection Act of 2010 (CFPA)." [Consumer Financial Protection Bureau, [04/15/22](#)]

The CFPB's Consent Order Required TD Bank To Pay About \$97 Million In Restitution To About 1.42 Million Consumers And To Pay A \$25 Million Civil Money Penalty. "To provide relief for consumers affected by TD Bank's unlawful overdraft enrollment practices, the Bureau's consent order requires TD Bank to provide an estimated \$97 million in restitution to about 1.42 million consumers. TD Bank must also pay a civil money penalty of \$25 million." [Consumer Financial Protection Bureau, [04/15/22](#)]

The CFPB Found That TD Bank "Deceptively" Portrayed Its \$35 Overdraft Service As Free. "The Bureau further found that when presenting DCA to new customers, TD Bank deceptively claimed DCA was a 'free' service or benefit or that it was a 'feature' or 'package' that 'comes with' new consumer-checking accounts. In fact, TD Bank charges customers \$35 for each overdraft transaction paid through DCA and DCA is an optional service that does not come with a consumer-checking account." [Consumer Financial Protection Bureau, [04/15/22](#)]

The CFPB Also Found That "TD Bank Engaged In Abusive Acts Or Practices By Materially Interfering With Consumers' Ability To Understand" Its Overdraft Service. "When TD Bank enrolled some consumers in DCA over the phone, TD Bank deceptively described DCA as covering transactions unlikely to be covered by DCA. In some instances, TD Bank engaged in abusive acts or practices by materially interfering with consumers' ability to understand DCA's terms and conditions." [Consumer Financial Protection Bureau, [04/15/22](#)]

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Urged TD Bank To Cease Its Overdraft And Non-Sufficient Funds As Consumers Struggled During The Early Pandemic—TD Bank Ultimately Made Nearly \$419 Million On Overdraft-Related Service Charges Throughout 2020.

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Wrote To TD Bank "Urging Them To Stop Charging Overdraft And Non-Sufficient Funds Fees While The Coronavirus Pandemic Has So Much Of The Country Shut Down And Millions Of Americans Are Out Of Work." "Former presidential candidate Sen. Cory Booker (D-N.J.) and Sen. Sherrod Brown (D-Ohio) want to help Americans avoid these unnecessary fees. Although federal regulators have encouraged banks to waive overdraft fees during the current health crisis, the two senators sent letters to 15 banks on Friday, urging them to stop charging overdraft and non-sufficient funds fees while the coronavirus pandemic has so much of the country shut down and millions of Americans are out of work. [...] Booker and Brown sent letters to Ameris Bank, Bank of America, BankPlus, Citi, HSBC, JPMorgan Chase, Ocean Bank, PNC Bank, Regions Bank, TD Bank, Truist Bank (BB&T and SunTrust), U.S. Bank, Wells Fargo and Woodforest National Bank — all of which are either among the top 10 banks in the U.S. that earn the most from overdraft fees, or a bank with over \$2 billion in assets that takes in the most overdraft and non-sufficient-funds revenue per account." [CNBC, [04/27/20](#)]

Sens. Booker And Brown's Letter Said, "We Are Writing To Urge TD Bank To Take Steps To Relieve Consumers From Burdensome Practices As They Face Financial Constraints Related To The Covid-19 Pandemic," Asking The Bank To Cease Overdraft And Non-Sufficient Funds Fees. "We are writing to urge TD Bank to take steps to relieve consumers from burdensome practices as they face financial constraints related to the COVID-19 pandemic. In particular, we urge you to cease charging overdraft and non-sufficient funds fees during this time. Reasonably priced overdraft lines of credit are a far better and more fair alternative, especially during a time of financial crisis." [Sen. Cory Booker, [04/15/20](#)]

TD Bank NA Made Over \$418.9 Million In Overdraft-Related Service Charges In 2020:

a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....

RIADH032

418,966 | M.15.a.

[Search for TD Bank NA FFIEC Call Report, [12/31/20](#)]

8. BankPlus Has Nearly 47% Of Its Branches In Lower-Income Areas, Made 44% Of Its Net Income From Junk Fees In 2021, And Made Over \$16.7 Million On Overdraft-Related Fees In 2020 Even After Multiple Senators Urged The Bank To Cease The Charges Amid The Pandemic.

BankPlus—The 8th U.S. Bank Most Reliant On Junk Fees—Had 46.9% Of Its 98 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, BankPlus Was The 8th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 9.0% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 46.9% Of BankPlus' 98 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With BankPlus Branches Was 19.1%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 44% Of BankPlus' \$60 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: BankPlus Made Over \$26.4 Million From Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | BANKPLUS Belzoni, MS December 31, 2021 | BANKPLUS Belzoni, MS December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|--------|--------|
| 8 Service charges on deposit accounts | 26,411 | 23,062 |
|---|--------|--------|

[Search for BankPlus, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: BankPlus Had A Net Income Of Over \$60 Million:

| Definition | Dollar figures in thousands | BANKPLUS Belzoni, MS December 31, 2021 | BANKPLUS Belzoni, MS December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|--|--------|--------|
| 22 Net income attributable to bank | 60,066 | 42,231 |
|--|--------|--------|

[Search for BankPlus, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Urged BankPlus To Cease Its Overdraft And Non-Sufficient Funds As Consumers Struggled During The Early Pandemic—BankPlus Ultimately Made Over \$16.7 Million On Overdraft-Related Service Charges Throughout 2020.

