



Survey of Major Retail Banks
Exploring the Liquidity Impact of the Consumer Financial Protection Bureau’s
“Overdraft Lending: Very Large Financial Institutions Proposed Rule”

November 14, 2024

About the Survey

On February 23, 2024, the Consumer Financial Protection Bureau issued a [proposed rule](#)¹ that if finalized, would functionally subject overdraft services provided by banks with more than \$10 billion in assets (“Very Large Financial Institutions”) to a price cap set by CFPB of \$3, \$6, \$7, or \$14.

CBA commissioned this survey to understand the impact this rule would have to consumer liquidity made available by overdraft services.

The Survey was fielded from October 25, 2024 to November 13, 2024 among 40 Consumer Bankers Association members. Responses were based on individual banks’ analyses of 2023 overdraft data.

Twenty one (21) banks responded to the survey.

Respondent banks report serving an **average of 1.7 million overdraft consumers** in 2023.²

The median bank respondent reported serving 832 thousand overdraft consumers.

¹See CFPB “Overdraft Lending: Very Large Financial Institutions Proposed Rule” at 89 FR 13852.

²Question 4. [If answered “yes” to Question #2] “Please indicate the number of customers who used Discretionary Overdraft Services at least once in 2023.”

Does not include responses that listed percentages instead of raw numbers.

For more information about survey questions or methodology, please contact Weston Loyd at wloyd@consumerbankers.com.

Survey Results Overview

The average amount of overdraft liquidity available per customer at the respondent banks in 2023 was **\$756**.¹

The average amount of overdraft liquidity used per customer at the respondent banks in 2023 was **\$385**.²

Based on the survey responses received,

- At a **\$14 cap**, most banks would have to reduce this liquidity by **1%-25%**.
- At a **\$7 cap**, most banks would have to reduce this liquidity by **76%-100%**.
- At a **\$3 cap**, most banks would have to reduce this liquidity by **76%-100%**.

Answers rounded to the nearest whole number.

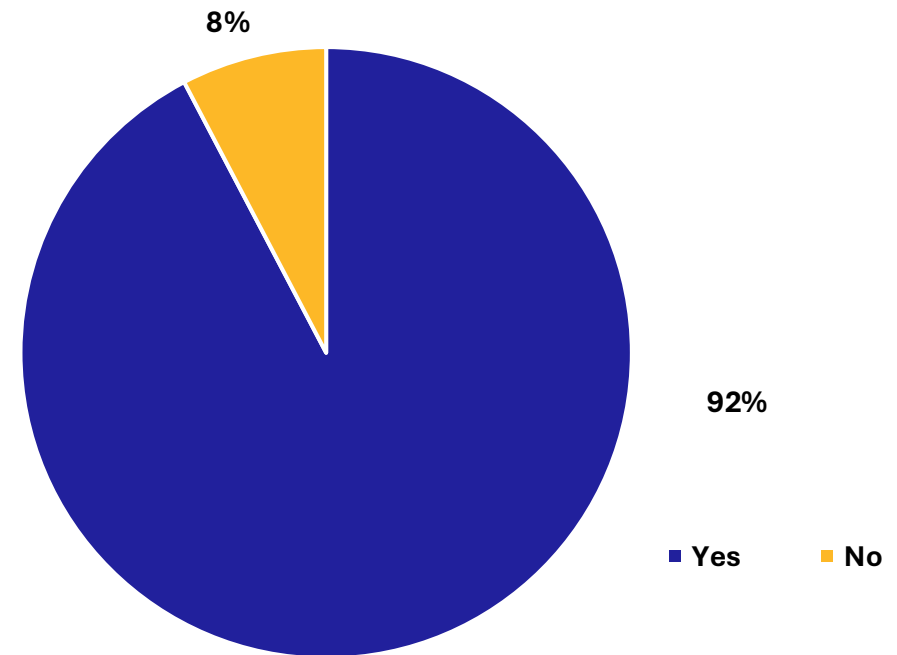
¹N=12; Question 5. [If answered "yes" to Question #2] "Please indicate the average amount of Discretionary Overdraft available per customer in 2023."

²N=12; Question 6. [If answered "yes" to Question #2] "Please indicate the average amount of Discretionary Overdraft that was used per customer in 2023."

Liquidity Impact

Over 90% of banks that responded to the survey indicated that any of the proposed overdraft fee caps would materially reduce the amount of liquidity they are able to offer consumers.

