

Advocating for our Members Amidst Overdraft Fees and Non-Sufficient Funds Legislation

At the California Credit Union League (CCUL), we understand your dedication to supporting your members by helping them maximize their finances and minimize fees. This commitment, rooted in our 'people helping people' philosophy, drives us to assist you in navigating recent legislative proposals on overdraft fees and non-sufficient funds (NSF).

In response to the Consumer Financial Protection Bureau's (CFPB) [proposed overdraft rule](#) and California's Senate Bill 1075 (SB 1075), we have undertaken several actions to support our member credit unions:

Highlights Include

over 10,700

messages to State legislators
opposing SB 1075

~250

advocates joined
the Government Affairs Conference
knocking on doors to oppose new rule

over 7,000

messages to Capitol Hill opposing the
CFPB's proposed overdraft rule

- **Preemptively Met with CFPB Senior Officials:** Met with CFPB senior officials to discuss concerns about the CFPB's stance on overdrafts in anticipation of the proposed rule.
- **Launched a [Credit Union Overdraft Resources Page](#):** Providing comprehensive information and tools.
- **Issued a Survey on Overdraft Practices:** Gathering valuable insights to inform our advocacy efforts.
- **Assisted California Credit Union Advocates:** Facilitated the sending of over 10,700 messages to State legislators opposing SB 1075 and activated a Senate Floor grass-tops campaign.
- **Provided a Toolkit:** Prepared a [toolkit](#) related to the CFPB's overdraft proposal to assist credit unions in crafting comment letters to the CFPB.
- **Organized Advocacy Efforts:** Enabled nearly 150 advocates to attend this year's Government Relations Rally (GRR) in Sacramento, achieving record attendance.
- **Supported Nationwide Advocacy:** Helped send over 7,000 messages to Capitol Hill opposing the CFPB's proposed rule and submitted a comment [letter](#) on behalf of our members.
- **Provided a Talking Points [Checklist](#):** Equipping members for effective conversations on Capitol Hill. This year nearly 250 advocates joined the Government Affairs Conference (GAC) and knocked on doors in Congress to oppose the proposed rule.
- **Testified before the California Senate Banking and Financial Institutions Committee:** Voiced opposition to SB 1075.
- **Engaged in Federal Advocacy:** Staff have traveled to DC and engaged in local meetings with legislators to address misleading "junk fee" narratives.
- **Sent a Letter to Senator Butler:** Sent a letter to Senator Butler to address her misguided use of the term "junk fees" during a Senate Banking Committee hearing on fees and affordable housing.

These collective actions are already yielding positive results.

How You Can Help

We will continue to provide resources and updates on federal and state regulatory and legislative actions. You can help by signing up for our web-based advocacy network, [Connect for the Cause](#), and staying engaged with your credit union's local advocacy groups.

Timeline of Events

2023

January 2023

SB 1415 went into effect in January 2023, resulting in state law found [here](#). State-chartered credit unions and community banks must report data on overdraft data.

March 2023

The DFPI issued its first [report](#) on overdraft fees in March 2023.

October 2023

Politico published a [article](#) highlighting the top 12 credit unions with the highest overdraft/NSF fees by gross dollars.

September 2023

The Leagues, along with credit union leaders from California and Nevada, met with senior officials at the CFPB office during 2023 Hike the Hill to share their concerns about the CFPB's stance on overdraft fees.

November 2023

The League responded with an op-ed penned by CCUL CEO Diana Dykstra [here](#).

December 2023

CFPB issued a draft [report](#) on overdraft and NSF.

2024

February 2024

SB 1075 is introduced in the California State Senate. The [bill](#) would limit overdraft and insufficient fund transactions to three times a month and require a grace period of five days.

February 2024

continued

The CFPB issues a proposed rule on overdraft fees, limiting institutions with \$10 billion or more in assets to issuing overdraft fees between \$3 to \$14 dollars. You can read the proposed rule [here](#) and the League's toolkit [here](#).

March 2024

250 advocates visiting Capitol Hill with the California and Nevada Credit Union Leagues advocate against the CFPB's proposed overdraft rule, highlighting that consumers actively opt-in to overdraft protection and leverage it in times of need. CUs asked Members of Congress to send a letter to the CFPB opposing the proposed rule. Talking points can be found [here](#).

The League collected 59 signatures from credit unions opposing the proposed overdraft rule and develops a delegation letter. The letter was shared with legislators, and the League asked Members of Congress to share credit unions' concerns with the CFPB.

April 2024

The League submits a comment [letter](#) to the CFPB on the proposed overdraft rule.

150 advocates visit Sacramento to advocate against SB 1075, noting the following: 1) overdraft protection is an opt-in service, 2) the five-day period will cause CU to rethink offering overdraft protection, 3) the bill is premature given the proposed CFPB regulation 4) The bill picks winners and losers because it targets only state-chartered credit unions. You can read more [here](#).

Robert Wilson testifies before the Senate Banking and Financial Institutions Committee to oppose SB 1075. You can view the testimony [here](#).

April 2024

continued

US Senator and Congresswoman Sara Jacobs write a letter to Frontwave Credit Union with concerns about overdraft fees from the credit union and its exclusive contract with the Marines to serve on base. You can read the article [here](#) (link to letter embedded in the article). League staff convene America's Credit Unions, Defense Credit Union Council and America's Association of Credit Union Leagues with Frontwave CU to discuss a response strategy.

April/May 2024

League staff travels to DC to clarify false "junk fee" narratives before a hearing with the Senate Banking Committee entitled "Fees in Financial Services and Rental Housing." You can view the hearing [here](#). Staff wrote a recap of the briefing [here](#).

May 2024

Senator Steven Bradford amends SB 1075 by striking the requirement to limit overdraft charges to 3 per month and inserting language that limits overdraft fees to \$14 (or what the CFPB sets in the finalized rule). You can read the amended language [here](#).

Frontwave Credit Union responds to the letter from US Senators. CU Times reports on the response. You can read the article [here](#) (link to response embedded in the article).

SB 1075 passes off the Senate Floor after two rounds of amendments and heads to the Assembly. Vote results can be found [here](#).