

From: Eileen Kiernan, Arvada, CO

Subject: Electronic Fund Transfers

Comments:

Jan 27, 2009

Federal Reserve Board Email comments

Dear Email comments,

I recently went to battle with my bank over this issue. I told them that their policies are unfair and clearly designed to hit the consumer at every chance with outrageous fees.

Two specific practices are particularly aggrecious and need to be banned!1. When using a bank card as a debit card, if you overdraw your account you are immediately hit with a very high OD charge regardless of the amount of the overdraft and even if you move funds over to cover the purchase the same day!!

2. When using a bank card for "credit" purchases (vs. debit purchases with a pin), the funds are authorized and deducted from your account - fine. However, if you overdraw the account, you are charged an outrageous OD fee regardless of the amount of the overdraft and then when the authorized purchases that were already authorized and deducted from your balance are actually paid by the bank, you get hit again for these same purchases. I fought with my bank on this situation and they finally credited the "double-dipping" OD fees but this took too much of my time and energy!

In addition, banks will use the argument that your card is like cash so when you use up the cash in your acct, then you are charged. That's fine but that is not how they play ball. I have had situations where I went over my acct balance by a mere \$1 or \$2 and was charged 2 or more overdraft charges because of the order in which the purchases were paid by the bank. So, if you have \$100 in your account but you make a purchase of \$10 and then \$90 and then \$15. You've really only overdrawn by \$15 but if the purchases come in as \$90 first and then \$15 and then \$10 you will get hit with OD charges for the \$15 and \$10 purchase when in "cash" terms only the \$15 purchase is an overdraft. Reasonably, we should be charged based on the amount of the overdraft and the actual \$\$ that we overspend at the end of the day - i.e. total dollars withdrawn minus total dollars in the acct as of that day.

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

Sincerely,

Ms. Eileen Kiernan
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