

# United States Senate

WASHINGTON, DC 20510

December 1, 2025

Bill Birnie  
President/CEO  
Frontwave Credit Union  
1278 Rocky Point Drive  
Oceanside, CA 92056

Dear Mr. Birnie:

On March 3, 2025, the National Credit Union Administration announced that it will no longer publish data on overdraft and non-sufficient fund fee income for individual credit unions. This decision, combined with the Trump Administration's repeal of the Consumer Financial Protection Bureau's (CFPB) Final Rule limiting most overdraft fees to \$5, is troubling.<sup>1</sup> This will hurt working Americans already struggling to make ends meet, allowing some credit unions to continue exploiting consumers with sky-high overdraft fees with no transparency or accountability. Given our concerns, we write to request information on your credit union's overdraft policies and net income from predatory overdraft fees.

Overdraft and non-sufficient fund (NSF) fees are one of the most common exploitative mechanisms big banks use to extract money from low-income consumers.<sup>2</sup> The CFPB found nearly twice as many consumers with incomes between \$35,001 and \$65,000 were charged overdraft and NSF fees (35 percent), versus consumers with incomes between \$100,001 and \$175,000 (18 percent).<sup>3</sup> When consumers' finances are already stretched thin, overdraft fees can cause other payments to bounce—leading to even more fees that creates a vicious circle that can “turn setbacks into crises.”<sup>4</sup> The average consumer who pays overdraft fees gets hit with \$225 in these charges each year.<sup>5</sup> Moreover, nearly 80 percent of overdraft-related fees are charged to less than 10 percent of accounts.<sup>6</sup> Frequent overdrafters “tend to carry low balances—averaging

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<sup>1</sup> Bloomberg Law, “Trump Signs Repeals of CFPB Overdraft, Digital Payment Rules,” Evan Weinberger, May 9, <https://news.bloomberglaw.com/banking-law/trump-signs-repeals-of-cfpb-overdraft-digital-payment-rules>.

<sup>2</sup> Business Insider, “Predatory banks rake in billions of dollars in overdraft fees from their poorest customers every year. The Consumer Financial Protection Bureau is trying to put a stop to it,” Paul Constant, December 11, 2021, <https://www.businessinsider.com/how-predatory-banks-rake-billions-overdraft-fees-against-poorest-users-2021-12>.

<sup>3</sup> Consumer Financial Protection Bureau, “Overdraft and Nonsufficient Fund Fees,” Giordano Palloni, Caroline Ratcliffe, and Jade Elkins, December 2023, p. 48, [https://files.consumerfinance.gov/f/documents/cfpb\\_overdraft-nsf-report\\_2023-12.pdf](https://files.consumerfinance.gov/f/documents/cfpb_overdraft-nsf-report_2023-12.pdf).

<sup>4</sup> Consumer Financial Protection Bureau, “Overdraft fees can price people out of banking,” Joe Valenti, March 30, 2022, <https://www.consumerfinance.gov/about-us/blog/overdraft-fees-can-price-people-out-of-banking/>

<sup>5</sup> National Consumer Law Center, “Overdraft Rule Returns \$5 Billion in Big Bank Junk Fees to Consumers' Pockets,” January 29, 2025, <https://www.nclc.org/resources/overdraft-rule-returns-5-billion-in-big-bank-junk-fees-to-consumers-pockets/>.

<sup>6</sup> Consumer Financial Protection Bureau, “Data Point: Frequent Overdrafters,” August 2017, p. 5, [https://files.consumerfinance.gov/f/documents/201708\\_cfpb\\_data-point\\_frequent-overdrafters.pdf](https://files.consumerfinance.gov/f/documents/201708_cfpb_data-point_frequent-overdrafters.pdf).

less than \$350—and have relatively low monthly deposits.”<sup>7</sup> Ultimately, these fees form a “tax on the poor, an extraction from the country’s poorest Americans to its wealthiest banks.”<sup>8</sup>

Banks are not the only ones who charge overdraft fees; credit unions—despite being created to serve individuals of modest means—also collect significant overdraft and NSF fees. The NCUA began publishing information on overdraft and NSF fees in March 2024. After a year of collecting this information, the NCUA found that credit union members paid \$5.4 billion in overdraft and NSF fees in 2024.<sup>9</sup> Using this data, the Financial Health Network calculated that credit union members paid about 45 percent of the total overdraft and NSF fees consumers paid in 2023.<sup>10</sup> The NCUA also discovered that credit unions with higher overdraft and NSF fees per member didn’t have lower fees per member for other services and did not appear to use those fees to “subsidize” better interest rates.<sup>11</sup> In essence, these fees did not go on to benefit credit union members.