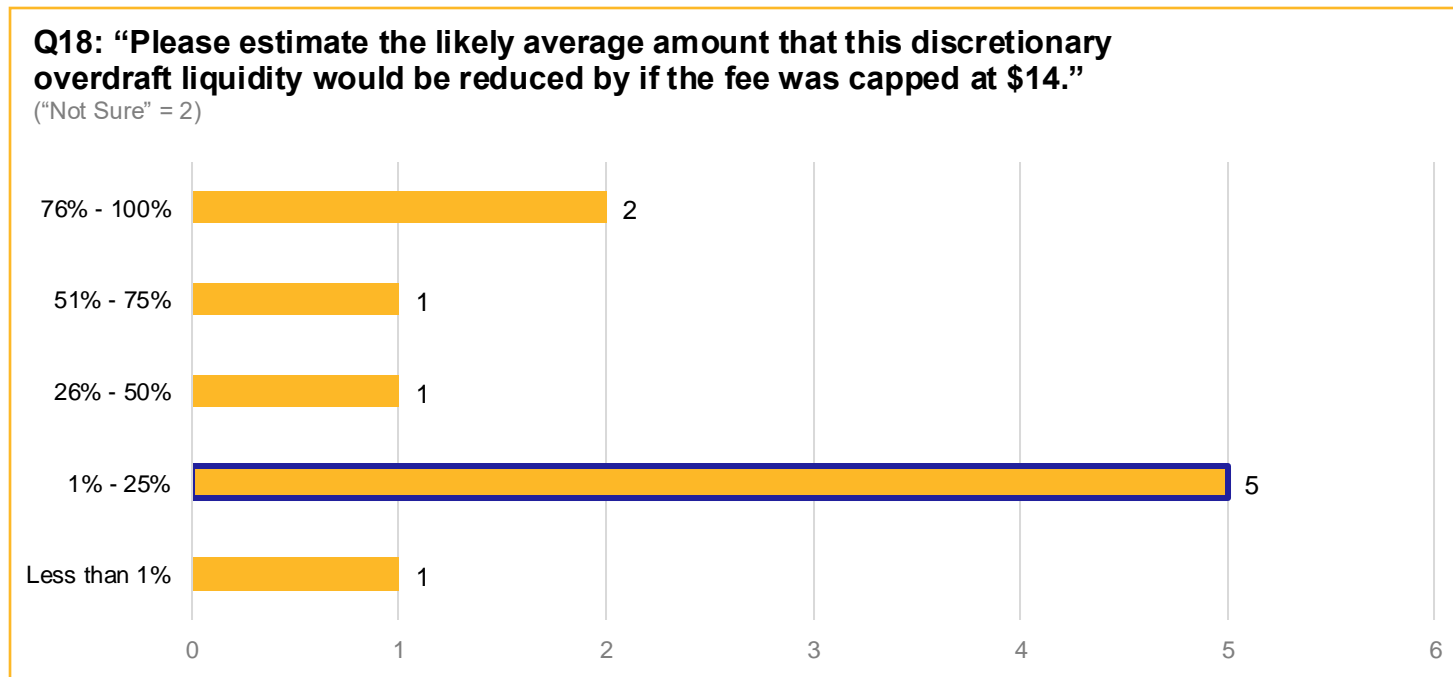
“If the Proposed Rule were finalized as currently drafted, at the \$3, \$7, or \$14 level, is it likely that some percentage of your bank's current retail customers with access to Discretionary Overdraft Services would experience a reduction in the amount of



N=13; Question15: “If the Proposed Rule were finalized as currently drafted, at the \$3, \$7, or \$14 level, is it likely that some percentage of your bank's current retail customers with access to Discretionary Overdraft Services would experience a reduction in the amount of discretionary overdraft liquidity available to them?”

