



Biden Administration Cracks Down on “Junk Fees”

President Biden proclaimed on Wednesday his administration’s push to crack down on so-called junk fees that banks and other companies charge their customers. With less than two weeks until the midterm elections, Biden’s announcement sought to bring good news to voters, who have been struggling with 40-year high levels of inflation and a looming recession.

Biden was joined by Rohit Chopra, the director of the [Consumer Financial Protection Bureau](#) (CFPB), which issued the “junk fee on deposit account” guidance stating that surprise overdraft fees and unexpected depositor fees for bounced checks are likely unlawful.

“Americans are willing to pay for legitimate services at a competitive price, but are frustrated when they are hit with junk fees for unexpected or unwanted services that have no value to them,” said Chopra. “We are providing guidance on existing law that will help law-abiding businesses seeking to fairly compete and the families they serve.”

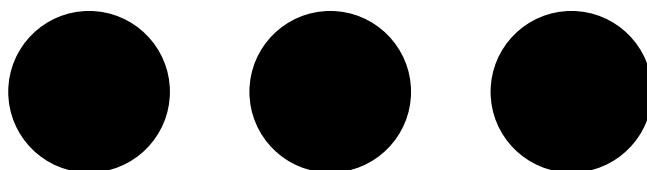
The CFPB guidance would make it illegal for banks to charge an overdraft fee on a transaction when a customer’s account shows a positive balance at the time of a purchase, or when they withdraw money from their account. The CFPB estimates that its new enforcement push will save Americans roughly \$3 billion in fees annually.

With the current annual inflation rate sitting at 8.2 percent, Biden desperately wanted to appear to be saving Americans money, [claiming](#) that the junk-fee guidance will “lower the cost of everyday living for American families, to put more money in the pockets of middle-income and working-class Americans.”

Taking the opportunity to claim that his administration is continuing to protect Americans, Biden shared that Chopra and his team were “developing rules and guidance that would take credit card late fees and other banking fees that cost Americans 24 million — billion dollars a year, and take them on. And we’re just getting started. There are tens of billions of dollars in other junk fees across the economy, and I’ve directed my administration to reduce or eliminate them.”

Biden didn’t stop there — he also went after the airline industry’s hidden fees, stating that the Department of Transportation is working on rules that would require airlines and travel sites to disclose fees up front, such as rebooking fees and seat assignments.

Since fees impact all American consumers in their daily lives, Biden added that the Federal Trade



AP Images



Written by [David Kelly](#) on October 27, 2022

Commission has recently started “working on a rule to crack down on unfair and deceptive fees across all industries, fees that were never disclosed. And there was no way to avoid the fee, like processing fees for concert tickets or like resort fees. When you think you’re paying one price to book a hotel, you only find out after checking out that there’s a ‘resort fee’ you never heard about that’s added to your bill.”

President Biden wanted to reassure voters that he understands the difficulty these fees cause working-class Americans, claiming, “They’re unfair, and they hit marginalized Americans the hardest, especially low-income folks and people of color. They benefit big corporations, not consumers, not working families. And that changes now.”

Biden’s announcement wasn’t just limited to fees, as he spent more time on campaigning and tooting his administration’s horn for their alleged successes, sharing that they’re “working hard to tame inflation with policies to bring down the cost of gasoline, home energy bills, and prescription drugs.” He added that they have delivered concrete savings for working families and seniors, now allowing the purchase of over-the-counter hearing aids and getting Americans free or lower-cost internet services.

The overall bottom line with Biden’s briefing was that he was throwing out anything to bring a positive light to Democrats and his administration. It seems they are fearful the midterms will be a disaster for them and end their party’s control of all three branches of the federal government.

In his closing remarks, Biden acknowledged, “I know it’s been a tough few years. But from day one, my administration has been laser-focused on easing the burden facing working-class families and giving them, as my dad would say again, just a little breathing room.”

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