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Wrote To Bankplus “Urging Them To Stop Charging Overdraft And Non-Sufficient Funds Fees While The Coronavirus Pandemic Has So Much Of The Country Shut Down And Millions Of Americans Are Out Of Work.” “Former presidential candidate Sen. Cory Booker (D-N.J.) and Sen. Sherrod Brown (D-Ohio) want to help Americans avoid these unnecessary fees. Although federal regulators have encouraged banks to waive overdraft fees during the current health crisis, the two senators sent letters to 15 banks on Friday, urging them to stop charging overdraft and non-sufficient funds fees while the coronavirus pandemic has so much of the country shut down and millions of Americans are out of work. [...] Booker and Brown sent letters to Ameris Bank, Bank of America, BankPlus, Citi, HSBC, JPMorgan Chase, Ocean Bank, PNC Bank, Regions Bank, TD Bank, Truist Bank (BB&T and SunTrust), U.S. Bank, Wells Fargo and Woodforest National Bank — all of which are either among the top 10 banks in the U.S. that earn the most from overdraft fees, or a bank with over \$2 billion in assets that takes in the most overdraft and non-sufficient-funds revenue per account.” [CNBC, [04/27/20](#)]

Sens. Booker And Brown’s Letter Said, “We Are Writing To Urge BankPlus To Take Steps To Relieve Consumers From Burdensome Practices As They Face Financial Constraints Related To The Covid-19 Pandemic,” Asking The Bank To Cease Overdraft And Non-Sufficient Funds Fees. “We are writing to urge BankPlus to take steps to relieve consumers from burdensome practices as they face financial constraints related to the COVID-19 pandemic. In particular, we urge you to cease charging overdraft and non-sufficient funds fees during this time. Reasonably priced overdraft lines of credit are a far better and more fair alternative, especially during a time of financial crisis.” [Sen. Cory Booker, [04/15/20](#)]

BankPlus Made Over \$16.7 Million In Overdraft-Related Service Charges In 2020:

| | | | |
|--|----------|--------|---------|
| a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use..... | RIADH032 | 16,766 | M.15.a. |
|--|----------|--------|---------|

[Search for BankPlus FFIEC Call Report, [12/31/20](#)]

9. Arvest Bank—Majority-Owned By The Billionaire Walton Family—Had Just Over 46% Of Its Branches In Lower-Income Counties, Made Over 43% Of Its Net Income From Junk Fees In 2021, And Has Been Subject To A Proposed Class Action Over Its Overdraft Practices.

Arvest Bank—The 9th U.S. Bank Most Reliant On Junk Fees—Had 46.3% Of Its 227 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Arvest Bank Was The 9th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 8.9% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 46.3% Of Arvest Bank’s 227 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State’s Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Arvest Bank Branches Was 14.7%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program.** [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, Arvest's Income From Service Charges On Deposit Accounts Represented 43.5% Of Its \$298.3 Million In Net Income.

2021: Arvest Bank Made Over \$129.8 Million In Service Charges On Deposit Accounts—\$10.4 More Than The \$119.3 Million It Made In 2020:

| Definition | Dollar figures in thousands | ARVEST BANK Fayetteville, AR December 31, 2021 | ARVEST BANK Fayetteville, AR December 31, 2020 |
|--------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|---------|---------|
| 8 Service charges on deposit accounts | 129,837 | 119,378 |
|---|---------|---------|

[Search for Arvest Bank, Income and Expense, Federal Deposit Insurance Corporation, accessed [04/18/22](#)]

2021: Arvest Bank Had A Net Income Of \$298.3 Million—Over \$184 Million More Than The \$114 Million It Made In 2020:

| Definition | Dollar figures in thousands | ARVEST BANK Fayetteville, AR December 31, 2021 | ARVEST BANK Fayetteville, AR December 31, 2020 |
|--------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

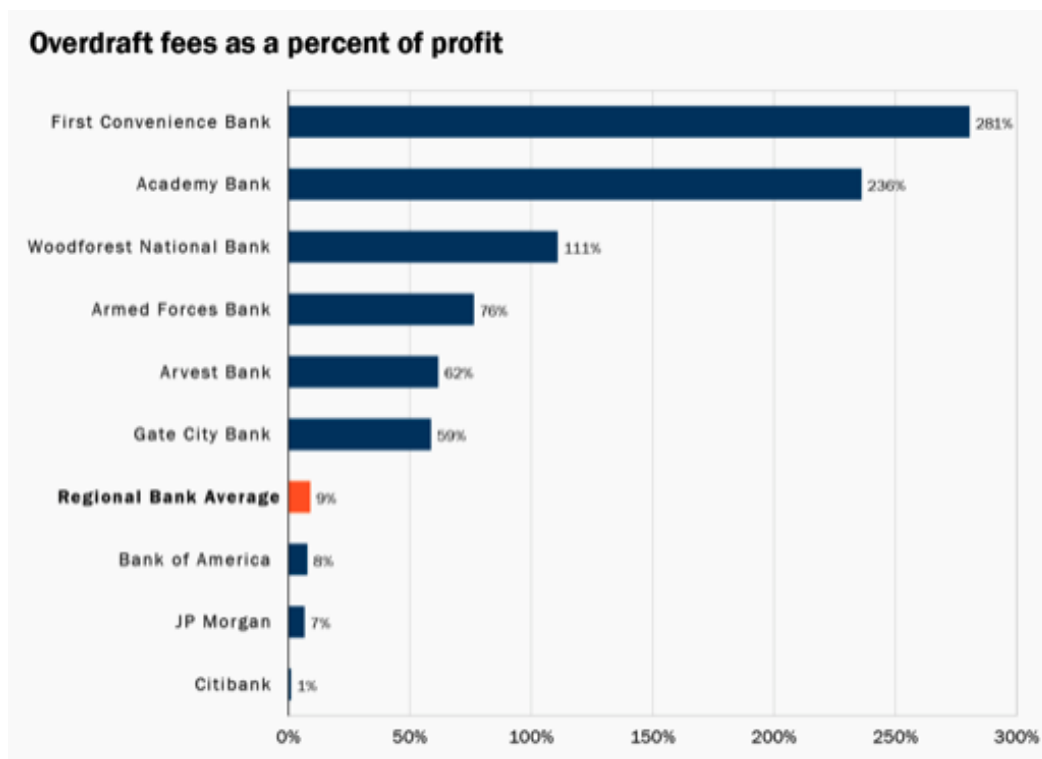
| | | |
|--|---------|---------|
| 22 Net income attributable to bank | 298,341 | 114,097 |
|--|---------|---------|

