



TENNESSEE CASH
ADVANCE ASSOCIATION

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 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 to express my views regarding the Office of the Comptroller of the Currency (OCC) and Federal Deposit Insurance Corporation's (FDIC) recently proposed guidance on bank deposit advance products and to encourage the agencies to carefully consider American consumers' need for a range of reliable short-term credit options. In particular, the agencies must closely examine any potential consequences of such regulations on consumers' ability to access credit when they need it. Consumers want and benefit from having more alternatives, not fewer, and this need is better served in a competitive marketplace.

As President of the Tennessee Cash Advance Association, and owner of a family-owned cash advance business, I am concerned that such expansive regulation does not adequately address our consumers' need for short-term credit or reflect their experience, nor does it get to the root of the financial challenges confronting many consumers. For almost twenty years, our association has coordinated with the Tennessee Department of Financial Institutions and the legislature to create one of the most stringent regulatory frameworks for cash advance transactions in the country. Tennessee's consumer-friendly payday advance statute ensures that consumers' short-term credit needs are provided in a safe, regulated market place. Providing effective financial safeguards for Americans while preserving access to credit should be the overarching goal of any new regulation.

The need for short-term small dollar lending is clear. Millions of Americans continue to struggle to make ends meet, driving a need and demand for short-term credit. A variety of competitive choices are available to them, including credit cards and short-term options such as advances from banks, credit unions and retail lenders and the most frequently used, overdraft programs. Consumers examine these options and weigh their decisions against the costs and consequences associated with late payment fees, damage to credit scores or a loss of critical services such as utilities and healthcare. Since these comparable credit products are used interchangeably, any regulations—including limits on the number and frequency of use—must be applied equally to all comparable products. Only then is access to credit preserved and consumers protected.

In Tennessee, we have worked hard to make sure that our consumers have access to licensed, legal short term lenders and fear that further restriction of access to the reputable financial providers will only push more consumers to use unregulated and unsafe means to obtain short-term credit.

I encourage the OCC and FDIC to carefully consider consumers' short-term credit experience and perspective, with an eye toward rulemaking that consistently and fairly regulates the services consumers depend upon – from cash advances to overdraft protection – while preserving the important role of short-term credit in the American economy and empowering consumers to make sensible financial decisions.

Sincerely,

A handwritten signature in black ink that reads "Kim Gardner". The signature is written in a cursive, slightly slanted style.

Kimberly Gardner, President
Tennessee Cash Advance Association