

From: Aalok Shah
Subject: Electronic Fund Transfers

Comments:

I heard the federal reserve was asking for comments regarding bank overdraft fees being opt-in or opt-out from <http://consumerist.com/5170947/tell-the-feds-you-want-a-choice-on-overdraft-fees>

I believe it is important that consumers have the option to opt-in to any service for which they would be charged. The contracts consumers receive (especially regarding finances) when they open an account are quite long and full of many small options that individuals need to systemically opt-out of.

In most cases, the individual never notices these small options even exist as they never run into the particular case in the contract. If someone is to be charged for an option, a service, or a product, they should be well informed.

The costs for each and every option should be as large as the 5.9% APR rate is on a credit card flyer.

Changing bank accounts is not as easy as changing which grocery store you shop at and the process is made more frustrating by the financial institutions themselves. I have closed my bank account when I moved only to find out 6 months later that an annual subscription caused the bank to re-open the account, debit the account, and charge an overdraft fee. Apparently bank accounts never actually *close*, for some banks and as long as a name, address, routing number, and account number match, banks will happily charge any accounts despite the assumption by the consumer that all accounts are closed (an assumption made by actually going into a bank and telling them to zero out the balance and close the account). Closing an account also affects my credit score, which is not easy to change either. If the last thing reported by a bank is that my account had a negative balance, I'm sure you can see that it would affect my credit score as well.

I'm definitely in favor of bank overdraft fees being opt-in.

Aalok Shah