

From: Lindsay Rials, Scottsdale, AZ

Subject: Electronic Fund Transfers

Comments:

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

Dear Federal Reserve Board Director:

I am a newly single mother of two and having to manage finances on my own for the first time in 10 years is difficult and frustrating. Twice in the last 6 months I have had issues with overdraft fees. What's worse is that before starting my family I worked in banking, so I thought I knew all of the rules. Both situations were started by an error on my part, but snowballed into major financial distress. The first was simply an addition error that I made on my balance. I live by my debit card and was going through my week swiping it left and right for lunch, gas, etc. The whole time I had a check in my purse that I could have deposited but didn't realize there was any problem at all with my account. Within three days I racked up \$360 in overdraft charges. Without the fees my account would have only been overdrawn by \$100. Had my card been declined, I would have realized there was a problem. I didn't get any notices in the mail until the following week and was allowed to debit \$2.00 here and \$5.00 there all incurring a fee of \$36 each! Once I noticed the problem, only three days after the last time I had balanced account, I contacted my bank and was treated like a thief for going into overdraft in the first place. That was the first time I had ever been in overdraft on that account! When I asked why they never declined any of my purchases they said that they were doing ME a favor! A few months later I had another problem. Again, it began with my own mistake. When I balanced my account I realized that I still had a \$70 check outstanding and including my pending debit transactions (\$2 here and \$5 there) I would be overdrawn by \$5. I was getting paid the following day, so I crossed my fingers and hoped that everything didn't clear that night. Well they all did. It was my fault for not keeping a closer eye on my balance, and I deserved the overdraft fee. I didn't however get charged a fee for the \$70 check that would have put me into the red by \$5 after all of my debits cleared. They cleared the \$70 check first and charged me \$36 for all of the \$2 and \$3 debits that cleared from the last couple of days. I ended up with over \$200 in charges! I had enough in my account to clear ALL of the debits and leave \$65 toward the check resulting in a balance of -\$5 and a \$36 overdraft charge. I felt completely violated and taken advantage of. Thanks to those two costly, yet relatively minor mistakes, I'm still behind on bills. I barely make enough money to pay my bills as it is, let alone losing over \$500 to bank fees in just a couple of months. It's outrageous and I definitely think that the consumers should be able to choose whether they want such "favors" to be done when there's a problem. Furthermore, I don't think that such permission should be in fine writing in the disclosure that by

opening the account you automatically give your consent.

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.

Sincerely,

Lindsay Rials
Scottsdale, AZ 85260