



Wayne Bank

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July 22, 2008

William W. Davis, Jr.
President
Chief Executive Officer

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street NW
Washington, DC 20552
Attn: OTS-2008-0004

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

Dear Office of Thrift Supervision:

We appreciate the opportunity to comment on the proposed amendments to Regulation AA (Unfair or Deceptive Acts or Practices) and Regulation DD (Truth in Savings Act). These amendments are complex even for experienced bankers. **We firmly believe that our customers and our operation will be adversely impacted if these amendments are adopted.**

Regulation AA - Partial Opt-Out Option for Debit Card Transactions

Debit card transactions have become a preferred payment method by customers and the crux of this amendment focuses on the bank providing the customer an option to have debit card transactions declined if there are insufficient funds, but have their checks or ACH items etc., paid. For the following reasons, this option will be difficult to disclose and administer as it not technically feasible with our processing system:

1. Our system does not have the ability to differentiate a debit card point-of-presentment purchase from a debit card pre-authorized recurring payment. Additionally, card network rules do not require recurring payments to be authorized, in each instance, based on the customer's balance. Therefore, we will not be able to decline a recurring payment if there are insufficient funds.
2. If the customer has sufficient funds in their account when a debit card purchase is authorized, card network rules prohibit us from dishonoring the purchase if, when this transaction is ultimately received by the bank there are insufficient funds creating an overdraft. Customers will not understand why we did not decline the purchase to prevent the overdraft.
3. Customers with this election will think that the bank is required to pay a check or ACH item, etc., even though we are not and have never been contractually obligated to do so.
4. The tracking and providing customers periodic notices regarding their opt-out option rights will be burdensome and costly.



Monthly Statement Disclosure of Aggregate Overdraft Fees

Customers are given ample notice of the fees they are paying, not only for overdrafts, but any bank fee. This disclosure requirement is unnecessary and it will not change customer decisions. It will though be extremely costly for the bank to provide.

Posting Order – Mandate or Customer Election

The option we use today is based on payment channel risk factors and the customer's order and timing of authorization of each payment. Electronic items post first, including debit card and ACH and then checks, in check number order. We are consistent and can easily explain and justify this posting order to our customers. Banks should be allowed to continue to elect a single posting option based on their risk and processing considerations.

If we posted smallest to largest, customers would complain that we dishonored a payment they considered to be of greater value than those that were paid. They would want their mortgage payment paid and the check to the supermarket returned, regardless of the fees.

Summary

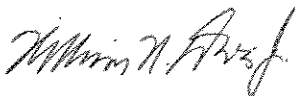
The vast majority of customers know when they are overdrawing their account. Many choose to authorize a payment knowing they will pay an overdraft fee to avoid embarrassment, possible adverse credit reporting or other adverse action related to a late payment, such as the loss of a credit card promotional interest rate or late fees. In most cases, banks actually save their customer's additional costs by paying their items when an overdraft occurs.

Our overdraft program, developed with guidance from Sheshunoff Consulting and our regulators has taken the mystery and deception out of overdrafts and provide ample options for our customers. The proposed amendments may force us to increase fees or ultimately eliminate our fair and consistent program where we work with our customers for their benefit.

The bottom line is that customers appreciate the payment of overdrafts. We have had far more complaints from customers who we deleted from the program than from the vast majority of customers that participate.

We appreciate the opportunity to share these comments with you. Thank you for your time and consideration.

Sincerely,



William W. Davis Jr.
President and
Chief Executive Officer