



"Kelly Kammer" <kkammer@northlandcu.com> on 10/10/2003 03:08:52 PM

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To: "Director, Risk Management Division Stephen Vajs" <210comments@fms.treas.gov>  
cc:  
Subject: CC-03-26; Automated Clearing House Use by Federal Agencies

Kelly Kammer  
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October 10, 2003

Director, Risk Management Division Stephen Vajs  
US Department of Treasury  
Room 423, 401-14th Street SW  
Washington, DC 20227

Dear Director, Risk Management Division Vajs:

Thank you for the opportunity to comment on the U.S. Department of Treasury's Financial Management Service (FMS) proposal to amend its regulations governing federal agency participation in the automated clearing house (ACH) system. The proposed rule addresses the circumstances in which checks presented or delivered to agencies may be converted to ACH debit entries and addresses issues relating to the reclamation of federal benefit payments and the receipt of misdirected payments.

#### Revised Accounts Receivable Disclosure

We agree with the proposed change to shorten the disclosure requirement. The current disclosure is too long and the consumer is probably not taking the time to read it at its current length.

#### Re-Presented Check Entries

We agree with the proposed rule change to allow agencies to charge a service fee for an NSF item. They should be allowed the same rights as they are currently allowed in regular check law. Prior notice is all that should be needed.

#### Use of R15 and R14 Codes

We agree with the proposed rule of allowing use of the R15/R14 return codes to be sufficient means of notifying the agency that the recipient of the federal benefit payment is deceased. It is a quick, reliable, and traceable method of notification.

#### Post Death Payments to Which Recipient is Entitled

We agree with the proposed rule change to not hold the financial institution liable for post-death payment that the agency certifies that the recipient is entitled to.

#### Misdirected Federal Payments

We agree with this proposed rule change. The most convenient and effective way to notify the agency is through an NOC. This way the entry can be posted to the correct account not causing any additional hardship

to the intended recipient. This would also provide a quick, reliable, and traceable method of notification to the agency.

Seven-Year Limit ON Reclamation

We do not agree with the proposed rule change to limit the time period to seven years instead of six. This would increase the liability of the financial institutions. Six year is more than enough time for the agencies to resolve these issues.

Right to Financial Privacy Act

We agree with the proposed rule change to limit the information the agency may request from financial institutions.

Notification to Account Owners

We agree with the proposed change to this rule. However it will not change how we are currently handling notification to the member. We notify our members as soon as possible.

Sincerely,

Kelly Kammer