



# LifeSmarts

Learn it. Live it.

## Key Points

### IMPACT ON CONSUMERS

Junk fees add unexpected costs that impact consumers, especially lower-income individuals, making it harder to manage finances and access credit affordably.

### GOVERNMENT ACTIONS & REGULATIONS

The CFPB, alongside other agencies, has introduced regulations to cap, eliminate, or disclose certain junk fees to ensure fairness and transparency.

### CONSUMER AWARENESS

Knowledge about junk fees can empower consumers to avoid unnecessary charges, compare services, and exercise their rights to challenge or avoid certain fees.

## Core Concepts

### TYPES OF COMMON JUNK FEES

Late fees, overdraft charges, convenience fees, and resort fees are frequently encountered, increasing overall costs without clear benefits to the consumer.

### ROLE OF THE CFPB

The CFPB, established to protect consumers, actively addresses excessive fees through policy changes and legal actions, helping to recover billions for consumers.

### CREDIT CARD LATE FEES

The CARD Act mandates that late fees be reasonable and proportionate, capping excessive charges and allowing consumers to plan better for on-time payments.

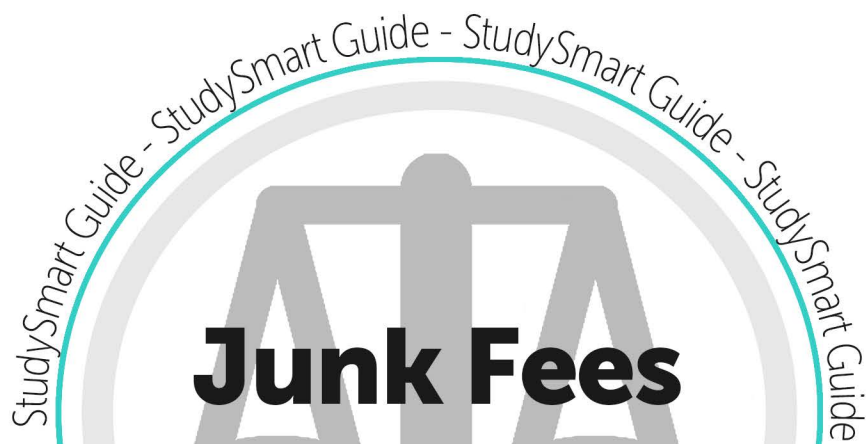
### TRANSPARENCY IN TICKETING AND TRAVEL

Recent regulations require companies like airlines and event ticket providers to disclose fees upfront, aiming to eliminate hidden fees and enable comparison shopping.

### OVERDRAFT AND NSF FEES

Overdraft fees are charged when consumers exceed account balances, while NSF fees apply to declined transactions; new regulations aim to reduce or eliminate these fees on instantly declined transactions.

LEARN MORE - <https://bit.ly/3ZfTdx>



# Junk Fees

## Vocabulary

- |                         |                   |
|-------------------------|-------------------|
| 1. Convenience Fee      | 11. Junk Fee      |
| 2. Account Balance      | 12. Overdraft Fee |
| 3. Credit Card Act      | 13. Hidden Fee    |
| 4. Auto Loan Fee        | 14. Late Fee      |
| 5. Student Loan Fee     | 15. Resort Fee    |
| 6. Mortgage Fee         | 16. Transparency  |
| 7. Deposit Insurance    | 17. Fair Lending  |
| 8. Predatory Lending    | 18. Service Fee   |
| 9. Account Holder       | 19. Reordering    |
| 10. Consumer Protection | 20. Disclosure    |

## Acronyms

- |             |  |
|-------------|--|
| 1. CFPB     | Consumer Financial Protection Bureau                         |
| 2. HUD      | Dept. of Housing & Urban Development                         |
| 3. FTC      | Federal Trade Commission                                     |
| 4. TILA     | Truth in Lending Act   |
| 5. UDAP     | Unfair and Deceptive Acts of Practices                       |
| 6. APR      | Annual Percentage Rate                                       |
| 7. NSF      | Non-sufficient Funds   |
| 8. CARD Act | Credit Card Accountability Responsibility and Disclosure Act |

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