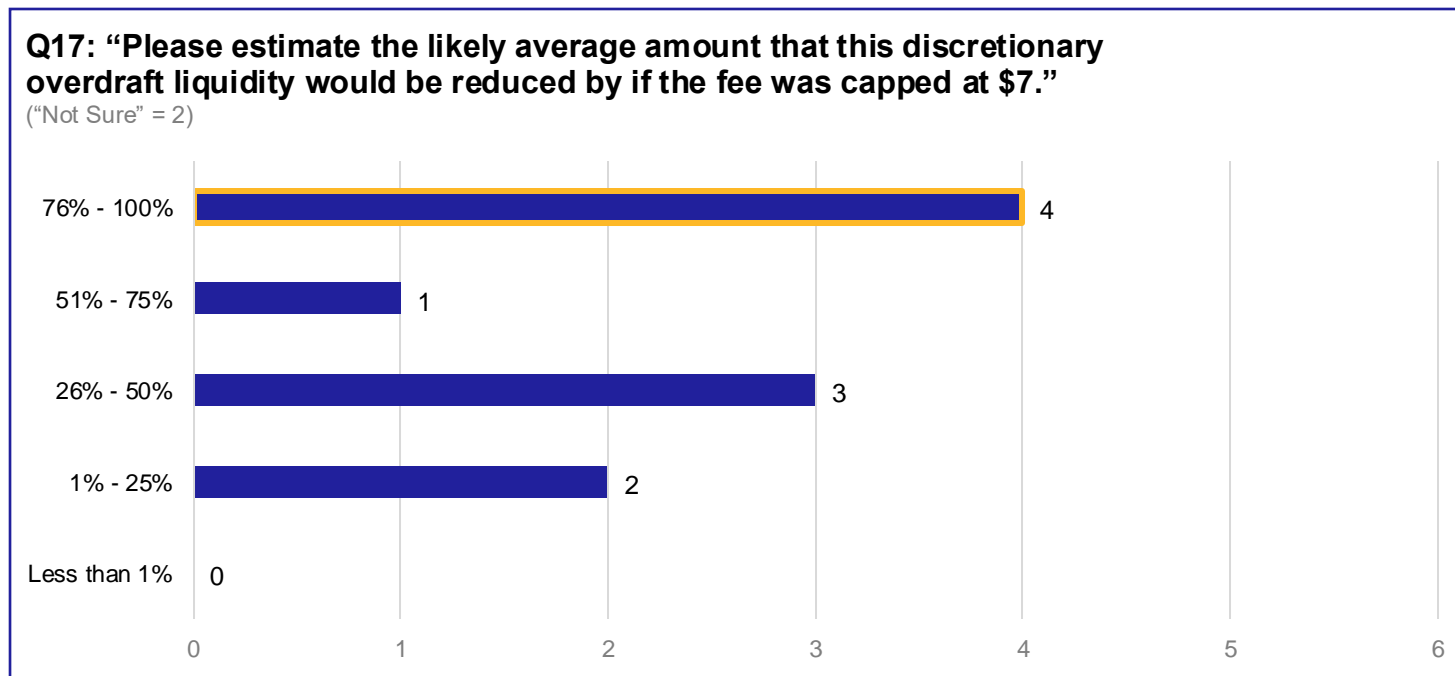
Liquidity Impact: \$14 proposed cap

- Most respondent banks indicated that a \$14 cap would reduce available overdraft liquidity by between 1% and 25%.
- Four (4) respondent banks indicated that a \$14 cap would result in a liquidity reduction of 25% or more.