[Search for Arvest Bank, Income and Expense, Federal Deposit Insurance Corporation, accessed [04/18/22](#)]

Arvest Has Recently Had An "Increasing Reliance On Overdraft" From Previous Years, With Overdraft Fees Representing 62% Of Its Profit In 2020, Up From 54% In 2019.

Arvest's Overdraft Fees As A Percentage Of Its Profit Grew From 54% In 2019 To 62% In 2020, A Sign Of Its "Increasing Reliance On Overdraft." "Arvest Bank is a state-chartered institution whose primary federal regulator is the Federal Reserve (Saint Louis District), which seems to tolerate Arvest's increasing reliance on overdraft as they went from 54 to 62 percent of total profit between 2019 and 2020." [Brookings Institution, [03/01/21](#)]

In 2020, Arvest's Overdraft Fees Represented 62% Of Its Profit:



[Brookings Institution, [03/01/21](#)]

2018: Arvest Bank Was Subject To A Proposed Class Action Accusing It Of Charging Overdraft Fees On Accounts That Did Not Overdraw, In Breach Of Its Account Agreements.

March 2018: Arvest Bank Was "Hit With A Proposed Class Action Accusing It Of Charging Its Customers Overdraft Fees On Debit Card Purchases That Did Not Actually Overdraw An Account."

"Arvest Bank, an Arkansas bank majority-owned by the family of Walmart founder Sam Walton, has been hit with a proposed class action accusing it of charging its customers overdraft fees on debit card purchases that did not actually overdraw an account." [Reuters, [03/13/18](#)]

The Lawsuit, Filed In A Federal Court, Accused Arvest Of "Breaching Its Account Agreements." "The lawsuit, filed Monday in federal court in Jonesboro, Arkansas, accuses the bank of breaching its account agreements, which promise to charge overdraft fees only when an account has insufficient funds." [Reuters, [03/13/18](#)]

Arvest Is "Majority-Owned" By The Walton Family And Chaired By Sam Walton's Youngest Son Jim Walton, Who Had A Net Worth Of Over \$66 Billion As Of April 2022.

Arvest Bank Is "Majority-Owned By The Family Of Walmart Founder Sam Walton." "Arvest Bank, an Arkansas bank majority-owned by the family of Walmart founder Sam Walton, has been hit with a proposed class action accusing it of charging its customers overdraft fees on debit card purchases that did not actually overdraw an account." [Reuters, [03/13/18](#)]

Jim Walton—The "Youngest Son Of Walmart Founder Sam Walton"—Chaired The Bank And Had A Net Worth Of \$66.2 Billion As Of April 2022. "The youngest son of Walmart founder Sam Walton, he chairs the family's \$27 billion (assets) Arvest Bank." [Forbes, [04/05/22](#)]

Arkansas: Jim Walton

City: Bentonville

Net worth: \$66.2 billion

Rank: 16

Source of wealth: Walmart

[Forbes, [04/05/22](#)]

- **Headline: The Richest Billionaire In Every State 2022** [Forbes, [04/05/22](#)]

10. First Bank (Hattiesburg, MS) Has Just Over 48% Of Its Branches In Lower-Income Counties And Made Almost 24% Of Its Net Income From Junk Fees In 2021.

First Bank (Hattiesburg, MS)—The 10th U.S Bank Most Reliant On Junk Fees—Had 48.4% Of Its 88 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, First Bank (Hattiesburg, MS) Was The 10th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 8.2% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 48.4% Of First Bank's 95 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With First Bank Branches Was 16.3%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program.** [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 23.9% Of First Bank's (Hattiesburg, MS) \$17.7 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: First Bank (Hattiesburg, MS) Made Nearly \$17.7 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | THE FIRST, A NATIONAL BANKING ASSOCIATION Hattiesburg, MS December 31, 2021 | THE FIRST, A NATIONAL BANKING ASSOCIATION Hattiesburg, MS December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | | |
|---|-------------------------------------|--------|--------|
| 8 | Service charges on deposit accounts | 17,672 | 15,579 |
|---|-------------------------------------|--------|--------|

[Search for First Bank (Hattiesburg, MS), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: First Bank (Hattiesburg, MS) Had A Net Income Of Nearly \$73.9 Million:

| Definition | Dollar figures in thousands | THE FIRST, A NATIONAL BANKING ASSOCIATION Hattiesburg, MS December 31, 2021 | THE FIRST, A NATIONAL BANKING ASSOCIATION Hattiesburg, MS December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | | |
|----|---------------------------------|--------|--------|
| 22 | Net income attributable to bank | 73,896 | 60,017 |
|----|---------------------------------|--------|--------|

[Search for First Bank (Hattiesburg, MS), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

11. Planters Bank & Trust Has Over 90% Of Its Branches In Lower-Income Counties And Made Over 41% Of Its Net Income From Junk Fees In 2021.

