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**MISSOURI HOUSE OF REPRESENTATIVES****Tony Dugger**

State Representative  
District 141

May 13, 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.

In my capacity as Chairman of the Missouri House of Representatives Committee on Financial Institutions, I have been given the opportunity to engage in legislative discussions relating to short-term credit and consumer financial services. I believe that there is a critical need for short-term credit and many Missourians rely on such instruments to meet emergency financial needs. I also believe that such services should be accompanied by the adequate consumer protections. The need for short-term dollar lending is irrefutable. The most recent information from the Missouri Division of Finance indicates that there were more than 2.3 million short-term loans issued in calendar year 2012. Consumers value this credit option as they strive to manage gaps in finances, avoid late payment fees and damage to credit scores.

The OCC and FDIC have singled out bank deposit advances, proposing guidance which is expected to restrict, if not eliminate, banks' ability to offer the service. Specifically, the guidance calls for a month-long cooling off period between deposit advances and an onerous underwriting process typical for much larger and longer term loans. The guidance does not apply to overdraft protection programs, even though consumers use them similarly and interchangeably, a fact both agencies have acknowledged. This singular focus violates one of the central mandates of the Dodd-Frank Act, which calls for consistent regulation of comparable products, regardless of whether offered by bank or non-bank institutions.

Regulations that randomly limit consumers' credit options risk a dangerous domino effect. Consumers receive the greatest benefit from a competitive financial services marketplace, with a wide array of options, including overdraft protection and cash advances from banks and non-bank retail lenders. Restricting consumers' access to certain forms of short-term credit such as advance products stifles competition and does nothing to address their continued need for credit.

In answering the call to public service, we make a commitment to protect our constituents and all Americans, and to look out for their best interests through fair and balanced policymaking and enforcement. I encourage the OCC and FDIC to carefully consider consumers' short-term credit experience and perspective, with an eye toward rulemaking 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 and empowering consumers to make sensible financial decisions.

Thank you for permitting me to make my views known on this important issue.

Sincerely,

A handwritten signature in black ink that reads "Tony Dugger". The signature is written in a cursive, slightly slanted style.

Tony Dugger  
141<sup>st</sup> District