



TOWERbank

Where service is a passion.

August 1, 2008

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

To Whom It Concerns:

Thank you for the opportunity to comment on the recent proposals to provide additional disclosures about account terms and costs associated with overdrafts.

The Board is proposing to require institutions to provide consumers with notice and a right to opt out of an overdraft service before assessing a fee or charge for the service. This would only clog the system and be costly for the financial institution.

We have complied with the Interagency Guidelines released in 2005. We believe the consumer can avoid overdraft fees without requiring additional notices and opt-outs. Most customers manage their accounts in a responsible manner. Our customers appreciate knowing in the occasional instances where it cannot be avoided the bank will honor their checks without the embarrassment and additional fees incurred from the merchant that would result by returning the checks. Currently the customer is charged the overdraft fee [\$30 for us]; however, it would have cost more had we returned it [the returned check fee of \$30 plus the merchant fee] and perhaps loss of check-writing privileges from the merchant. Consider the senior citizen or single mother whose rent is due but social security or other payment will not be deposited into their account for a couple of days. By paying the overdraft, we have saved the customer dollars.

The proposal for partial opt-outs for certain transactions (ATM and debit card) is not systematically feasible for this financial institution. We believe it also would be confusing to the consumer.

The proposal for debit card holds involves the card networks and merchants and is too complicated for us to tackle or our customers to understand. We are a community bank.

Additional notices and opt-out opportunities would be costly and burdensome for this financial institution. We would be forced to revert to returning checks not covered by preauthorized transfers as the cost both in dollars, time and manpower would be too great and prohibitive. This would have an adverse affect on our customers who appreciate our ODP service.

Our accountholders are legal competent adults who assume responsibility for their finances. We are here to provide services to our customers, but not act as taskmaster over their fiscal responsibilities. This bank offers overdraft protection options to its customers in addition to ODP:

preauthorized transfers from checking account overdraft lines, savings accounts, or other lines of credit product. Our customers appreciate the ODP services we provide; and, we strongly believe we have provided an adequate array of resources and options to our customers in order for them to manage their finances.

Regarding payment processing and order of recognizing payments: our objection to this is twofold. First, different types of items are presented at varying times for processing; no single rule is practical, and to allow an individual customer to choose would be a management impossibility.

We take our responsibility to provide products and services to our customers seriously but object to these proposals as they are particularly costly, especially considering the state of the industry, and contrary to the spirit of regulatory relief. We also object on the grounds that these proposals place the onus of financial responsibility on the financial institution rather than on the accountholder.

Thank you for your considerations.

Sincerely,

A handwritten signature in cursive script that reads "Marie A. Doty".

Marie A. Doty

Vice President

Compliance and Internal Audit