



## WYOMING SENATE DISTRICT 25

May 23, 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 17<sup>th</sup> Street, NW.  
Washington, DC 20429

Re: Opposition to guidelines on deposit advance products.  
Docket ID OCC-2013-0005: Proposed Guidance on Deposit Advance Products  
Federal Deposit Insurance Corporation 6714-01-P

Greetings,

As a Wyoming State Senator, I wish to record my opposition to the Federal Deposit Insurance Company (FDIC) and Office of the Comptroller of the Currency (OCC) proposed expansive new guidelines on deposit advance products. The rules will require banks to institute a thirty day cooling off period between deposit advance loans and to underwrite the loans. Significantly, the rules would apply only to deposit advance products - not to overdraft protection programs - even though these products are used similarly by consumers. Even the Dodd-Frank Act calls for consistent regulation of comparable products regardless of whether or not they are offered by bank or non-bank institutions. The proposed guidance is federal over-reach.

State policymakers have carefully studied the various short-term, small-dollar credit options and established effective regulatory frameworks that protect consumers and preserve their access to a competitive credit marketplace. Unequal and over-regulation leads to a slippery slope that could preempt state regulations in the financial services arena.

There is a legitimate need and demand for short-term, small-dollar credit, protections are adequate and the marketplace is competitive. A broad range of products, including deposit advances offered by banks; overdraft programs, offered by banks and credit unions; cash, or payday, advances offered by non-bank institutions; collateral-based pawn loans and title loans; and unregulated sources of credit such as offshore internet loans, fill consumers' needs for relatively small amounts of cash for a short period of time. Consumers generally weigh these options carefully, choosing the financial service that will help them manage their obligations successfully and responsibly. More federal regulation is not needed.

Individual short-term credit options cannot be examined in a vacuum or independently, as many consumers use these comparable services interchangeably. Many purposefully and routinely employ their bank's overdraft protection program to cover expenses, using the program as a short-term credit product – exactly like an advance. Sensible rulemaking of short-term credit options would consider how consumers actually use the available options and include uniform disclosure requirements to ensure consumers can easily compare options, preserving a competitive marketplace.

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.

The OCC and FDIC guidance picks winners and losers in the short-term credit marketplace, unfairly limits consumers' credit options and negatively impacts the competitive marketplace from which consumers benefit. The decision to single out deposit advances but not comparable overdraft programs is a glaring example of arbitrary rulemaking that will harm consumers. With appropriate consumer disclosures and other protections, 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.

Sincerely,

A handwritten signature in cursive script that reads "Cale Case".

Cale Case, Ph.D.