Planters Bank & Trust—The 11th U.S Bank Most Reliant On Junk Fees—Had 90.5% Of Its 21 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Planters Bank & Trust Was The 11th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 8.0% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 90.5% Of Planters Bank & Trust's 21 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Planters Bank & Trust Branches Was 26.5%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 41.2% Of Planters Bank & Trust's \$14 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: Planters Bank & Trust Made Over \$5.7 Million From Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | PLANTERS BANK & TRUST COMPANY Indianola, MS December 31, 2021 | PLANTERS BANK & TRUST COMPANY Indianola, MS December 31, 2020 |
|---------------------------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 8 Service charges on deposit accounts | | 5,768 | 4,933 |

[Search for Planters Bank & Trust Company, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: Planters Bank & Trust Made Over \$14 Million In Net Income:

| Definition | Dollar figures in thousands | PLANTERS BANK & TRUST COMPANY Indianola, MS December 31, 2021 | PLANTERS BANK & TRUST COMPANY Indianola, MS December 31, 2020 |
|------------------------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 22 Net income attributable to bank | | 14,003 | 11,625 |

[Search for Planters Bank & Trust Company, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

12. Capital City Bank Has Nearly 94% Of Its Branches In Lower-Income Counties And Made 52% Of Its Net Income From Junk Fees In 2021.

Capital City Bank—The 12th U.S. Bank Most Reliant On Junk Fees—Had 93.6% Of Its 21 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Capital City Bank (Tallahassee, FL) Was The 12th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 7.7% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 93.6% Of Capital City Bank's 62 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Capital City Bank Branches Was 17.0%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------------|--------------------------|--------------------------|---------------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 52.1% Of Capital City Bank's \$36.2 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: Capital City Bank (Tallahassee, FL) Made Over \$18.8 Million From Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | CAPITAL CITY BANK Tallahassee, FL December 31, 2021 | CAPITAL CITY BANK Tallahassee, FL December 31, 2020 |
|---|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 8 Service charges on deposit accounts | | 18,882 | 17,799 |

[Search for Capital City Bank (Tallahassee, FL), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: Capital City Bank (Tallahassee, FL) Had A Net Income Of Over \$36.2 Million:

| Definition | Dollar figures in thousands | CAPITAL CITY BANK Tallahassee, FL December 31, 2021 | CAPITAL CITY BANK Tallahassee, FL December 31, 2020 |
|--|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 22 Net income attributable to bank | | 36,263 | 33,189 |

[Search for Capital City Bank (Tallahassee, FL), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

13. International Bank of Commerce (Laredo, TX) Has 86% Of Its Branches In Lower-Income Counties, Made 28% Of Its Net Income From Junk Fees In 2021, And In 2022 The CEO Of Its Parent Corporation Called Overdraft Fee Reform “Political” While Admitting The Company Depends On The Fees.

International Bank of Commerce (Laredo, TX)—The 13th U.S Bank Most Reliant On Junk Fees—Had 86.4% Of Its 81 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, International Bank of Commerce (Laredo, TX) Was The 13th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 7.7% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

- S&P's Analysis Treated International Bank Of Commerce Oklahoma (Laredo, TX), International Bank Of Commerce (Brownsville, TX), And International Bank Of Commerce (Laredo, TX) As Separate Entities. [S&P Global, [05/11/22](#)]
- International Bank Of Commerce (Laredo, TX) Is A Subsidiary Of International Bancshares Corporation, Based In Laredo, TX:

Our principal assets at December 31, 2021, consisted of all the outstanding capital stock of four Texas state banking associations and one Oklahoma state banking corporation as follows:

- International Bank of Commerce, located in Laredo, Texas (IBC);
- Commerce Bank, located in Laredo, Texas (Commerce Bank);
- International Bank of Commerce, located in Brownsville, Texas (IBC Brownsville);
- International Bank of Commerce, located in Zapata, Texas (IBC Zapata); and
- International Bank of Commerce, located in Oklahoma City, Oklahoma (IBC-Oklahoma).

These five subsidiary banks are collectively referred to in this report as our “Subsidiary Banks.”

