

Commonwealth of Kentucky

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DAMON THAYER
MAJORITY FLOOR LEADER

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:

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. I urge the agencies to carefully consider the need of American consumers for a range of safe and reliable short-term credit options. In particular, the agencies must closely examine any potential consequences of new regulations on the ability of consumers to access credit when they need it. Consumers benefit from having more alternatives, not fewer, and this need is better served in a competitive marketplace.

As Majority Leader of Kentucky's State Senate, I have participated in critical debates regarding short-term credit and consumer financial products. In my previous position as chairman of the State Senate's State and Local Government committee, my colleagues and I worked hard to supply consumers with options while also providing a database tool to regulate the payday advance industry. I understand, based on testimony, that Kentucky is now one of the most regulated states for this consumer product. I'm also happy to report that these policies, now law in Kentucky for more than three years, appear to be working well.

Based on my experience, I am concerned that the latest proposed federal regulations do not address the consumer demand for short-term credit options. Millions of Americans continue to struggle in this economic time and short-term credit is an important financial tool for many of them. A recent report from the National Bureau of Economic Research (NBER) found that one in four Americans have used various forms of short-term credit including payday loans, auto title loans and similar products over the last five years. As public servants we must preserve access to credit in our endeavors to financially safeguard the consumers. It is important to preserve that choice in the marketplace in order to provide consumers with a chance to flourish.

All who answer the call of public service make a commitment to protect our constituents and all Americans by looking out for their best interests through balanced policymaking and enforcement. I encourage the OCC and FDIC to carefully consider the short-term credit marketplace from the experience and perspective of a consumer. Please consider a regulatory approach 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.

Sincerely,

A handwritten signature in cursive script that reads "Damon Thayer". The signature is written in black ink and is positioned above the typed name and title.

Damon Thayer
Senate Majority Floor Leader