



Attorneys at Law

Facing increasing pressure from consumer advocates and regulatory authorities, Bank of America ("B of A") has just announced that it will scrap overdraft fees on debit card purchases this summer. With the new overdraft policy, B of A debit card purchases that would push checking account balances into the red and trigger an overdraft fee will be declined for new customers beginning in June, and for existing customers starting in early August. For its customers who attempt to withdraw insufficient funds at ATM machines, B of A will alert them that they will be charged a \$35 overdraft fee if they continue and ask them to confirm or decline the transaction. Under the Bank's current overdraft policies, customers are hit with the overdraft fee whenever they make a withdrawal or purchase that overdrafts the account.

The **Bank's announcement** that it plans to reform its overdraft policies is a step in the right direction. However, the changes come far too late for many customers who have lost significant amounts of money to predatory overdraft fees. According to some industry reports, banks were on track to collect a record \$38.5 billion in overdraft fees in 2009.