[International Bancshares Corporation SEC Form 10-K, [02/24/22](#)]

As of September 15, 2022, 86.4% Of International Bank of Commerce’s (Laredo, TX) 81 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State’s Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With International Bank Of Commerce (Laredo, TX) Branches Was 14.7%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau’s Small Area Income And Poverty Estimates (SAIPE) Program.** [File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

In 2021, 28.4% Of International Bank of Commerce’s (Laredo, TX) \$154.9 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: International Bank of Commerce (Laredo, TX) Made Over \$44 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | INTERNATIONAL BANK OF COMMERCE Laredo, TX December 31, 2021 | INTERNATIONAL BANK OF COMMERCE Laredo, TX December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|--------|--------|
| 8 Service charges on deposit accounts | 44,051 | 40,958 |
|---|--------|--------|

[Search for International Bank of Commerce (Laredo, TX), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: International Bank of Commerce (Laredo, TX) Had A Net Income Of Over \$154.9 Million:

| Definition | Dollar figures in thousands | INTERNATIONAL BANK OF COMMERCE Laredo, TX December 31, 2021 | INTERNATIONAL BANK OF COMMERCE Laredo, TX December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|--|---------|---------|
| 22 Net income attributable to bank | 154,938 | 129,201 |
|--|---------|---------|

[Search for International Bank of Commerce (Laredo, TX), 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2022: The CEO Of International Bank Of Commerce's (Laredo, TX) Parent Admitted That The Company Depended On Overdraft Fee Revenue While Saying: "I Don't Really Understand All This Political Interest In Taking This Away From The Consumer. It's Something That They Like."

August 2022: Dennis Nixon, The CEO Of International Bank Of Commerce's (Laredo, TX) Parent Company International Bancshares Corporation Admitted That "Smaller Banks Like His Depend On The Revenue From Overdraft Fees," While He Claimed That Bigger Banks' Moves To Reduce The Fees Were "political." "Among big banks nationally, overdraft fees are somewhat on the way out. Capital One, Citigroup and Wells Fargo all announced plans in the past year to phase them out. Bank of America lowered its fee to \$10, and J.P. Morgan says it will revisit the issue soon. You know which bank will not be phasing out overdraft fees? Laredo-based International Bank of Commerce, or IBC. CEO Dennis Nixon told me in no uncertain terms that while he views the big banks' moves as 'political,' smaller banks like his depend on the revenue from overdraft fees to offer free checking to other customers." [San Antonio Express-News, [08/03/22](#)]

- **International Bank Of Commerce (Laredo, TX) Is A Subsidiary Of International Bancshares Corporation, Based In Laredo, TX:**

Our principal assets at December 31, 2021, consisted of all the outstanding capital stock of four Texas state banking associations and one Oklahoma state banking corporation as follows:

- International Bank of Commerce, located in Laredo, Texas (IBC);
- Commerce Bank, located in Laredo, Texas (Commerce Bank);
- International Bank of Commerce, located in Brownsville, Texas (IBC Brownsville);
- International Bank of Commerce, located in Zapata, Texas (IBC Zapata); and
- International Bank of Commerce, located in Oklahoma City, Oklahoma (IBC-Oklahoma).

These five subsidiary banks are collectively referred to in this report as our "Subsidiary Banks."

[International Bancshares Corporation SEC Form 10-K, [02/24/22](#)]

- **International Bancshares Corporation's Principal Office Is In Laredo, Texas:**

1200 San Bernardo Avenue
Laredo, Texas 78042 - 1359
(Address of Principal Executive Office and Zip Code)

[International Bancshares Corporation SEC Form 10-K, [02/24/22](#)]

Nixon Said, "I Don't Really Understand All This Political Interest In Taking This Away From The Consumer. It's Something That They Like." "Far from worrying about his bank's extensive use of overdraft fees as a revenue driver, Nixon explained that a free checking account with overdraft fees is a product both highly regulated and highly sought after by customers. 'We've done a number of focus groups on the product,' he said. 'We are very comfortable with it. I don't really understand all this political interest in taking this away from the consumer. It's something that they like. When Nixon refers to big banks reducing overdraft fees for 'political reasons,' he means pressure from the Consumer Financial Protection Bureau and elected officials such as U.S. Sen. Elizabeth Warren who have called out banks for the fees." [San Antonio Express-News, [08/03/22](#)]

14. Austin Bank Texas NA Has 97% Of Its Branches In Lower-Income Counties And Made Nearly 26% Of Its Net Income From Junk Fees In 2021.

Austin Bank Texas NA—The 14th U.S. Bank Most Reliant On Junk Fees—Had 97.2% Of Its 36 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Austin Bank Texas NA Was The 14th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 7.6% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 97.2% Of Austin Bank Texas NA's 36 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Austin Bank Texas NA Branches Was 15.4%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 25.8% Of Austin Bank Texas NA's Over \$35.6 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: Austin Bank Texas NA Made Nearly \$9.2 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | AUSTIN BANK, TEXAS NATIONAL ASSOCIATION Jacksonville, TX December 31, 2021 | AUSTIN BANK, TEXAS NATIONAL ASSOCIATION Jacksonville, TX December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|-------|-------|
| 8 Service charges on deposit accounts | 9,194 | 8,811 |
|---|-------|-------|

[Search for Austin Bank Texas National Association, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: Austin Bank Texas Had A Net Income Of Over \$35.6 Million:

| Definition | Dollar figures in thousands | AUSTIN BANK, TEXAS NATIONAL ASSOCIATION Jacksonville, TX December 31, 2021 | AUSTIN BANK, TEXAS NATIONAL ASSOCIATION Jacksonville, TX December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|--|--------|--------|
| 22 Net income attributable to bank | 35,646 | 29,496 |
|--|--------|--------|

[Search for Austin Bank Texas National Association, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

15. Regions Bank Has Nearly 49% Of Its Branches In Lower-Income Counties, Made 26% Of Its Net Income From Junk Fees In 2021, Has Faced A CFPB Investigation Over Its Overdraft Practices, And Made Over \$306 Million On Overdraft-Related Fees In 2020 Even After Multiple Senators Urged The Bank To Cease The Charges Amid The Pandemic.

