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## The Frederick Douglass Foundation Opposes New CFPB Proposal on Credit Card Late Fees

Washington D.C. – Days after the Biden administration released its [rule](#) to make the government’s cap on credit card late fees more expansive, Frederick Douglass Foundation, Chairman Troy Rolling said the following:

As Chairman, the Frederick Douglass Foundation, a nonprofit that does Christian work based on the life and legacy of Frederick Douglass. We support the strength of the Black family and economic and educational opportunity for all. Towards this end we believe the Consumer Financial Protection Bureau is pushing a new rule that would place price controls on credit card late fees. While this rule is a well-intended attempt to help vulnerable Americans navigate a tough economic climate, the poor and working class will ultimately be hurt, not helped, by the policy.

Economic history indicates that this rule will not produce the results that the CFPB is hoping to see.

When Congress forced the imposition of price caps for debit card transactions, fees and costs increased, driving millions of lower-income Americans out of traditional banks and toward riskier financial services like check-cashing and payday loans. Countless Americans also lost their debit card rewards as a result of this policy — a negative consequence that disproportionately hurt the African American community.

This new price cap on credit card late fees will similarly eliminate or restrict credit access. Lower-income Americans will see costs and fees increase, and low-income communities will see even more of their community banks disappear because the costs they incur under this new rule will make it impossible for them to stay open. Hopefully, the CFPB pulls this rule back — and soon. Its sentiment is good, but its effects won’t be.