

From: Ben Dyer, Sachse, TX  
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:

This requirement absolutely has to happen. America's poorest people are frequently abused by predatory banking practices designed to leech funds out of the pockets of people who need money most.

I cannot express how many times I, personally, have been saddled with overdraft fees, often due to an unfortunate expense, a mistaken charge on my bank's credit card and even bank fees, all of which can put a drained account deep into the red. The banks explain that consumers should be more careful with their expenses, but the fact is, money is extremely tight for many these days, and even the smallest mistake, severely compounded by overdraft fees, will completely unhinge a person or family's entire finances.

Imagine a scenario where a family is living from paycheck to paycheck. As the checking account approaches \$0, an unscrupulous company you do business with runs a charge that puts you in the red. (This happens a lot more than you think. Lots of companies have no checks or explanations to the timing of their charges and if they have a bank account or credit card on file, they can charge you at their whim. Even if they refund you, they will never rectify the NSF charges that were their fault.) Rather than block the charge, the bank allows it to go through and charges you a \$35 NSF fee. Now, imagine that you stop for a quick lunch and to grab a jug of milk from the store. The bank allows the charges to go through and you're hit with another \$35 NSF fee, then another. Without even realizing it, you suddenly owe the bank an additional \$105, and you didn't even realize it happened until it's far too late.

Banks love these fees because most consumers simply don't notice them until it's too late. The fees then keep compounding until the consumer is really stuck: sometimes hundreds of dollars in the red and unable to pay for critical services they desperately need, like food, rent, insurance and electricity.

This process must not be allowed to continue. Simple mistakes or the misdeeds of corporations should not be able to send the poorest segment of our population into financial ruin. It is wrong and it must end.

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,

Ben Dyer  
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