Regions Bank—The 15th U.S Bank Most Reliant On Junk Fees—Had 48.8% Of Its 1,309 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Regions Bank Was The 15th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 6.8% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 48.8% Of Regions Bank's 1,309 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Regions Bank Branches Was 15.1%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 26.1% Of Regions Bank's \$2.6 Billion In Net Income Was From Service Charges On Deposit Accounts.

2021: Regions Bank Made \$684 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | REGIONS BANK Birmingham, AL December 31, 2021 | REGIONS BANK Birmingham, AL December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|---------|---------|
| 8 Service charges on deposit accounts | 684,000 | 648,000 |
|---|---------|---------|

[Search for Regions Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: Regions Bank Had A Net Income Of Over \$2.6 Billion:

| Definition | Dollar figures in thousands | REGIONS BANK Birmingham, AL December 31, 2021 | REGIONS BANK Birmingham, AL December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

22 Net income attributable to bank

2,622,000

1,185,000

[Search for Regions Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Urged Regions Bank To Cease Its Overdraft And Non-Sufficient Funds As Consumers Struggled During The Early Pandemic—Regions Ultimately Made \$306 Million On Overdraft-Related Service Charges Throughout 2020.

April 2020: Sens. Cory Booker (D-NJ) And Sherrod Brown (D-OH) Wrote To Regions Bank “Urging Them To Stop Charging Overdraft And Non-Sufficient Funds Fees While The Coronavirus Pandemic Has So Much Of The Country Shut Down And Millions Of Americans Are Out Of Work.” “Former presidential candidate Sen. Cory Booker (D-N.J.) and Sen. Sherrod Brown (D-Ohio) want to help Americans avoid these unnecessary fees. Although federal regulators have encouraged banks to waive overdraft fees during the current health crisis, the two senators sent letters to 15 banks on Friday, urging them to stop charging overdraft and non-sufficient funds fees while the coronavirus pandemic has so much of the country shut down and millions of Americans are out of work. [...] Booker and Brown sent letters to Ameris Bank, Bank of America, BankPlus, Citi, HSBC, JPMorgan Chase, Ocean Bank, PNC Bank, Regions Bank, TD Bank, Truist Bank (BB&T and SunTrust), U.S. Bank, Wells Fargo and Woodforest National Bank — all of which are either among the top 10 banks in the U.S. that earn the most from overdraft fees, or a bank with over \$2 billion in assets that takes in the most overdraft and non-sufficient-funds revenue per account.” [CNBC, [04/27/20](#)]

Sens. Booker And Brown’s Letter Said, “We Are Writing To Urge Bankplus To Take Steps To Relieve Consumers From Burdensome Practices As They Face Financial Constraints Related To The COVID-19 Pandemic,” Asking The Bank To Cease Overdraft And Non-Sufficient Funds Fees. “We are writing to urge Regions Bank to take steps to relieve consumers from burdensome practices as they face financial constraints related to the COVID-19 pandemic. In particular, we urge you to cease charging overdraft and non-sufficient funds fees during this time. Reasonably priced overdraft lines of credit are a far better and more fair alternative, especially during a time of financial crisis.” [Sen. Cory Booker, [04/15/20](#)]

Regions Bank Made \$306 Million In Overdraft-Related Service Charges In 2020:

a. Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....

RIADH032

306,000 | M.15.a.

[Search for Regions Bank FFIEC Call Report, [12/31/20](#)]

2020: Regions Was Subject To A CFPB Civil Investigative Demand Over Its Overdraft Policies.

November 2020: Regions Disclosed That It Was Subject To A Civil Investigative Demand From The CFPB Over Its Overdraft Practices. “Regions Financial is the latest bank to face regulatory scrutiny over fees charged to consumers who overdraw their accounts. The \$145 billion-asset company disclosed Thursday that it was in the process of responding to a civil investigative demand from the Consumer Financial Protection Bureau over certain overdraft practices and policies. The disclosure, which did not include any additional details, came in a quarterly filing with the Securities and Exchange Commission.” [American Banker, [11/06/20](#)]

2015: In Its “First Enforcement Action” Of Overdraft Rules, The Consumer Financial Protection Bureau (CFPB) Fined Regions Bank \$7.5 Million For Its “Unlawful” Overdraft Practices And The Bank Refunded At Least \$49 Million To Affected Consumers.

