COMMITTEE ON APPROPRIATIONS

ILLINOIS

ASSISTANT MAJORITY LEADER

United States Senate Washington, DC 20510-1304

COMMITTEE ON FOREIGN RELATIONS

COMMITTEE ON THE JUDICIARY

COMMITTEE ON RULES AND ADMINISTRATION

November 7, 2011

Linda Koch
President and CEO
Illinois Bankers Association

Dan Plauda President and CEO Illinois Credit Union League

Robert Wingert President Community Bankers Association of Illinois

Dear Ms. Koch, Mr. Plauda and Mr. Wingert:

I write to ask that you encourage your member institutions to provide their customers with a standardized, concise and consumer-friendly disclosure form listing the fees and key terms associated with checking accounts. This disclosure form should be posted online, mailed or emailed with monthly statements, and also made available to current and prospective customers in each retail branch in Illinois. I believe that such transparency will not only benefit Illinois consumers but also will help our state's community banks and credit unions prove their value and attract new customer business.

In recent weeks, consumers in Illinois and across America have made clear their desire for honest information about banking fees. Simply put, consumers have had enough of banks that try to nickel and dime them with fees that are often hidden in fine print or imposed or changed with little notice. As consumers are now showing an increased willingness to vote with their feet and move their deposits to the bank or credit union that values them the most, it is imperative that consumers have access to accurate and understandable fee information.

The Pew Charitable Trusts has developed and tested a model checking account fee disclosure form that I urge your member institutions to adopt. A copy of this form is enclosed. This consumer-tested, one-page disclosure form lays out comprehensive information on fees and terms in a simple, easy-to-read format. Last week, two of the nation's largest credit unions, Pentagon Federal Credit Union and the North Carolina State Employees' Credit Union, voluntarily adopted the Pew model disclosure form, and more financial institutions are expected to follow. I hope that Illinois financial institutions will lead in reaching out to their valued customers with this important information.

As you may know, I have urged the Consumer Financial Protection Bureau to use its regulatory authority to require this type of standardized disclosure for all banks and credit unions, as this standardization will help consumers comparison shop more effectively. But there is no need for banks and credit unions to wait for a potentially lengthy regulatory process to force them to be transparent about fees. Not only is being honest with customers about fees the right thing to do, it is also the smart thing to do in the current business environment. Consumers have demonstrated that they will no longer stay with banks and credit unions that disrespect them by failing to charge fees in an upfront and fair manner. Your member institutions can prove their value to current customers and win new business by satisfying this consumer demand for fair and honest treatment.

In closing, I urge you to inform your member institutions about the model disclosure form developed by the Pew Charitable Trusts and to encourage them to adopt this form for their websites and branches. Thank you for your attention to this matter.

Sincerely,

Richard J. Durbin United States Senator