



Press Release

What Is a Junk Fee, Anyway?

PAULINA ENCK | FEBRUARY 13, 2024

Since President Biden’s inauguration, hardly a month passes without the administration or its federal agencies announcing some new initiative in the name of cracking down on “junk fees.” In a new insight, Director of Financial Services Policy Thomas Kingsley examines how the administration’s actions on junk fees reveal how the poorly defined term is understood, how attempts to regulate these fees result in bad policy, and what the central motivations are behind these initiatives.

Kingsley concludes:

The Biden Administration’s continued assault on “junk fees” says the quiet part out loud. Populism is not an effective way to regulate markets, and going after socially disfavored targets for providing goods and services within the bounds set by federal regulators does everyone involved a disservice, not least consumers themselves. The provision of credit is a service for which banks and other actors deserve to be paid – if not, why provide consumers the service at all?

[Read the analysis](#)