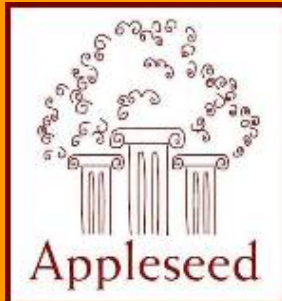


# Appleseed This Week

eNewsletter - November 19, 2009



A nonprofit network of 16 public interest justice centers in the U.S. and Mexico, Appleseed is dedicated to building a society in which opportunities are genuine, access to justice is universal and equal, and government advances the public interest.

## New Ways to Contribute!

You can now redeem your unused credit card rewards points for a cash donation to Appleseed. [Click here to learn more.](#)

And don't forget, Appleseed is now a member of the United Way of the National

**Thanking Appleseed Advocates!** Join us tonight for our volunteer appreciation event! [Click here for details.](#)

## A Step Forward for Consumer Protection

### *Fed Requires Customer Opt-In for Debit Overdraft Fees*

Marking significant progress in efforts to foster a more transparent financial services sector, the Federal Reserve last week announced new rules that prevent banks and other issuers of debit cards from charging overdraft fees without the express permission of the cardholder.

These "opt-in" rules, which take effect in the summer of 2010, require companies to disclose debit card policies and fees in a simple, easy-to-understand notice provided to each customer. Though critics point to what they say is too limited a range of covered transactions, the rules nonetheless introduce a key safeguard against unforeseen penalties, helping consumers to avoid overdraft fees on small purchases or ATM withdrawals.

As a leading advocate for consumer protections and financial service disclosures, Appleseed commented on the new rule prior to its adoption; more importantly, the majority of the 20,700 other comments were submitted by individual consumers, signaling pervasive demand for financial literacy and a clear desire to manage personal finances responsibly.

Indeed, Appleseed's research has shown that people crave clear, simple disclosures for financial services, from credit to savings to wire transfers. Within the remittance market specifically, our Fair Exchange project documents strong demand for pre-transaction disclosures of service fees, exchange rates, and other important information. [For more, read the report here.](#)

The Fed's opt-in rules run parallel to a similar set of provisions included in the Consumer Financial Protection Agency Act,

**Capital Area and the Combined Federal Campaign. Please make a note of the Appleseed designation numbers below.**

**UNWCA: 9369  
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which recently passed the House Financial Services Committee, requiring remittance providers to disclose pricing information to customers prior to a transaction. Those rules, negotiated by Appleseed with representatives of the remittance industry, come at a time when the depressed economy is putting unprecedented strain on immigrants and their families.

Greater transparency will allow remittance customers to better manage expenses as they struggle through the economic downturn, with even small savings helping to relieve some of the pressure. Prompted by complaints of lending abuses, other Fed rules in the last two years have been directed at predatory loans, abusive mortgage practices, opaque home equity loans, and misleading information about credit cards.

Much work remains in building a financial services industry that operates in an open, non-discriminatory way, but the Fed's new overdraft rules, along with the proposed Consumer Financial Protection Agency, represent an encouraging development for consumers and the economy alike.