



Monday, April 1, 2024

## FRB-NY: Experience Begets Overdraft Fee Knowledge

Perhaps reflecting the Biden Administration's examination of [overdraft](#) fees, a new [report](#) from the Federal Reserve Bank of New York staff on overdraft credit found that experienced overdrafters are roughly twice as likely to know their bank's overdraft fee than customers who have not overdrawn in the past year. The report also finds that half of customers surveyed did not know their bank's overdraft fee, which the report calls "potentially worrisome," but notes that 41 percent of respondents are also indifferent to their bank's overdraft policies. The report's findings suggest that overdraft experience produces salience of overdraft terms and the basic terms of overdraft are salient, but notes that even experienced overdrafters are generally unaware of other overdraft practices such as reordering or maximum overdraft allowances. Other findings include that half of all overdrafts are less than \$50, slightly more than the typical overdraft fee, with customers who overdraw more often also tending to overdraw in larger amounts.

## Barr Takes Over CFPB Card-Fee Fight

As anticipated, HFSC Financial Institutions Subcommittee Chair Barr (R-KY) has [introduced](#) H.J. Res. 122, the same CRA resolution overturning CFPB's late fee rule introduced [last week](#) by freshman Rep. Ogles (R-TN). [Reports](#) indicate poor communication between the Chair and junior member, and we expect this resolution to be the one that moves forward. The resolution is likely to advance through the House but faces almost certain veto if it gets back to the President's desk.

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### Recent Files Available for Downloading

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The following reports and analyses have been sent to retainer clients recently. Copies are also available to retainer clients on the Archives section of Federal Financial Analytics' website: [www.fedfin.com](http://www.fedfin.com) or clients may obtain the reports/analyses by e-mailing [info@fedfin.com](mailto:info@fedfin.com) giving the requested item name, firm, and e-mail address. To learn more about *GSE Activity Reports*, click [here](#).

- [GSE-032924](#): Following FSOC's fulminations about [nonbank mortgage companies](#), FHFA in 2023 heightened its supervisory standards mandating GSE prudential governance of eligible seller servicers.
- [MERGER15](#): Following its 2022 request for input, the FDIC has released a formal proposal that would redefine the agency's bank-merger policy into one that will make it difficult for all but the smallest and simplest transactions within its jurisdiction to have the clear prospects for approval usually necessary in non-emergency transactions, subjecting other M&A applications to protracted review with a high likelihood of denial.
- [REFORM231](#): Today's HFSC hearing on global governance featured [expected](#) Republican attacks on what they called the opaque nature of U.S. interactions with international organizations, with Chairman McHenry (R-NC) promoting a draft bill requiring regulators to report dealings with global standard-setting groups to Congress.
- [GSIB24](#): Reflecting concerns expressed about banks that window-dress key regulatory data as the post-crisis framework took shape, the Basel Committee has now issued a request for views on how to prevent this when it comes to GSIB calculations related to their surcharge or possible designation.
- [CREDITCARD37](#): Following a very controversial proposal, the CFPB has finalized credit-card late-fee restrictions in a final rule that does not differ significantly from the proposal on its key point: elimination of the manner in which inflation adjustments are now made by credit-card lenders when it comes to late fees.

- [\*\*GSE-031224\*\*](#): The President's [FY25 budget](#) picks up FHFA's [recommendations](#), calling for statutory change to double the System's affordable-housing commitment.
- [\*\*FEDERALRESERVE75\*\*](#): As [expected](#), Republicans took turns grilling Chair Powell on the Basel III endgame proposal and calling for its withdrawal, and were likely pleased with the results.
- [\*\*CONSUMER56\*\*](#): The CFPB has issued a circular essentially banning digital and perhaps all other consumer-finance comparison-shopping and lead-generation tools for credit cards and other products not covered by prior orders.
- [\*\*GSE-021624\*\*](#): In this report, we build on our in-depth analysis yesterday of the Fed's new stress-test scenarios to focus on their mortgage-market impact.
- [\*\*STRESS32\*\*](#): In this report, we assess the strategic and policy implications of the Fed's new [stress-test regime](#).