2015: The Consumer Financial Protection Bureau (CFPB) Fined Regions Bank \$7.5 Million For “Unlawful” Overdraft Practices, Including Charging Consumers Who Had Not Opted-In For Overdraft Protection. “Today the Consumer Financial Protection Bureau (CFPB) took action against Regions Bank for charging overdraft fees to consumers who had not opted-in for overdraft coverage. The bank also charged overdraft and non-sufficient funds fees on its deposit advance product despite claims that it would not.” [Consumer Financial Protection Bureau, [04/28/15](#)]

- **Headline: CFPB Fines Regions Bank \$7.5 Million for Unlawful Overdraft Practices** [Consumer Financial Protection Bureau, [04/28/15](#)]

Regions Refunded Consumers About \$49 Million In Fees At The Time And The CFPB’s Consent Order Required The Bank To Fully Refund All Remaining Customers Affected By Its Practices. “Regions has already refunded hundreds of thousands of consumers approximately \$49 million in fees, and the consent order requires the bank to fully refund all remaining consumers. The Bureau also fined the company \$7.5 million for its illegal actions.” [Consumer Financial Protection Bureau, [04/28/15](#)]

Then-CFPB Director Richard Cordray Noted That The Order Was The Bureau’s “First Enforcement Action Under The Rules That Protect Consumers Against Illegal Overdraft Fees.” “Today the CFPB is taking its first enforcement action under the rules that protect consumers against illegal overdraft fees by their banks,” said CFPB Director Richard Cordray. ‘Regions Bank failed to ask consumers if they wanted overdraft service before charging them fees. In the end, hundreds of thousands of consumers paid at least \$49 million in illegal charges. We take the issue of overdraft fees very seriously and will be vigilant about making sure that consumers receive the protections they deserve.’ [Consumer Financial Protection Bureau, [04/28/15](#)]

16. VeraBank NA Has 82% Of Its Branches In Lower-Income Counties And Made 21% Of Its Net Income From Junk Fees In 2021.

VeraBank NA—The 16th U.S Bank Most Reliant On Junk Fees—Had 82% Of Its 39 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, VeraBank NA Was The 16th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 6.6% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 80.0% Of VeraBank’s 40 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State’s Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With VeraBank Branches Was 15.2%.

- **2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau’s Small Area Income And Poverty Estimates (SAIPE) Program.** [File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

In 2021, 21.3% Of VeraBank's \$39.5 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: VeraBank Made Nearly \$8.4 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | VERABANK, NATIONAL ASSOCIATION Henderson, TX December 31, 2021 | VERABANK, NATIONAL ASSOCIATION Henderson, TX December 31, 2020 |
|---------------------------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 8 Service charges on deposit accounts | | 8,396 | 7,562 |

[Search for VeraBank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: VeraBank Had A Net Income Of Nearly \$39.5 Million:

| Definition | Dollar figures in thousands | VERABANK, NATIONAL ASSOCIATION Henderson, TX December 31, 2021 | VERABANK, NATIONAL ASSOCIATION Henderson, TX December 31, 2020 |
|------------------------------------|-----------------------------|--|--|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 22 Net income attributable to bank | | 39,492 | 29,656 |

[Search for VeraBank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

17. Lone Star National Bank Has 100% Of Its Branches In Lower-Income Counties And Made 24% Of Its Net Income From Junk Fees In 2021.

Lone Star National Bank—The 17th U.S Bank Most Reliant On Junk Fees—Had 100% Of Its 36 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Lone Star National Bank Was The 17th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 6.2% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 100.0% Of Lone Star National Bank's 36 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Lone Star National Bank Branches Was 22.1%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 24.3% Of Lone Star National Bank's \$35.9 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: Lone Star National Bank Made Over \$8.7 Million From Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | LONE STAR NATIONAL BANK Pharr, TX December 31, 2021 | LONE STAR NATIONAL BANK Pharr, TX December 31, 2020 |
|---------------------------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 8 Service charges on deposit accounts | | 8,730 | 7,704 |

[Search for Lone Star National Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: Lone Star National Bank Had A Net Income Of Over \$35.9 Million:

| Definition | Dollar figures in thousands | LONE STAR NATIONAL BANK Pharr, TX December 31, 2021 | LONE STAR NATIONAL BANK Pharr, TX December 31, 2020 |
|------------------------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 22 Net income attributable to bank | | 35,938 | 27,115 |

[Search for Lone Star National Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2017: The Financial Crimes Enforcement Network (FinCEN) Fined Lone Star National Bank \$2 Million For “Allegedly Willful Violations” That Allowed It To “Move Hundreds Of Millions Of U.S. Dollars In Suspicious Cash Shipments Through The U.S. Financial System.”

November 2017: The Financial Crimes Enforcement Network (FinCEN) Fined Lone Star National Bank \$2 Million For “Allegedly Willful Violations Of The Bank Secrecy Act (‘BSA’) And Inadequate Anti-Money Laundering (‘AML’) Monitoring Programs.” “FinCEN recently announced entry of a \$2 million assessment against Lone Star National Bank, a private bank operating out of Texas, for the bank’s allegedly willful violations of the Bank Secrecy Act (‘BSA’) and inadequate Anti-Money Laundering (‘AML’) monitoring programs. The primary violations relate to Lone Star’s alleged failure to comply with due diligence requirements imposed by Section 312 of the USA PATRIOT Act in establishing and conducting its correspondent banking relationship with a Mexican bank.” [The National Law Review, [11/08/17](#)]

- **The U.S. Department Of Treasury’s Financial Crimes Enforcement Network Is Known As FinCEN.** [Financial Crimes Enforcement Network, [10/27/17](#)]

As A Result Of Its Practices, Lone Star Was “Allowed To Move Hundreds Of Millions Of U.S. Dollars In Suspicious Cash Shipments Through The U.S. Financial System In Less Than Two Years.” “As a result of Lone Star’s insufficient due diligence and AML program, the Mexican bank was ‘allowed to move hundreds of millions of U.S. dollars in suspicious cash shipments through the U.S. financial system in less than two years.’” [The National Law Review, [11/08/17](#)]

18. First National Bank Has Nearly 35% Of Its Branches In Lower-Income Counties, Made 21% Of Its Net Income From Junk Fees In 2021, And In 2017 Was Fined \$2 Million For “Allegedly Willful Violations” Of Anti-Money Laundering Law.

