

From: Cran Chase
Subject: Electronic Fund Transfers

Comments:

Jennifer J. Johnson, Secretary

Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington D.C. 20551

Re: Proposed Amendments to Regulation E, Docket No. R-1343

Dear Ms. Johnson:

My family owns a small community bank of 100 million in assets located in Kansas. My father, brother and I, along with 53 co-workers work hard every day, trying to do what is right, honest, fair, and legal. We take our business seriously, including regulatory matters. Which leads me to the purpose of this e-mail.

I would like to comment on the proposed amendments[1]to Regulation E[2]issued by the Board of Governors of the Federal Reserve System (the "Board"). I have never commented on a proposal before, but this situation compelled me to respond.

Right to "Partially" Opt-out or "Partially" Opt-in, versus a Required Opt-in.

I support the provisions in the Proposal that would increase disclosure of overdraft programs. I also support most of the Proposal's opt-out provisions. However, in 7 years of running our bank's overdraft privilege program, I have had only one (1) customer request to be omitted from the program. That is one (1) customer in 7 years. Now when you consider we have over seven thousand five hundred checking accounts (7,500), it seems unnecessary and even ridiculous to make such a change; a change which would impose an unnecessary administrative burden, and high costs, on our bank without adding any offsetting value for consumers.

Partial Opt Out

A partial opt-out approach is unworkable. Not only is it confusing and difficult to remember, it adds compliance burdens and substantial technology development costs. It is not right that these costs will be borne disproportionately by small- and mid-sized financial institutions such as my family's bank. I believe the Board should implement a regulation that allows financial institutions to offer discretionary overdraft payment services on a "all-or-nothing" basis and that does not punish them for varying the terms on accounts that do not offer overdraft services. Again, it has been my experience that customers appreciate the service and choose not to opt-out.

Exceptions to Opt-Out Requirements.

I support the Proposal's reasonable-belief exception, but I believe that implementing the necessary technology to comply with the complicated safe harbor rule will be very expensive, especially for small- and mid-sized institutions like ours. The new rule should not take effect for at least two

years, so that we can purchase, implement and beta test the appropriate information systems.

Debit Holds.

I support the concept of a two-hour safe harbor, but we believe that implementing the necessary technology to comply with a complex safe harbor rule will be very expensive. The new rule should not take effect for at least two years, especially so that small- and mid-sized institutions can purchase, implement and beta test appropriate information systems.

Thank you for the opportunity to comment these amendments.

Respectfully,

Cran Chase
Derby, KS 67037

[1] 74 Fed. Reg. 5212 (January 29, 2009) (the "Proposal").

[2] 12 C.F.R. Part 205 ("Regulation E").