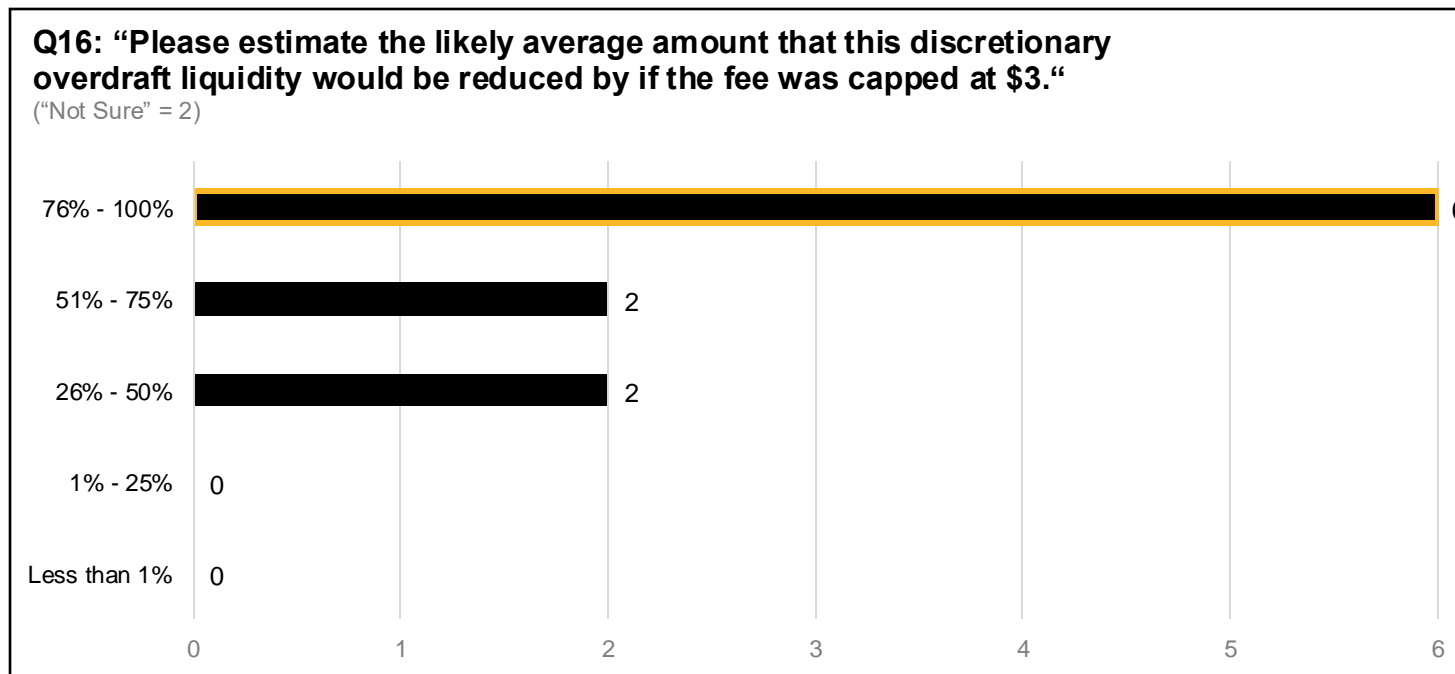
Liquidity Impact: \$7 proposed cap

- Most respondent banks indicated that a \$7 cap would reduce available overdraft liquidity by between 76% and 100%.
- No respondent banks with data available indicated that a \$7 cap would result in a reduction of less than 1%.



Liquidity Impact: \$3 proposed cap

- Most respondent banks indicated that a \$3 cap would reduce available overdraft liquidity by between 76% and 100%.
- No respondent banks with data available indicated that a \$3 cap would result in a reduction of less than 25%.



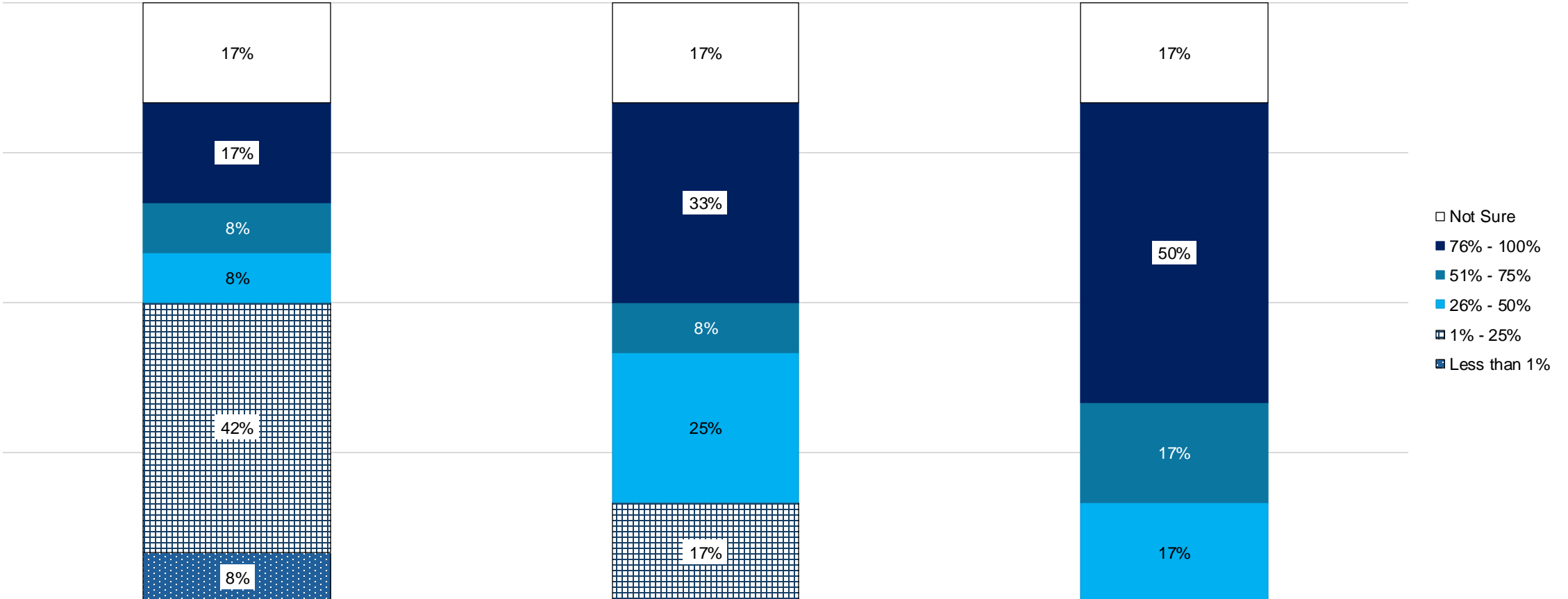
Liquidity Impact Summary

“Please estimate the likely average amount that this discretionary overdraft liquidity would be reduced by...”

...if the fee was capped at \$14.

...if the fee was capped at \$7.

...if the fee was capped at \$3.



N=12; Questions 16-18: “Please estimate the likely average amount that this discretionary overdraft liquidity would be reduced by ...”