



# NEWS RELEASE

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Comptroller of the Currency  
Administrator of National Banks

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## **OCC Requires First Consumers National Bank to Refund Customer Fees**

WASHINGTON – The Office of the Comptroller of the Currency has entered into a [formal agreement](#) with First Consumers National Bank, Beaverton, Oregon, that requires the Bank to refund various credit card fees to customers.

The agreement requires the Bank to refund annual fees on Bank-issued credit cards charged to customers on or after December 28, 2002. On that date, the Bank knew it would have to liquidate its credit card portfolio and it should have informed customers of that fact when they renewed or initiated their credit cards. The Bank did not inform customers who were charged annual fees even though the credit cards were to be terminated. The OCC asserted that the Bank's failure to do so was an unfair and deceptive practice. The amount of annual fee refunds is approximately \$1.65 million.

The formal agreement also directs the Bank to refund overlimit fees charged to customers who exceeded their credit limit as a result of the annual fee charge. The amount of those refunds is approximately \$255,685.

Most of the customers were reimbursed by the Bank by June 2003 before the Bank transferred the servicing of its credit cards to a third party, as ordered by the OCC. Today's agreement also requires the Bank to provide funds to the new servicer to reimburse the customers who have not yet received refunds.

The OCC required the Bank to sell, merge or liquidate as part of a consent order against the Bank in May 2002. The Bank was unsuccessful in its efforts to sell or merge so it began liquidation on June 19, 2003.

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The OCC charters, regulates and examines approximately 2,100 national banks and 52 federal branches of foreign banks in the U.S., accounting for more than 55 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.