

From: Joe Knickmeyer, Belleville, IL

Subject: Electronic Fund Transfers

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Comments:

Mar 17, 2009

Federal Reserve Board Email comments

Dear Email comments,

As those who are as fortunate as I often do, I maintain a healthy balance in my checking account. But many, especially in these trying economic times, skate along the edge of having adequate funds to cover their checks and ATM withdrawals. Automatic overdraft protection, with substantial service charges, coupled with banks' unpleasant habit of adjusting the order in which they debit accounts so as to maximize the number of overdraft events, is often more a scheme to victimize customers than to offer real protection.

I have been stung once by this system: when I changed the amount sent to savings by payroll deduction, the payroll office made the mistake of transferring my entire paycheck. The overdraft protection kicked in and rapidly run several hundred dollars (!) in fees. In this case, the fact that my paycheck came from the Government and was re-routed by Government error helped me argue successfully against the charges. Few people have that level of backup by their employers.

Please work to ensure that banks are required to get my permission before covering ATM and debit transactions, to cease charging fees for a service the customer hasn't signed up for, and provide me the right to choose the type of transaction that may trigger fees.

Please allow me the chance to opt-in to overdraft services. This is the only way that I will truly feel protected.

Sincerely,

Dr. Joe Knickmeyer  
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