Now, the NCUA has decided to no longer publish overdraft and non-sufficient fund fee data, meaning that your members, Congress, and the general public will no longer have systemic insights into how much your credit union and its members benefit from overdraft fees. This lack of transparency and accountability is concerning, given the administration’s rollback of other regulations designed to help consumers.

Before the Trump Administration took over, the CFPB’s oversight of bank and credit union overdraft fees was saving American families hundreds of millions of dollars: “Since the CFPB heightened its supervisory attention on overdraft and NSF fees in 2022, financial institutions agreed to refund nearly \$250 million to consumers.”<sup>12</sup> Building on that progress, the CFPB issued a final rule in December 2024 to require very large banks and credit unions with more than \$10 billion in assets to cap their overdraft fee at \$5 or the amount necessary for the bank or credit union to cover the cost of providing the service.<sup>13</sup> For covered credit unions the rule required them to disclose the terms of their overdraft loans, just like they’re already required to do for other loans like credit cards. Had President Trump and Republicans in Congress not

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<sup>7</sup> Center for Responsible Lending, “Overdraft Fees: Banks Must Stop Gouging Consumers During the COVID-19 Crisis,” Peter Smith, Shezal Babar, and Rebecca Borne, June 2020, p. 3, <https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-overdraft-covid19-jun2019.pdf>.

<sup>8</sup> Vox, “Why do banks charge a fee for not having enough money?,” Tatiana Walk-Morris, October 25, 2021, <https://www.vox.com/22733050/overdraft-fees-bank-not-enough-money-why>.

<sup>9</sup> Financial Health Network, “Overdraft, NSF Fees Bigger Burden Than Previously Estimated,” Hannah Gdalmann, MK Falgout and David Siberman, March 24, 2025, <https://finhealthnetwork.org/research/overdraft-nsf-fees-bigger-burden-than-previously-estimated/>.

<sup>10</sup> *Id.*

<sup>11</sup> National Credit Union Administration, “Observations from the NCUA’s New Data on Non-sufficient Funds and Overdraft Fees,” <https://ncua.gov/news/publication-search/overdrafts/observations-ncuas-new-data-non-sufficient-funds-and-overdraft-fees>.

<sup>12</sup> Consumer Financial Protection Bureau, “Supervisory Highlights,” December 20, 2024, p. 5, [https://files.consumerfinance.gov/f/documents/cfpb\\_Supervisory-Highlights-Issue-37\\_Winter-2024.pdf](https://files.consumerfinance.gov/f/documents/cfpb_Supervisory-Highlights-Issue-37_Winter-2024.pdf).

<sup>13</sup> Consumer Financial Protection Bureau, “CFPB Closes Overdraft Loophole to Save Americans Billions in Fees,” December 12, 2024, <https://www.consumerfinance.gov/about-us/newsroom/cfpb-closes-overdraft-loophole-to-save-americans-billions-in-fees/>.

rescinded the CFPB's final rule, these changes would have saved consumers up to \$5 billion in annual overdraft fees, or \$225 per household that pays these fees.<sup>14</sup>

Charging excessive overdraft fees when almost 40 percent of American households have less than \$400 to cover an emergency expense,<sup>15</sup> prices for food, utilities, and other essential items are rapidly rising, and Trump's chaotic, half-baked policies are wreaking havoc on the economy is inexcusable.<sup>16</sup> These fees are not necessary for a credit union's survival: one of the largest credit unions, Alliant Credit Union, eliminated overdraft fees and still had a record dividend payout to members in 2023,<sup>17</sup> proving that credit unions can protect consumers without sacrificing their financial health.<sup>18</sup> Furthermore, small changes in credit union practices, such as posting debits before credits and providing consumers grace periods of up to 48 hours to cure an overdraft, have been shown to make massive differences in the number of people who overdraft and the amount of overdraft revenue a credit union generates.<sup>19</sup>

Publicly available documents show that Frontwave Credit Union collected over \$6 million in overdraft fees and over \$2 million in NSF fees in 2024 alone.<sup>20</sup> Given our concerns, we request that you respond to the following questions by December 14, 2025.

