



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

SANDRA F. BRAUNSTEIN  
DIRECTOR  
DIVISION OF CONSUMER  
AND COMMUNITY AFFAIRS

CA 13-7

April 25, 2013

**TO THE OFFICER IN CHARGE OF SUPERVISION AT EACH FEDERAL RESERVE BANK AND TO STATE MEMBER BANKS:**

**SUBJECT: Statement on Deposit Advance Products**

**Applicability to Community Banking Organizations:** This guidance applies to all state member banks, including those with \$10 billion or less in consolidated assets.

The Federal Reserve is issuing the attached policy statement, *Statement on Deposit Advance Products*, to emphasize to state member banks the significant consumer risks associated with deposit advance products in light of the Consumer Financial Protection Bureau's April 24, 2013 white paper entitled "Payday Loans and Deposit Advance Products: A White Paper of Initial Data Findings."<sup>1</sup> State member banks are expected to consider the risks associated with deposit advance products, including potential consumer harm and the potential for elevated compliance risk, when designing and offering such products.

Federal Reserve Banks are asked to distribute this letter and the accompanying guidance to state member banks, as well as to supervisory and examination staff. Questions on the attached guidance should be directed to Carol Evans, Assistant Director, at (202) 452-2051; or Amy Henderson, Managing Counsel, at (202) 452- 3140. In addition, questions may be sent via the Board's public website.<sup>2</sup>

Sincerely,

A handwritten signature in black ink, appearing to read "Sandra Braunstein".

Attachment: Statement on Deposit Advance Products

<sup>1</sup> [http://files.consumerfinance.gov/f/201304\\_cfpb\\_payday-dap-whitepaper.pdf](http://files.consumerfinance.gov/f/201304_cfpb_payday-dap-whitepaper.pdf)

<sup>2</sup> See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>.