

TO: The Honorable Members of the PA House Commerce Committee

FROM: Allie Kutz, Manager, Government Affairs

DATE: June 10, 2025

RE: **PA Chamber memo: Oppose HB 1553 – Government Overreach, Price Fixing for Financial Institutions**

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I write today on behalf of the PA Chamber and our members to urge lawmakers to **oppose House Bill 1553**, which is scheduled for consideration by the House Commerce Committee tomorrow morning on Wednesday, June 11. This legislation would enact a price-fixing regime and impose unprecedented regulatory burdens on Pennsylvania's financial institutions. This proposal represents dangerous government overreach that will ultimately harm, not help, the very consumers the legislation aims to protect.

House Bill 1553 would create new, unfounded price-fixing regulations, which would create government overreach into the business operations of financial institutions across the commonwealth. The bill mandates a statutory cap on overdraft and nonsufficient fund (NSF) fees imposed by banks and credit unions. This is government price-fixing, plain and simple, and disregards the actual costs financial institutions incur in processing transactions, maintaining compliance systems, managing risk, and providing 24/7 access to funds. Imposing arbitrary price ceilings without consideration of operational realities is not only misguided, it's dangerous.

In practice, this could mean forcing financial institutions to reduce access to overdraft protection, implement higher account maintenance fees, and reduce service capabilities, such as free checking accounts, which would disproportionately impact low-income households. Overdraft programs are optional and heavily regulated under existing federal law, which requires consumer opt-in and transparent disclosure of terms. The current system allows consumers to make informed choices, and competitive force within the industry incentivizes fair pricing and clear communication. House Bill 1553 undermines this healthy market dynamic by inserting government control into areas best left to market forces. If consumers do not wish to incur overdraft fees, they may opt out. Many financial institutions already offer no-overdraft and/or low or no fee account options—and they do so voluntarily, in response to consumer demand.

This proposed level of micromanagement by statute is antithetical to the principles of a free-market economy, eroding the ability of private businesses to set prices, compete effectively, and make operational decisions based on risk and market conditions. Rather than empowering customers, HB 1553 removes choice and flexibility from the marketplace and risks homogenizing financial services in a way that limits consumer options and inadvertently increases unbanked or underbanked populations - contrary to the bill's stated purpose. Consumers consistently express support for overdraft protection and oppose its elimination through legislative action.

To date, no other state in the nation has enacted such an aggressive, statutory price cap on overdraft or NSF fees. While federal regulators such as the Consumer Financial Protection Bureau (CFPB) have considered rulemakings around overdraft practices, they have not gone so far as to implement direct price controls through statute. In fact, Congress recently overturned a regulation targeting such programs affirming their

continued importance and consumer demand. HB 1553 would make Pennsylvania an extreme outlier among the 50 states, setting a precedent of government intrusion into private-sector banking practices that could discourage financial investment and participation in our state.

Federal preemption also complicates this legislation, as HB 1553 would violate the National Bank Act, Federal Credit Union Act, and the Commerce Clause of the U.S. Constitution. It could only apply to Pennsylvania - chartered banks and credit unions which would place them and their customers at a distinct competitive disadvantage compared to federally regulated banks and credit unions. Pennsylvania-chartered institutions would be incentivized to convert to a federal charter.

Thank you for your thoughtful consideration of our views on this important matter. For any questions or further discussion, please contact Allie Kutz, Manager of Government Affairs, at [akutz@pachamber.org](mailto:akutz@pachamber.org) or 717-439-4829.

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[Click here](#) to check the PA Chamber Legislative Scorecard.

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