



Attorneys at Law

Representative Brad Miller of North Carolina recently introduced the **Freedom and Mobility in Banking Act**. The purpose of the act is to make it easier for consumers to close their account with one bank and move to another bank or credit union. The act follows recent announcements of fee increases by major banks. The stated intent of the legislation is to increase competition between banks in an effort to provide consumers more choice and lower overall banking costs.

In the past couple months, big banks have drastically increased fees and other charges assessed against customers. For instance, Bank of America recently announced it would charge customers a new \$5 monthly fee for using their debit cards. HSBC North America announced plans to do away with free checking accounts and will instead charge customers a monthly maintenance fee of up to \$15. Wells Fargo also announced that it would eliminate free checking.

Due to the expense and effort involved in closing accounts and moving money to another institution, many customers have no choice but to submit to whatever charges and fees large banks seek to impose. The act would provide customers the right to close an account at no charge and at any time, regardless of whether the balance is positive, zero, or negative. Customers would also be able to close the account in person, over the phone, or by other remote means. Banks would also be prohibited from assessing fees or charges to an account after receiving a request that it be closed. The Freedom and Mobility in Banking Act has received **support from a number of consumer and public interest groups**.