First National Bank—The 18th U.S. Bank Most Reliant On Junk Fees—Had 34.8% Of Its 23 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, First National Bank (Paragould, AR) Was The 18th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 6.1% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 34.8% Of First National Bank’s 23 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State’s Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With First National Bank Branches Was 14.3%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau’s Small Area Income And Poverty Estimates (SAIPE) Program. [File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: “US and All States and Counties,” U.S. Census Bureau, [December 2021](#)]

In 2021, 21.3% Of First National Bank’s Nearly \$24 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: First National Bank (Paragould, AR) Made Over \$5 Million On Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | FIRST NATIONAL BANK Paragould, AR December 31, 2021 | FIRST NATIONAL BANK Paragould, AR December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|-------|-------|
| 8 Service charges on deposit accounts | 5,093 | 4,651 |
|---|-------|-------|

[Search for First National Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: First National Bank (Paragould, AR) Had A Net Income Of Nearly \$23.9 Million:

| Definition | Dollar figures in thousands | FIRST NATIONAL BANK Paragould, AR December 31, 2021 | FIRST NATIONAL BANK Paragould, AR December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

22 Net income attributable to bank

23,876

16,686

[Search for First National Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

19. First State Community Bank Has 66% Of Its Branches In Lower-Income Counties And Made 17% Of Its Net Income From Junk Fees In 2021.

First State Community Bank—The 19th U.S. Bank Most Reliant On Junk Fees—Had 66.1% Of Its 56 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, First State Community Bank (Farmington, MO) Was The 19th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 6.0% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 66.1% Of First State Community Bank's 56 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With First State Community Bank Branches Was 15.0%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 17% Of First State Community Bank's \$55.5 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: First State Community Bank (Farmington, MO) Made Over \$9.4 Million From Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | FIRST STATE COMMUNITY BANK Farmington, MO December 31, 2021 | FIRST STATE COMMUNITY BANK Farmington, MO December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

8 Service charges on deposit accounts

9,444

8,770

[Search for First State Community Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: First State Community Bank (Farmington, MO) Had A Net Income Of Over \$55.5 Million:

| Definition | Dollar figures in thousands | FIRST STATE COMMUNITY BANK Farmington, MO December 31, 2021 | FIRST STATE COMMUNITY BANK Farmington, MO December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|--|--------|--------|
| 22 Net income attributable to bank | 55,543 | 43,801 |
|--|--------|--------|

[Search for First State Community Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

20. Whitaker Bank Has 52% Of Its Branches In Lower-Income Counties And Made Almost 25% Of Its Net Income From Junk Fees In 2021.

Whitaker Bank—The 20th U.S Bank Most Reliant On Junk Fees—Had 52.2% Of Its 46 Branches In Counties With Median Household Incomes Below Those Of Their Respective States.

In The 12 Months Ending March 31, 2022, Whitaker Bank Was The 20th U.S. Bank Most Heavily Reliant On Junk Fees For Revenue, With 5.6% Of Its Operating Revenue Coming From "Service Charges Associated With Consumer Deposits." [S&P Global, [05/11/22](#)]

As of September 15, 2022, 52.2% Of First State Community Bank's 46 Branches Were Located In Counties Or Independent Cities With Median Household Incomes Below That State's Median Household Income.

As Of August 18, 2022, The Average Poverty Rate Of Counties With Whitaker Bank Branches Was 18.7%.

- 2020: The U.S. Poverty Percentage For All Ages Was 11.9%, According U.S. Census Bureau's Small Area Income And Poverty Estimates (SAIPE) Program. [File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

| Name | Poverty Estimate, All Ages | 90% CI Lower Bound | 90% CI Upper Bound | Poverty Percent, All Ages |
|---------------|----------------------------|--------------------|--------------------|---------------------------|
| United States | 38,371,394 | 38,309,115 | 38,433,673 | 11.9 |

[File: "US and All States and Counties," U.S. Census Bureau, [December 2021](#)]

In 2021, 24.8% Of Whitaker Bank's \$14.9 Million In Net Income Was From Service Charges On Deposit Accounts.

2021: Whitaker Bank Made Nearly \$3.7 Million From Service Charges On Deposit Accounts:

| Definition | Dollar figures in thousands | WHITAKER BANK Lexington, KY December 31, 2021 | WHITAKER BANK Lexington, KY December 31, 2020 |
|--------------------|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |

[...]

| | | |
|---|-------|-------|
| 8 Service charges on deposit accounts | 3,695 | 3,915 |
|---|-------|-------|

[Search for Whitaker Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]

2021: Whitaker Bank Had A Net Income Of Over \$14.9 Million:

| Definition | Dollar figures in thousands | WHITAKER BANK Lexington, KY December 31, 2021 | WHITAKER BANK Lexington, KY December 31, 2020 |
|--|-----------------------------|---|---|
| Income and Expense | | (Year-to-date) | (Year-to-date) |
| [...] | | | |
| 22 Net income attributable to bank | | 14,903 | 13,952 |

[Search for Whitaker Bank, 2021 Income and Expense, Federal Deposit Insurance Corporation, accessed [08/18/22](#)]