



State of Wisconsin
Department of Financial Institutions

Jim Doyle, **Governor**

Lorrie Keating Heinemann, **Secretary**

TO: Paul Egide, Office of Consumer Affairs
Mike Mach, Division of Banking
Sue Cowan, Office of Credit Unions

FROM: Lorrie Keating Heinemann

SUBJECT: Expedited payment processing fees

DATE: September 6, 2007

As I have previously testified to before the Federal Deposit Insurance Corporation (“FDIC”), state-chartered financial institutions are a strong part of Wisconsin’s economy and Wisconsin is proud of the work they do in our communities. We have a long, progressive tradition of consumer protection that balances the business needs of financial institutions while protecting Wisconsin’s consumers.

In addition, I have previously submitted testimony to Congress regarding the importance of the dual banking system. Charter choice for banks provides a system of important checks and balances that ensures the regulatory approaches at both the state and federal levels are reasonable.

Federally-chartered banks have increasingly been offering, usually for a fee, “expedited payment service” to their customers. Customers may request this service on a voluntary basis as an alternative to mailing a payment that might be received as a late payment by a lender. Customers may choose this service to avoid being assessed a late charge or simply as a matter of convenience. The expedited payment is typically processed through an automated clearing house transaction (“ACH”).

Federally-chartered banks and federally-chartered credit unions are not prohibited from charging these fees. As a result, both have been doing so while their Wisconsin state-chartered counterparts have been unable to charge these fees.

Therefore, in the interests of ensuring parity between state-chartered depository institutions and federally-chartered depository institutions I approve the charging of these fees by state-chartered depository institutions pursuant to Wis. Stats. s. 422.202(2s)(a)5 and s. 426.104(4)(b). This approval is limited to depository institutions.

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