1. Please describe your credit union's overdraft and NSF fee policies.
  - a. Does your credit union charge interest on overdue overdraft and NSF fees? If so, how much in interest does your credit union charge on these fees? When does that interest begin to accrue?
  - b. Does your credit union cap the amount that it will charge any individual customer, in overdraft or NSF fees? If so, what is the maximum amount that your credit union will charge a customer in these fees?
  - c. If a maximum fee amount applies, what happens to a customer's account after that maximum amount is reached? Does your credit union close the account?
  - d. How long is a consumer given to cure a negative account without triggering an overdraft fee?
  - e. Are credits always posted to a customer's account before debits?
  
2. How much in overdraft and NSF fees has your credit union charged each of its customers, on average, for each of the last five calendar years?

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<sup>14</sup> *Id.*

<sup>15</sup> Federal Reserve, "Report on the Economic Well-Being of U.S. Households: Survey of Household Economics and Decisionmaking," <https://www.federalreserve.gov/consumerscommunities/sheddataviz/unexpectedexpenses-table.html>.

<sup>16</sup> U.S. Bureau of Labor Statistics, "Consumer Price Index Summary," October 24, 2025, <https://www.bls.gov/news.release/cpi.nr0.htm>.

<sup>17</sup> Alliant, "Alliant Credit Union's 2023 Annual Report: A Record \$439 Million in Dividends Paid as Membership Soars to 830,000," February 21, 2024, <https://www.alliantcreditunion.org/news/alliant-credit-unions-2023-annual-report-a-record-439-million-in-dividends-paid-as-membership-soars-to-830000>.

<sup>18</sup> Bankrate, "Banks that have cut or eliminated overdraft fees," Karen Bennett, Marc Wojno, and Erin Lowry, June 24, 2025, <https://www.bankrate.com/banking/checking/banks-eliminated-overdraft-fees/>.

<sup>19</sup> Milken Review, "Getting Over Overdraft," Aaron Klein, October 31, 2022, <https://www.milkenreview.org/articles/getting-over-overdraft>.

<sup>20</sup> National Credit Union Administration, "Call Report Quarterly Data," December 2024, <https://ncua.gov/analysis/credit-union-corporate-call-report-data/quarterly-data>.

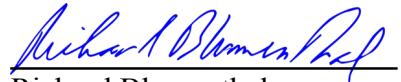
- a. What percentage of your credit union customers were charged overdraft or NSF fees, for each of the last five calendar years?
  - b. What percentage of the overdraft and NSF fees that your credit union collects are charged to the 10 percent of accounts that are charged the most in overdraft and NSF fees?
  - c. Please provide a breakdown of your customers by income level who were charged overdraft and NSF fees for each of the last five calendar years.
3. How much does your credit union expect to collect in overdraft and NSF fees this year?
- a. What percentage of your non-interest revenue consists of your overdraft and nsf fee income? Please provide quarterly figures for the year to date.
  - b. What are your quarterly net-interest margins for the year-to-date and how has it correlated with your overdraft and NSF fees?
4. How many accounts has your credit union closed due to overdraft or NSF fees, in each of the last five calendar years?
5. Has your credit union made any changes to its overdraft and NSF policies in the last five years? If so, please list and summarize each of those policy changes.
6. What changes does your credit union intend to make to its overdraft and NSF policies within the next year?

Sincerely,



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Elizabeth Warren  
Ranking Member  
Committee on Banking,  
Housing, and Urban Affairs



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Richard Blumenthal  
United States Senator



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Cory A. Booker  
United States Senator