

State Representative
FRANK MCNULTY
P.O. Box 630573
Highlands Ranch, Colorado 80163
Capitol: 303-866-2936
District: 303-683-8873



Member:
Agriculture, Livestock, &
Natural Resources Committee

COLORADO
HOUSE OF REPRESENTATIVES
STATE CAPITOL
DENVER
80203

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

May 15, 2013

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

To Whom It May Concern:

As the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation (FDIC) continue to review proposed guidance on bank deposit advance products, I urge the agencies to fully consider the potential impact on the short-term credit marketplace and to ensure that any forthcoming regulations preserve and sustain competitive choices to benefit all American consumers. The proposed guidance can harm consumers more than it helps them.

As a state legislator in Colorado, I have been involved in many debates on short-term credit and consumer financial services. I believe strongly that the consumer should be afforded as many choices as possible in the short term credit market place. With more choices comes more competition resulting in a better product for the consumer.

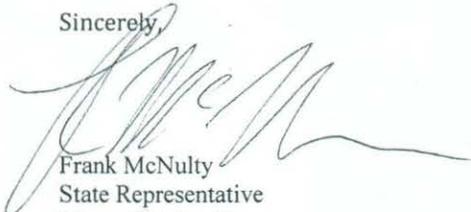
The need for short term, small dollar lending is clear. The demand is not going away. Over regulation and punitive rules will only force store front lenders out of business and push the demand to less accountable online lenders. Many Coloradans use this credit option to help them bridge their financial needs between paychecks and it also helps them deal with unforeseen circumstances that are outside of their family budget.

Based on my experience, I am concerned that such expansive regulation does not adequately address consumers' need for short-term credit or reflect their experience. Individual short-term credit options – from cash advances to overdraft protection – should not be examined or regulated in a vacuum or inconsistently. Many Coloradans use these products interchangeably and to regulate one different than the other will only confuse the consumer while creating an unstable marketplace with regulatory unknowns for many entrepreneurs trying to provide this service. Disclosure requirements should be uniform so the consumer can compare products side by side. A consistent and uniform regulatory environment only benefits the consumer. The agency picking winners and losers by regulating some but not all equally is short sighted and works against the consumer.

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.

I appreciate your time and consideration.

Sincerely,



Frank McNulty
State Representative
House District 43