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SANDY CRAWFORD
Majority Whip
State Representative
District 129

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May 13, 2013

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
400 7th Street, SW., Suite 3E-218
Mail Stop 9W-11
Washington, DC 20219

Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance
Corporation
550 17th Street, NW,
Washington, DC 20429

Re: Docket ID OCC-2013-0005: Proposed Guidance on Deposit Advance Products
Federal Deposit Insurance Corporation 6714-01-P

To Whom It May Concern:

In my capacity as Majority Caucus Whip in the Missouri House of Representatives and having worked in the banking industry for thirty years, I write to express my views regarding the above-named proposed regulations relating to deposit advance products. The purpose of this letter is simply to urge consistency in the regulation of all similar short-term credit instruments. An expansive set of regulations that recognize the continuing need for short-term credit is short-sighted. Providing effective financial safeguards for Americans while preserving access to credit should be the overarching goal of any new regulation.

A variety of competitive credit choices are available to consumers, including credit cards and short-term options such as overdraft programs and advances from banks, credit unions and retail lenders. Consumers also weigh their decisions against the costs and consequences associated with missing bill payments or submitting them late, including bounced checks, late payments to credit card companies and utility reconnections. Individual short-term credit options – from cash advances to overdraft protection – should not be examined or regulated in a vacuum or inconsistently.

The OCC and FDIC have singled out bank deposit advances, proposing guidance which is expected to restrict, if not eliminate, banks' ability to offer the service. Specifically, the guidance calls for a month-long cooling off period between deposit advances and an onerous underwriting process typical for much larger and longer term loans. The guidance does not apply to overdraft protection programs, even though consumers use them similarly and interchangeably, a fact both agencies have acknowledged. This singular focus violates one of the central mandates of the

Dodd-Frank Act, which calls for consistent regulation of comparable products, regardless of whether offered by bank or non-bank institutions.

The decision to single out deposit advances but not comparable overdraft programs is a glaring example of arbitrary rulemaking that will harm consumers more than help them. As long as appropriate consumer disclosures and other protections are provided, individuals should be able to choose among any credit products that suit their needs, be it a deposit advance, overdraft service, or other short-term small dollar loan. Restricting consumers' access to certain forms of short-term credit does nothing to address their continued need for credit. Such policies only drive them to riskier or more expensive options.

Consumers thrive in a competitive, regulated financial services market. Through the creation and enforcement of a level regulatory playing field, the OCC, FDIC and other regulators can foster such an environment. As long as similar services are treated consistently, competition and transparency will rule the day, driving costs to the lowest point and providing the greatest benefit to consumers. I encourage the OCC and FDIC to develop fair regulation across short-term financial services – from deposit advances to overdraft programs – so that consumers will be empowered to make sound, informed financial decisions and attain greater financial security.

Thank you for the opportunity to comment on these proposed regulations.

Sincerely,

A handwritten signature in black ink that reads "Sandy Crawford". The signature is written in a cursive, flowing style.

Representative Sandy Crawford
129th District