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ATTORNEY GENERAL RAOUL CALLS ON CONSUMER BANKS TO ELIMINATE OVERDRAFT FEES

Chicago — Attorney General Kwame Raoul today joined a coalition of attorneys general in calling on the CEOs of JPMorgan Chase, Bank of America, U.S. Bank, and Wells Fargo to eliminate all overdraft fees on consumer bank accounts. [In letters](#) to each financial institution, Raoul and the coalition urged each bank to eliminate overdraft fees by this summer to create a fairer and more inclusive consumer financial system.

“Overdraft fees disproportionately affect people of color and vulnerable families by burdening them with additional debts they cannot afford,” Raoul said. “I urge JPMorgan Chase, Bank of America, U.S. Bank, and Wells Fargo to eliminate these unfair and inequitable fees, and act to protect consumers.”

Overdraft fees have had harmful effects on millions of consumers nationwide. In some instances, consumers can be charged as much as \$35 for a purchase of \$5 or less. According to the Center for Responsible Lending, a study of overdraft-related fees charged in 2019 found that more than \$11 billion in fees were charged, with 84% of those fees assessed to consumers with the lowest average account balances. Another study by the Pew Charitable Trust noted that more than 90% of such fees are paid by a small subset of consumers who generally paid three or more such fees per year while earning less than \$50,000. The reports found that consumers of color were disproportionately impacted by these fees. The consequences are devastating to consumers’ financial health and, in the worst-case scenarios, result in individuals losing access to banking services.

Despite this well-known fallout from overdraft practices, these fees remain big business for large banks, according to a recent study published by the Consumer Financial Protection Bureau (CFPB). JPMorgan Chase, Bank of America, U.S. Bank, and Wells Fargo are among the top five U.S. banks in total assets. According to the CFPB, three of these institutions collected 44% of total overdraft and overdraft-like fees in 2019 among major banks. Raoul and the coalition argue that elimination of overdraft fees by these four institutions alone would drastically improve access to fairer, fee-free banking options for millions of consumers across the country.

Earlier this year Citi Bank announced that it would eliminate overdraft fees, which followed a similar announcement late last year by Capital One. Citi Bank is the largest U.S. bank to take this step.

Joining Raoul in the letters are the attorneys general of California, Connecticut, the District of Columbia, Delaware, Hawaii, Iowa, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, North Carolina, Oregon, Pennsylvania and Washington, as well as the Hawaii Office of Consumer Protection.