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July 25, 2008

Regulation Comments  
Chief Counsel's Office  
Office of Thrift Supervision  
1700 G Street, NW  
Washington, DC 20552

Reference: OTS-2008-0004

Dear Counsel,

Thank you for the opportunity to respond to the proposed comments referenced above, which were published at 73 FR 28904, regarding overdraft protection programs. The following are comments to general categories included in the proposal.

Overdraft protection programs are a convenience product offered by financial institutions to their customers. Many customers have taken voluntarily advantage of the program in order to keep necessary payments (such as mortgage, car payments, and in today's world, gasoline purchases) on time. Use of any overdraft protection service is voluntary regardless of whether it is an opt-in or opt- out program, because the use of the program is totally within the customers' control. The customer can totally avoid the program by not overdrawing their account, which can be easily done by simple management of their account. And, those who do find themselves in an occasional position of being "short" on cash when the rent is due have frequently expressed their appreciation that an overdraft protection program exists.

The proposals suggest that a customer be allowed to opt out of overdraft protection programs all together or, perhaps, to be allowed to select a partial opt out for ATM and debit transactions. This, however, is not feasible given the complexity of the payment system currently used for account transactions and is unfair to those customers who might pay their most important bills – like utilities and rent – through recurring debits. Debit cards are no longer just used at a point of purchase. The proposal is offering a complicated scheme that could inadvertently do the most harm to those customers who need the help the most and who might misunderstand the various opt out options.

complicated, as technology has become more sophisticated and as consumers have become more savvy and demanding with regard to the way their finances are handled. Established rigid rules determining when and in what order payments are applied to accounts are impractical and perhaps impossible in this kind of market.

In 2005, the primary federal banking regulators on overdraft protection program issued best practice guidelines. The vast majority of financial institutions offering overdraft protection have complied with these best practice guidelines. The guidelines have worked; the customers are satisfied with the product.

Thank you for the opportunity to comment. We are adamantly opposed to the proposed regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark B. Ledford". The signature is written in a cursive style with a large, prominent initial "M".

Mark B. Ledford  
President