

INSIGHTS

John Stoker and Kate Wellman's article published by *Law360*: Suit Alleging FDIC Overdraft Overreach May Not Make Waves

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Moore & Van Allen (MVA) Financial Regulatory Advice & Response Senior Counsel John Stoker and Financial Regulatory Advice & Response Member Kate Wellman's article titled, "Suit Alleging FDIC Overdraft Overreach May Not Make Waves" was published by *Law360* on September 21.

The article discusses the impact of a recent lawsuit the Minnesota Bankers Association and Lake Central Bank of Minnesota filed in federal court against the Federal Deposit Insurance Corporation ("FDIC") and its chairman, Martin Gruenberg. That lawsuit challenges the FDIC's authority to issue its recent supervisory guidance, which states that FDIC-supervised financial institutions' charging of non-sufficient fund, or NSF, fees heightens risks of violating the prohibition on unfair or deceptive acts and practices in Section 5 of the Federal Trade Commission Act and may lead to FDIC enforcement activity. The article concludes that scrutiny on financial institutions for charging of such fees will continue despite the lawsuit given recent focus by the Consumer Financial Protection Bureau, the Office of the Comptroller of the Currency, and the New York Department of Financial Services on this topic.