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August 4, 2008

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, NW
Washington, DC 20551

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

**RE: Proposed Regulation DD Overdraft Rules (Docket No. R-1315)
Proposed Regulation AA UDAP In Connection With Overdraft Services**

Ms. Johnson and Gentlemen:

At WSFS Bank we have been helping customers with their financial service needs for over 175 years – providing them with the exceptional services levels they have come to expect. We also have a long history of serving the communities in and around Delaware. Delivering on our brand promise to provide Stellar Service and creating a positive customer experience remains our highest priority. Our team is empowered to be proactive and responsive decision-makers. They have the attitude and talent necessary to foster meaningful relationships with customers to create advocates for our bank.

WSFS has always acted with our customer's best interest in mind and our overdraft practices mirror this guiding principle. We understand that checking accounts are the backbone of the customer relationship and we value that relationship. We also understand that mistakes can happen. Our practice is to pay the overdraft items -- at our discretion -- and charge a fee in anticipation that the customer will cover the shortfall. Customers value this practice -- recognized by the unsolicited customer "thank you's" we receive and the relatively small percentage of customers that choose to opt out of this service (approximately 6%).

In addition, we not only have adopted all the "best practices" (as published in the 2005 OTS Guidance) but also adhere to many of the proposed changes currently under consideration. At WSFS, we:

- Do not advertise our Courtesy Overdraft service
- Provide the option to opt-out with every overdraft notice
- Offer alternative solutions – including a line of credit or a linkage with a savings account transfer on every overdraft notice
- Allow the option to opt out only at the ATM and debit card purchases
- Empower our Associates to refund first time occurrences or in extenuating circumstances
- Disclose month to date and year to date overdraft fees on periodic statements.

While WSFS agrees with the opt-out premise in theory, we are concerned that providing our customers the option at account opening will lead to more confusion than enlightenment. To be effective, research has shown communication messages need to be both brief and timely. Opting-out at account opening is neither brief nor timely. It is highly likely that the opt-out notice will be overshadowed by the voluminous amounts of paperwork (i.e., Truth & Savings, Account Agreement, Funds Availability Policy, Privacy Policy, Fee Schedule, Electronic Funds Transfer) already received at account opening. Furthermore, the message could be misconstrued to imply that we guarantee (rather than at our discretion) payment of all overdrafts – further complicating an already complicated process. WSFS believes that the appropriate time to offer the opt-out option is after an occurrence(s). Appropriate refund policies for first time occurrences can alleviate adverse customer experiences. Finally, opt-out discussions at account opening may be perceived as promoting the use of a courtesy overdraft service -- a practice in which we do not wish to engage.

Aside from the opt-out at account opening, the proposal also absolves customers from knowing their account balances. Financial institutions arm customers with a variety of methods to keep track of their balances. Besides the tried and true check register, various platforms (ATM, online banking, telephone access and branches) also give the customer the ability to determine their account balance at any time of the day. The agency should not target overdraft services as the precedent for this rule. Its adoption could potentially threaten all banking fees and payment obligations dependent on customer behavior.

We are requesting that the Federal Reserve rethink the proposed changes to overdrafts on deposit accounts. Making the proposed changes will have the negative consequences mentioned above. If financial institutions abide by the current best practices in place, there is not much that needs to be changed.

Sincerely,


Mark A. Turner
President & CEO

CC: Senator Joseph Biden
Senator Thomas Carper
Congressman Mike Castle