



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-52-2015
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FDIC Clarifying its Approach to Banks Offering Products and Services, such as Deposit Accounts and Extensions of Credit, to Non-Bank Payday Lenders

Summary: The FDIC is reissuing FIL-14-2005, "Payday Lending Programs: Revised Examination Guidance," and its attachment, "Revised Guidelines for Payday Lending," (collectively, the 2005 Payday Lending Guidance) to ensure that bankers and others are aware that it does **not** apply to banks offering products and services, such as deposit accounts and extensions of credit, to non-bank payday lenders. Financial institutions that can properly manage customer relationships and effectively mitigate risks are neither prohibited nor discouraged from providing services to any category of business customers or individual customers operating in compliance with applicable state and federal laws.

Statement of Applicability to Institutions with Total Assets Under \$1 Billion: FIL-14-2005 applies to all FDIC-supervised financial institutions that make payday loans.

Suggested Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
Compliance Officer
Chief Lending Officer
Chief Legal Officer

Related Topics:

[Subprime Lending Guidance](#) (January 2001)
[Guidelines for Payday Lending](#) (July 2003)
[Revised Guidelines for Payday Lending](#) (March 2005)
[Statement on Providing Banking Services](#) (January 2015)

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Note:

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Highlights:

- The 2005 Payday Lending Guidance establishes the FDIC's expectations for prudent risk-management practices, both safety and soundness and consumer protection, for banks making payday loans directly or through third parties.
- The 2005 Payday Lending Guidance has been updated to ensure that bankers and others are aware that it does not apply to banks offering products and services, such as deposit accounts and extensions of credit, to non-bank payday lenders.
- The clarification is reflected in in the General Examination Procedures section of the 2005 guidance, which may be accessed [here](#), and new footnote 4, which may be accessed [here](#).
- The revised FIL-14-2005 may be accessed in its entirety [here](#).