



OHIO CREDIT  
UNION LEAGUE

July 1, 2019

Comment Intake  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, D.C. 20552

Re: Request for Information Regarding the Overdraft Rule  
Docket No.: CFPB-2019-0023

To Whom It May Concern,

On behalf of Ohio's 262 credit unions serving more than three million members, the Ohio Credit Union League (OCUL) welcomes the opportunity to submit comments concerning the Consumer Financial Protection Bureau's (CFPB) request for comments regarding Regulation E under its notice of review pursuant to the Regulatory Flexibility Act (RFA), section 610.

OCUL strongly supports the CFPB reviewing the 2009 Overdraft Rule (Regulation E) which implements the Electronic Fund Transfer Act. We believe it appropriate to assess the economic impact of the Overdraft Rule and to assess the entire impact and usefulness of the Overdraft Rule on the entire financial services industry and consumers.

Credit unions are not-for-profit, financial cooperatives which are democratically controlled by their member-owners. Systematically operating in the best interest of their member-owners, credit unions often provide services, like overdraft programs, to assist their members. However, costs incurred as a result of overdraft programs are borne by the entire membership. Thus, it is appropriate for credit unions to recoup reasonable costs associated with the overdraft programs from those individuals who utilize them. As a result, the entire membership does not have to incur the costs of processing charges for overdrawn accounts and related disclosures.

OCUL urges the CFPB to refrain from creating any new burdensome requirements or implementing new limits on credit unions or other community-based financial institutions as it relates to the Overdraft Rule. Additionally, it is important the CFPB continue to study overdraft programs to determine whether financial institutions are being hindered from offering overdraft programs as a result of the rule and what percentage of consumers utilize an overdraft program.

### **Other Federal Regulations Impede Overdraft Programs**

As consumer finance and services, such as overdraft programs, continue to evolve, there is great diversity in how credit unions offer overdraft programs to their membership and how membership utilizes them. For the consumer to receive the maximum benefit of an overdraft program, it is imperative that conflicting regulations are addressed by the agency. OCUL has included a preliminary list, below, of other federal regulations that impede members' access to overdraft services:

- The Telephone Consumer Protection Act (TCPA) rules: Promulgated by the Federal Communications Commission, the TCPA rules framework generally prohibits financial institutions from communicating effectively with consumers without prior consent. As



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an example, this can impede the financial institutions ability to relay overdraft information and low balance notifications to consumers.

- Transfer limits: Regulation D, administered by the Federal Reserve Board, is a regulation which places limits on the number of transfer or withdrawals consumers can make from their savings account. This regulation impedes the consumer's ability to move funds from their savings account to their checking account in the event of an overdraft or low-balance notification.

OCUL recognizes that neither TCPA rules or Regulation D fall under the purview of the CFPB. However, we implore the CFPB to work with the appropriate parties to create consistency and uniformity in federal rulemaking to ensure consumers are not harmed by conflicting and confusing regulations.

### Conclusion

We appreciate the agency reviewing the Overdraft Rule under the RFA and collecting information through these comments on the rule's impact to small businesses. As one of the CFPB's primary missions is to empower consumers through a vibrant marketplace, OCUL believes the agency can contribute to a vibrant marketplace by ensuring the Overdraft Rule does not hinder access to overdraft programs and have a disparate impact on small businesses.

Thank you for your consideration and for the opportunity to express these views to the CFPB. Should you have any questions, please feel free to contact us at 1-800-486-2917.

Sincerely,

Handwritten signature of Paul L. Mercer in black ink.

Paul L. Mercer  
President

Handwritten signature of Miriah Lee in black ink.

Miriah Lee  
Regulatory Counsel



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