

Industry Lackeys Patrick McHenry And Andy Barr Attack The Consumer Financial Protection Bureau's Overdraft Rule After Taking \$1.1 Million From Biggest Offenders

On January 17, 2024, The Consumer Financial Protection Bureau (CFPB) Announced Proposed Rulemaking "Rein[ing] In Excessive Overdraft Fees" Projected To Save Consumers \$3.5 Billion In Fees Per Year, Immediately Receiving Criticism From House Financial Services Chair Patrick McHenry (R-NC) And Rep. Andy Barr (R-KY) Who Defended Large Banks For Offering "Short-Term Liquidity Products," Claiming The Rule Would "Diminish Financial Inclusion."

On January 17, 2024, The CFPB Announced Proposed Rulemaking Aimed At "Clos[ing]" Loopholes That Allow Large Banks To Charge "Excessive Overdraft Fees," Estimating The Rule Would "Save Consumers \$3.5 Billion" In Fees.

On January 17, 2024, The Consumer Financial Protection Bureau (CFPB) Announced Proposed Rulemaking "To Rein In Excessive Overdraft Fees" Charged By Megabanks By "Clos[ing] An Outdated Loophole That Exempts Overdraft Lending Services From Longstanding Provisions Of The Truth In Lending Act And Other Consumer Financial Protection Laws." "The Consumer Financial Protection Bureau (CFPB) today proposed a rule to rein in excessive overdraft fees charged by the nation's biggest financial institutions. The proposal would close an outdated loophole that exempts overdraft lending services from longstanding provisions of the Truth in Lending Act and other consumer financial protection laws." [Consumer Financial Protection Bureau, [01/17/24](#)]

The Rule Would Allow Banks "To Extend Overdraft Loans If They Complied With Longstanding Laws" And Followed Disclosures On "Any Applicable Interest Rate," With Banks Only Allowed To Charge Fees To Cover Costs. "Under the proposal, large banks would be free to extend overdraft loans if they complied with longstanding lending laws, including disclosing any applicable interest rate. Alternatively, banks could charge a fee to recoup their costs at an established benchmark – as low as \$3, or at a cost they calculate, if they show their cost data." [Consumer Financial Protection Bureau, [01/17/24](#)]

The CFPB Estimates The Rule, If Finalized, Would "Save Consumers \$3.5 Billion Or More" On Overdraft Fees And "Would Translate To \$150 [In Potential Savings] For Households That Pay Overdraft Fees." "Approximately 23 million households pay overdraft fees in any given year. The CFPB estimates that this rule may save consumers \$3.5 billion or more in fees per year. The potential savings would translate to \$150 for households that pay overdraft fees." [Consumer Financial Protection Bureau, [01/17/24](#)]

Immediately Following The CFPB's Proposed Rulemaking, House Financial Services Chairman Patrick McHenry (R-NC) And Committee Member Andy Barr (R-KY) Released A Statement Bashing The Agency, Claiming Its Rule Would "Diminish Financial Inclusion" And "Reduce" Consumers' Access To "Short-Term Liquidity" Products.

On January 17, 2024, House Financial Services Chairman Patrick McHenry (R-NC) And Rep. Andy Barr (R-KY), Chair Of The House Financial Services Subcommittee On Financial Institutions And Monetary

Policy, Slammed The CFPB's Proposed Rulemaking On Overdraft Fees, Claiming It Would "Diminish Financial Inclusion, Limit Consumer Choice, Stifle Innovation, And Ultimately Raise The Cost Of Banking." "The proposed rule issued today by the CFPB would undermine the Bureau's consumer protection mission," said the lawmakers. "The Biden Administration's attempts to mandate one-size-fits-all consumer financial products and services diminish financial inclusion, limit consumer choice, stifle innovation, and ultimately raise the cost of banking for all consumers." [House Committee on Financial Services, [01/17/24](#)]

The Lawmakers Further Claimed The Rule Would "Reduce Access To The Short-Term Liquidity Products That Millions Of Americans Rely On" And Urged The CFPB To Withdraw The Proposed Rule. "This proposed rule will further reduce access to the short-term liquidity products that millions of Americans rely on to help make ends meet. We urge the CFPB to withdraw this misguided proposal that harms the very consumers the agency was created to protect." [House Committee on Financial Services, [01/17/24](#)]

Over His Career, House Financial Services Chair Patrick McHenry (R-NC) Has Taken \$705,000 From The 10 Largest Banks Still Charging Overdraft Fees.

Bank	Career Contributions*
JPMorgan Chase	\$135,000
Bank of America	\$141,000
Wells Fargo	\$94,500
U.S. Bank	\$94,000
PNC Financial Services	\$109,000
TD Bank	\$31,500
BMO Harris	\$35,500
Citizens Bank	—
First Citizens Bank	\$25,500
Fifth Third Bank	\$39,000
TOTAL: \$705,000	

*Includes contributions to leadership PAC and other associated committees

Over His Career, Andy Barr (R-KY), Chair Of The House Financial Services Subcommittee On Financial Institutions and Monetary Policy, Has Taken \$414,150 From The 10 Largest Banks Still Charging Overdraft Fees.

Bank	Career Contributions*
JPMorgan Chase	\$78,500
Bank of America	\$73,500
Wells Fargo	\$40,500
U.S. Bank	\$57,500
PNC Financial Services	\$81,000
TD Bank	\$16,000
BMO Harris	\$20,900
Citizens Bank	—
First Citizens Bank	—
Fifth Third Bank	\$46,250
TOTAL: \$414,150	

*Includes contributions to leadership PAC and other associated committees