



Sutton State Bank

It's Simply the Commitment

July 30, 2008

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

RE: Docket Number R-1315
 Proposed changes to Regulation DD
 Truth in Savings Act
 73 Federal Register 28739, May 19, 2008

To Whom It May Concern:

As a third generation community banker, I am concerned with the proposed system of "opting-out" of overdraft fees. In the scenario proposed, it is my belief that more costs will be incurred by the customer. Not only will they be charged a return check fee by the bank, but the merchant will also charge a return check charge and will be unwilling to accept checks from these customers in the future.

The system in place for community banks today provides customers with ways to avoid overdraft fees without a formal advance notice opt-out. Fees are addressed in the account agreement and new customers are made aware of these fees as well as NSF fees at the time of opening their account. Bank customers know in advance what rules and the costs are for overdrawing an account - all without a formal opt-out notice.

Customers understand the system today and there is an incentive and ultimately a responsibility on the part of the customer to balance their accounts. Overdraft fees allow banks to pay items for their customer rather than denying the transaction. This helps the customer avoid merchant fees, embarrassment at a merchant they may frequent regularly and adverse credit experience.

The cost of modifications to bank software to accommodate the proposed "opt-out" system will be significant and this hits home to a 25 Million dollar institution.

It is my opinion overdraft fees do not cause "injury" to bank customers, but rather a service they have come to rely on. Customers who choose not to pay those fees today, wait until money is in their checking account before they spend it. If customers go into an overdraft status and they have "opted-out" of paying overdraft fees, this gives us no alternative but to return the check and customers will not remember signing the "opt-out" and they will be very unhappy with the outcome.

Thank you for opportunity to submit comments on this proposed amendment. I do not believe this is the direction we should take as it has more negative consequences than benefits to bank customers.

Sincerely,


 Vicki Kraai
 President/CEO

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