



INDIANA COMMUNITY ACTION POVERTY INSTITUTE

Research and Public Policy

FOR IMMEDIATE RELEASE: March 27, 2025

Contacts: National Consumer Law Center, Stephen Rouzer (srouzer@nclc.org)

Senators Young and Banks Vote to Overturn CFPB Rule Capping Big Bank Overdraft Fees at \$5

Nearly Every GOP Senator Voted to Saddle Struggling Families With Excessive Overdraft Fees

WASHINGTON – Today, Senators Todd Young (R-IN) and Jim Banks (R-IN), in a largely party line vote (58-42), voted to repeal the Consumer Financial Protection Bureau’s (CFPB) [rule](#) to cap overdraft fees charged by big banks at \$5, down from the typical \$35. Indiana’s Representatives in the House could still save this vital protection for families living paycheck-to-paycheck.

“Excessive overdraft fees hit struggling Indiana families the hardest - especially when they are stacked one on top of the other. We’re disappointed that Senators Young and Banks voted to overturn a commonsense rule to limit these fees,” **said Erin Macey, director of the Indiana Community Action Poverty Institute.** “Hoosiers need that \$225 a year back in their pockets more than big banks need more profits. Let’s hope Indiana’s Representatives vote with Hoosiers over banks when the overdraft fee rule rollback comes to the House of Representatives.”

The biggest beneficiaries of overturning the rule are Wells Fargo and JP Morgan Chase, which each raked in about \$1 billion in overdraft and nonsufficient funds (NSF) fees in 2024, nearly four times as much as the next biggest bank. And new National Credit Union Administration data – which is [about to go dark](#) – reveals that in 2024 Navy Federal Credit Union took nearly as much as the biggest banks from its servicemember, veteran, and other customers – \$725 million – despite a dramatically smaller customer base.

“Senators Young and Banks just voted to block real relief for families hit with high prices to pad the profits of big banks like Chase and Wells Fargo and overdraft abusers like Navy Federal Credit Union, which take billions in junk fees from families and [servicemembers](#) just trying to make ends meet,” **said Lauren Saunders, associate director of the National Consumer Law Center.** “It is shameful that Republicans are effectively writing bonus checks to executives at the nation’s largest banks while ordinary people struggle with high prices and increased costs of living.”

The CFPB’s overdraft rule, finalized in December 2024, places a \$5 cap on most big bank overdraft fees, down from the typical \$35 charge per transaction. The Bureau estimates the rule will save the 23 million households that pay overdraft fees \$5 billion a year.

A group of 294 consumer, labor, faith-based, and community organizations, including several in Indiana, [submitted a letter](#) to Congress urging it to close a “paper-check-era loophole” that has allowed big banks to trick people into paying excessive overdraft fees and earn billions in profits off of the most vulnerable families.

Under the rule, big banks would still have a variety of options to cover overdrafts, including safer, more transparent overdraft lines of credit with no price limit and the same disclosure requirements as credit cards. The rule only applies to very large institutions with over \$10 billion in assets. Smaller banks and credit unions are exempt. Capital One, Citibank, and Ally have completely eliminated overdraft fees while continuing to cover overdrafts.

“The CFPB’s overdraft fee rule would put \$5 billion back into the pockets of everyday people at a time when relief is desperately needed,” **said Saunders.** “Indiana’s elected leaders should be laser-focused on addressing high costs and inflation, not increasing profit margins at big banks on the backs of hard-working families.”

Related Resources

- [Letter Opposing Resolution to Overturn CFPB Overdraft Fee](#), March 25, 2025
- Press Release: [Court Permits Groups to Defend Overdraft Rule](#), March 5, 2025
- Press Release: [Bill to Overturn CFPB Overdraft Fee Rule Would Hurt Families. Allow Big Banks to Keep \\$5 Billion in Excessive Fees](#), Feb. 13, 2025
- Issue Brief: [Overdraft Rule Returns \\$5 Billion in Big Bank Junk Fees to Consumers’ Pockets](#), Jan. 29, 2025
- [Statement Before Senate Banking Committee on Overdraft Fees and Their Effects on Working Families](#), May 4, 2022

####

About the Indiana Community Action Poverty Institute

The Indiana Community Action Poverty Institute engages in research and promotes public policies to help Hoosier families achieve and maintain financial well-being. We believe that when Hoosiers are financially stable, they can achieve their full potential and better contribute to their communities. The Institute is a program of the Indiana Community Action Association.

About the National Consumer Law Center

Since 1969, the nonprofit [National Consumer Law Center® \(NCLC®\)](#) has worked for consumer justice and economic security for low-income and other disadvantaged people in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training.