



February 7, 2024

Federal Trade Commission
Office of the Secretary
600 Pennsylvania Avenue NW
Washington, DC 20580
Unfair or Deceptive Fees, NPRM, R207011
Attn: Janice Kopec, Division of Advertising Practices, Bureau of Consumer Protection

Re: Proposed Regulations on Unfair or Deceptive Fees, NPRM, R207011

To Whom It May Concern:

Thank you for the opportunity to present comments on behalf of our 120 commercial, cooperative and savings banks and federal savings banks and savings and loan associations that employ more than 72,000 employees throughout the Commonwealth and New England. We believe that the **proposed regulations on Unfair or Deceptive Fees, NPRM, R207011** as proposed by the Federal Trade Commission, will create unnecessary requirements on the Massachusetts banking industry and respectfully request that if any regulations are promulgated, that they be done in coordination and consultation with the prudential banking regulatory agencies.

The banking industry is among the most regulated industries across the United States and is mandated to follow stringent protocols as stipulated by state and federal laws and regulations. Unlike other industries, FDIC-insured banks are subject to state and federal regulators such as the state bank regulators, the FDIC, the Federal Reserve, the Office of the Comptroller of Currency and the Consumer Financial Protection Bureau, depending on their charter, and must consider and strictly adhere to a host of rules and directives in regard to protecting their customers' personal and confidential information, financial health, as well as **fully disclosing** information on certain fees charged for various services to customers, to only name a few. Our industry rejects what the proposal describes as "junk, hidden and bogus fees" as every fee that a bank charges, is regulated by numerous statutes and regulations including, but not limited to, the Truth in Lending Act, Truth in Savings Act, Consumer Financial Protection Act of 2010 and more.

In a [2023 Morning Consult survey](#) conducted on behalf of the American Bankers Association, 84% of consumers indicated that they are "very satisfied" or "satisfied with their bank, and 94% rate their bank's customer service as "excellent," "very good" or "good." Furthermore, 78% of consumers indicated their bank is transparent with disclosing fees. The same survey showed that 61% of respondents believed that now is not the time to implement additional regulations on the banking industry due to certain current economic challenges facing the country today.

Also, according to the survey, "a strong majority of Americans appreciate and value bank overdraft programs. For the fourth year in a row, 9 in 10 consumers (88%) find their bank's overdraft protection valuable, and nearly 8 in 10 consumers (77%) who have paid an overdraft fee in the past year were glad their bank covered their overdraft payment, rather than returning or declining payment. Sixty-three

percent of consumers think it's reasonable for banks to charge a fee for an overdraft, as opposed to only 24% who think it's unreasonable." Importantly, consumers have the freedom to choose a bank with which to do business based on their individual and unique financial needs.

As of today, there are several other federal agencies including the Federal Reserve, the FDIC, the OCC, the CFPB, and the SEC, with various proposed regulations targeting the financial services industry. Many of the proposed regulations seem to fail to account for the existing laws, rules and regulations that dictate how banks **must clearly and conspicuously disclose** what fees consumers are obligated to pay. This proposed regulation, as currently drafted, misrepresents what such fees do, how they are applied, and the manner in which they are disclosed to customers.

As mentioned above, the banking industry is obligated to abide by state and federal laws and regulations and mandate that such fees are clearly and conspicuously disclosed so that customers understand the services for which they pay. The same cannot be said for other organizations in industries outside of financial services. We believe that the financial services industry is a model for other industries to follow with regard consumer protection, and we support efforts that raise standards for non-banks while ensuring no unintended consequences that would negatively impact overburden an already highly-regulated industry.

We strongly recommend that any proposals to change existing regulation as it relates to the banking industry be done so carefully and in coordination with the aforementioned agencies to reduce any and all potential conflicts between the proposed regulations to ensure the utmost protection for the consumers and customers the banking industry serves.

We appreciate the opportunity to provide our comments regarding the **proposed regulations on Unfair or Deceptive Fees, NPRM, R207011** as proposed by the Federal Trade Commission.

Sincerely,

A handwritten signature in black ink, appearing to read 'B. Papalardo', with a long horizontal line extending to the right.

Brad S. Papalardo, Esq.
Senior Vice President
Chief of Government Affairs & Counsel