



## State of Connecticut

HOUSE DEMOCRATS  
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### **TESTIMONY ON HB 5316 BANKS COMMITTEE FEBRUARY 17, 2009**

Representative Barry, Senator Duff, members of the Banks Committee, I would like to testify in favor of HB 5316, "AN ACT CONCERNING INACTIVE ACCOUNT FEES." This bill would prohibit banks from imposing dormancy fees on inactive bank accounts held by active bank customers.

Intuitively, we all understand that banks incur various administrative costs to manage and maintain certain accounts which accrue regardless of whether activity occurs within those accounts. What seems harder to understand is the need for banks to charge these accounts inactivity fees, particularly when an account holder could avoid those fees by withdrawing small amounts on a regular basis, thereby depriving the bank of assets for its investment purposes.

A constituent of mine suggested that we modify our statutes to give regular, active customers of a bank a break when it comes to inactive account fees. If you maintain at least one active account with a bank, as defined by the bank itself, why should the bank charge that customer an inactive account fee on an account which the customer maintains with the bank? In other words, given that the holder of the inactive account maintains at least one active account with the same bank, how onerous can it be to the bank to prohibit it from charging dormancy fees on the inactive account?

Thank you very much for your consideration.