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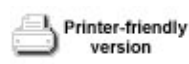
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'Today' Praises Bank of America's New Overdraft Policy, Fails to Explore Negative Side of Coming Regulation

NBC reports BofA's changes to 'repair' image ahead of federal Credit CARD Act.

By Anthony Kang
Business & Media Institute
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NBC's "Today" gave backhanded praise to Bank of America (BoFA) on March 11 because of its decision to stop charging overdraft fees for debit-card transactions.

"This is clearly an effort by Bank of America to repair its battered image," senior investigative correspondent Lisa Myers said. "But it's also a meaningful step that will save consumers money and keep families from spending more than they have."

The NBC report maintained the media theme that such fees are "abusive" by including Leslie Parrish of the Center for Responsible Lending (CRL) who said, "We highly commend Bank of America for getting rid of this abusive practice." CRL is a liberal group funded by far-left wingers like George Soros and Herb and Marion Sandler, according to [ActivistCash](#).

While Myers acknowledged that BofA was "getting ahead" of "new federal rules," she didn't warn viewers about the negative implications of that legislation.

"The bank also is getting ahead of new federal rules," Myers said. "Beginning this summer banks can offer overdraft coverage on debit card transactions only if you opt-in – only if you actually sign up for it."

Myers continued, "Consumer groups urge you not sign up for overdraft protection on debit cards. That way you'll know immediately if you don't have enough money for a purchase. They also urge other banks to follow the lead of Bank of America – which is the first time in a long time, Meredith, that a consumer advocate has cited this bank as a good example."

She neglected to mention that some consumers may choose not to opt-in because they have no other option to cover mortgage payments, car payments and other emergencies.

The new federal rules were passed in the Consumer Financial Protection Agency Act of 2009 and the Expedited CARD Reform for Consumers Act of 2009.

CATO Institute's director of financial regulation studies, Mark A. Calabria, said the CARD act would actually hurt consumers by "limiting credit solely to the financially stable."

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"This would force needier households to borrow from less efficient, and often more costly, sources, such as friends and family, or pawn-shops and loan sharks," Calabria concluded.

Bloomberg's Jeff Plugis reported that the CARD Act may also lead a large undertaking by national banks to expand into the lucrative market of [payday loans](#) (precisely what the [Center for Responsible Lending](#) doesn't want).

[The Wall Street Journal](#) reported a number of likely consequences of the Credit CARD Act including:

- higher interest-rates implemented just before the act's implementation
- new or higher annual, transfer, contingent, and activation fees.
- higher minimum payments.
- cutbacks on card-rewards and cash-back rebates.
- fewer discounts and card-offers by retail businesses.
- extra service fees for year-end itemizations, paper statements, or extended warranties
- foreign-transaction fees on all foreign transactions

On [March 10](#), Forbes' David Randall provided some information about bank reactions to the legislation that NBC ignored: "Bank of America and America Express added annual fees to some of credit cards last year, while Citigroup notified some customers that they would need to charge at least \$2,400 a year or else they'd be hit with a \$90 fee."

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