

July 22, 2008

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, D.C. 20552
ATTN: OTS-2008-0004

Re: FRB Docket No. R-1314; OTS Docket Nos. OTS-2008-0004; Unfair or Deceptive Acts or Practices; *73 Federal Register* 28904; May 19, 2008

Dear Agencies:

On behalf of the Georgia Bankers Association, I write today concerning the proposed regulations referenced above. Although the proposed regulations focus on credit card practices as well, the proposal covering overdraft programs is of great concern to our membership of more than 370 commercial banks and thrifts.

Our member banks have worked hard to develop fair and impartial overdraft protection programs for the broad spectrum of customers that they serve. By any measure, these programs have been successful, accepted and appreciated across the board. While many of our member banks already offer an "opt-out" of this service, our hope is not to confuse customers about services they may already be receiving and once again, overload them with notices that are largely ignored.

Although the proposal requires advance opt-out requirements and periodic opt-out reminders, many consumers already avoid these fees by managing their accounts to avoid overdrawing them. Where these overdraft programs are in place, customers have already been advised of its availability and are in control of their account activity accordingly.

Additionally, the partial opt-out of ATM and debit-card transactions while retaining coverage for checks and ACH is an operational and technical burden that may not be overcome. To date, it is not feasible and we ask that you keep in mind those barriers.

Moreover, there is great concern regarding how the proposal would treat debit holds and the complicated nature of the way this process works. It is important that customers understand that banks are only acting to assure funds are available for authorized transactions while merchants and card networks are more directly involved. We do not wish to further confuse the customer when debit holds may or may not create an overdraft fee.

And lastly, the proposal out for comment inquires about the impact of requiring institutions to pay smaller dollar items before larger dollar items. Our member banks indicate that the process is not as simple as paying one way or the other. There are considerations of where and how the item was paid such as at the teller line, ATM, point-of-sale, internal payments such as loans, etc. The logistics are insurmountable at this time.

The Georgia Bankers Association is grateful for the opportunity to comment on this proposal. I trust that our comments here will be helpful in your process.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Brannen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Joe Brannen
President