



Junk Fees - Explained

- The Biden admin just declared war on “junk fees” — and it’s a big deal for all working Americans.
- Big Banks and Wall Street want you to feel powerless. They implement sneaky fees for daily financial transactions, and manipulate the poorest Americans just trying to get by.
- Yesterday, there was HUGE news to combat these fees. The Biden administration announced plans to crack down on junk fees across sectors — taking aim at the biggest banks ripping off consumers and working people.
- These fees show up everywhere — bank overdraft fees, airline and concert ticket fees, cell phone fees, car payment fees, credit card late charges, non-sufficient funds fees, and other manipulative tools used by financial giants.
- Earlier this year, the Consumer Financial Protection Bureau (CFPB) under Rohit Chopra led the charge to [crack down](#) on credit card companies screwing working people with overdraft charges and other [shoddy fees](#).
- Now, POTUS is cracking down, too. As a part of President Biden’s Competition Agenda, Biden directed agencies to examine unfair junk fee practices across

the economy. Already, the majority of the largest U.S. banks are being forced to [get rid of](#) overdraft fees.

- We can have a government that takes on the predatory financial systems coming after the lives and paychecks of working Americans. We are seeing it happen right now.

Why you should care:

- Junk fees that serve virtually no purpose other than to enrich Big Banks are designed to prey on people who are financially struggling. Fees for not having enough money or hidden fees simply for paying your bills have become a major source of revenue for financial institutions.
- Big Banks are leveraging their wealth and power to launch a smear campaign against the CFPB. The American Bankers Association, the Consumer Bankers Association, the Independent Community Bankers Association and the U.S. Chamber of Commerce all conspired to create attack ads against CFPB Director Rohit Chopra, opposing his initiative on junk fees.
- President Biden's actions demonstrate government at work for working people. Stronger consumer protection and promoting competition to break up the consolidation of power help build an economy that works for all.

Key Stats:

- According to CFPB's [research](#), major credit card companies charged over [\\$14 billion](#) each year in punitive late fees.
- In 2019, bank revenue from overdraft and non-sufficient funds (NSF) fees surpassed [\\$15 billion](#).
- Thanks to President Biden's action, three-quarters of America's 20 largest banks are getting rid of fees for bounced checks, which average \$50.
- Lowering overdraft fees will save families – primarily low-income and middle-class – [\\$3 billion a year](#).

Have a question about corporate power or an idea for an upcoming edition? Please let us know. If you know a fellow advocate, leader, or organization who would also benefit from this, please encourage them to [sign up here](#).

If you need a deeper dive on junk fees or have any questions, let us know! Please reach out to our Communications Director, Bianca Recto for more information and guidance: bianca@fightcorporatemonopolies.org

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