



AMERICANS *for* TAX REFORM

April 24, 2017

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Ryan and Majority Leader McConnell:

On behalf of Americans for Tax Reform (ATR) I write to express ATR's strong support for using the Congressional Review Act to repeal the Consumer Financial Protection Bureau's (CFPB) rule on prepaid debit cards.

Issued in the fall of 2016 and set to go into effect April of 2018, the CFPB's rule on prepaid debit cards would actually harm the same financial consumers the Bureau sought to protect in issuing the rule. Millions of American consumers use and rely on prepaid cards, yet if the CFPB's rule is allowed to proceed those millions of consumers will be deprived of access to needed banking services.

As a result of the Dodd-Frank Act, many banks no longer offer free checking accounts or have alternatively either increased fees or required higher minimum balances for maintaining free checking accounts. This has had the effect of pushing many financial consumers out of the traditional banking system and led to millions of Americans becoming "unbanked." The CFPB's rule would only increase this regressive trend, impacting primarily low-income consumers.

A report from the Pew Charitable Trusts found that of an estimated 23 million consumers using prepaid cards, a quarter of those were low-income Americans, with a third having annual income below \$15,000. Prepaid cards have increased in popularity in recent years, with the amount placed on prepaid cards growing from \$1 billion in 2003 to a projected \$112 billion for 2018.

This is due in part to the fact that for consumers that can no longer afford traditional banking services, prepaid cards are a more affordable option than traditional debit cards linked to checking accounts. The CFPB's rule will in turn have a disparate impact on low-income financial consumers and as a result further increase the number of unbanked Americans.

Thankfully, Representative Roger Williams and Senator David Perdue have introduced joint resolutions of disapproval of the CFPB's rule under the Congressional Review Act. H.J. Res. 73 in the House and S.J. Res. 19 in the Senate would repeal the CFPB's costly and regressive prepaid debit card rule.

I urge you and your colleagues in Congress to support both H.J. Res. 73 and S.J. Res. 19 and use the authority granted under the Congressional Review Act to protect American consumers and preserve choice in financial products by repealing the CFPB's rule on prepaid debit cards.

Sincerely,

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President
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