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Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance
Corporation
550 17th Street, NW.
Washington, DC 20429

May 24, 2013

Re: Docket ID OCC-2013-0005: Proposed Guidance on Deposit Advance Products
Docket ID FDIC-2013-0043: Proposed Guidance on Deposit Advance Products

Dear Comptroller Curry and Chairman Gruenberg,

The California Contract Cities Association would like to take the opportunity to comment on the Office of the Comptroller of the Currency's (OCC) and Federal Deposit Insurance Corporation's (FDIC) proposed guidance for bank practices regarding deposit-advance products. I urge you to thoroughly examine the potential impact that the proposed guidance can have on the short-term credit marketplace. Please consider the needs of our members and ensure that any regulations preserve and sustain competitive choices to benefit all American consumers.

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.

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,

Sam Olivito
CCCA Executive Director