



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

May 23, 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:

I write on behalf of the businessmen and businesswomen operating under the deferred deposit statute in the Commonwealth of Kentucky. It has come to our attention that 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. The purpose of this letter is to begin a dialogue by providing additional research on this issue.

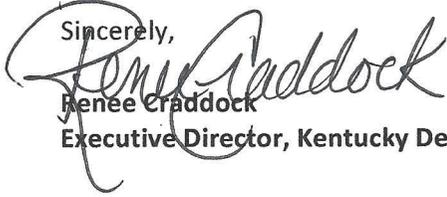
The Kentucky Deferred Deposit Association (KDDA) has worked with state legislators to introduce a no cost, interest-free "Extended Payment Plan" to keep consumers out of the so called "cycle of debt." In fact, the Attorney General Jack Conway has even written a letter of support for these efforts.

Assessing new credit regulations on the law abiding short-term lenders of our nation could actually have a negative effect on the credit market by driving customers to less safe avenues of lending. For example, if short-term loans were no longer an option, many customers would still look for cheaper forms of credit than the costs of bouncing a check or paying a late fee. Some would go to Native American tribes or to offshore lenders on the internet. In essence, further credit restrictions would hurt Americans while helping places like Costa Rica, Bermuda, and other foreign countries as they service the small loan needs of consumers in a risky unregulated manner.

As you continue to consider new guidance on short-term loan financial products, we urge both agencies to remember that demand for short-term credit has and will remain high. As rational consumers weigh their financial options, they always consider both the cost and benefit of different forms of credit. Ultimately, consumers are better off when they have a multitude of credit options available, including access to short-term loans.

Thank you once again for your consideration of this issue.

Sincerely,

A handwritten signature in cursive script that reads "Renee Craddock". The signature is written in black ink and is positioned to the right of the word "Sincerely,".

Renee Craddock

Executive Director, Kentucky Deferred Deposit Association