



**Colorado Financial Service Centers Association**

Improving community based financial services in Colorado since 1987

Legislative and Regulatory Activities  
Division  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> 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

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.

Based on my experience both as a small business owner and as President of the Colorado Financial Service Centers Association (COFiSCA) whose members engage in short-term lending, I am concerned that such expansive regulation does not adequately address consumers' need for short-term credit or reflect their experience, nor does it get to the root of the financial challenges confronting many consumers. Our state's consumers need and appreciate access to a variety of credit options. COFiSCA members are dedicated to delivering valuable community based financial services to underserved consumers throughout the State of Colorado. Strong state regulation supported by our association ensures that consumers are protected in their choices. Providing effective financial safeguards for Americans while preserving access to credit should be the overarching goal of any new federal 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 recent report from the National Bureau

of Economic Research (NBER) found that one in four Americans have used various forms of short-term credit – payday loans, auto title loans, and similar services – over the last five years. These short-term credit options help consumers manage shortfalls and avoid late payment fees, damage to credit scores or a loss of critical services such as utilities and healthcare. Consumers clearly need and value these options, using them as many times as they need to – and only as many times as they need to – in order to bridge a gap in their finances.

Individual short-term credit options – from cash advances to overdraft protection – should not be examined or regulated in a vacuum or inconsistently. Any regulatory framework must:

- consider how consumers actually use the credit options available
- include uniform disclosure requirements to ensure consumers are equipped with all of the information they need to compare similar services
- apply any regulations – including limits on the number and frequency of use – equally to all comparable products, including overdraft protection services offered by banks and credit unions.

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.

Sincerely,



Ron Rockvam  
President  
Colorado Financial Service Centers Association