

From: Zach Thompson  
Subject: Electronic Fund Transfers

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Comments:

Board of Governors of Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, DC 20551

Dear Federal Reserve Board Director:

I support the proposed requirement that would require financial institutions to obtain consumers' affirmative consent (or opt-in) before any overdraft fees or charges may be imposed on consumers' accounts.

Banks should get explicit permission before enrolling customers in the most expensive overdraft system, automatically covering overdrafts and charging high fees, and should be stopped from using unfair practices to increase their overdraft fees.

I want to let the Bank of America Deposit Agreement and Disclosure speak for itself. Here is the Processing Transaction section verbatim:

#### K. Processing and Posting Orders

We may determine in our discretion the order of processing and posting deposits, fees, charges, checks, debits and other items to your account. We may credit, accept, pay, certify or return deposits, fees, charges, checks, debits and other items arriving to your account on the same day in any order at our option. We may give preference to any fees, charges, checks, debits or other items payable to us. We may change our processing and posting orders at any time without notice to you.

We may establish categories for fees, charges, checks, debits and other items and designate a posting priority for each category. A category may include more than one type of item. For example, we may treat atm withdrawals and loan payments as one category and checks as another category and then process atm withdrawals and loan payments before checks. Within each category, we may process and post items in any order we choose. We may use the same or different orders for different categories. We may change categories and orders within categories at any time without notice.

When you do not have enough available funds in your account to cover all of the items presented that day, some posting orders may result in more insufficient funds items and more fees than other orders. We may choose our processing and posting orders regardless of whether additional fees may result. If you want to avoid fees for insufficient funds and the possibility of returned items, you should ensure that your account contains sufficient available funds for all of your transactions.

Even if we provisionally post deposits, fees, charges, checks, debits or other items to your account during the day, we may treat them as if we received all of them at the end of the day and post them in any order we choose. We do not process and post transactions in the order in which they occurred.

In most states we process and post items within each category from the highest to lowest dollar amount. If you do not have enough available funds to cover all of your transactions on any given day, the high-to-low posting order may result in more insufficient funds items and more fees than may have resulted if we had used another posting order.

I STRONGLY believe since we are recapitalizing these banks with our taxpayer money that we should be in a strong position to renegotiate our terms more favorable towards the "little guy." Just as any lender or investor putting money into a company with a high risk of default, the terms and conditions should reflect our inherent risk. The exorbitant "non sufficient funds" fees is exploitation and, in practice, differs little from the deplorable "check cashing" centers by effectively loaning the money with extremely high interest rates. The treasury has already put up our money. The taxpayer has a strong argument and bargaining chip to AT THE VERY LEAST change these exploitative banking practices.

Sincerely,

Zach Thompson