

From: Elena Gil, San Francisco, CA
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:

As a student of many years, working hard to put myself through both undergrad and law school, I am appalled by the ease with which banks can take away my hard-earned money through undisclosed overdraft fees and other similar fees.

These past couple of years have been the worst ever. Not only have I received overdraft fees when I have been away and unable to access my account from abroad (HSBC's website led me to believe that they had a branch in Geneva---I found out then what "private wealth" was) but I was charged again and again without any timely notification of what was going on. In the age of emails and phone calls, it's ridiculous to think that the only way a bank can contact me is by a form letter sent weeks later. By that time the damage was done. Moreover, I actually had the money at that time. It was in my savings account. If I had access to the bank as I had thought I would have been able to tell immediately that I should transfer my money over. That miscommunication and sneakiness on the part of HSBC cost me almost \$200.

\$200 is a lot for a law student that struggles to make ends meet. I've spent countless hours beyond studying for my substantive courses, trying to get grants and scholarships from outside sources to cover my living expenses. This struggle is not honored when a bank can quickly take away hundreds of dollars.

This was not the last incident. The next one came when I had already made the deposit. Since there are not many branches of HSBC in San Francisco, I am forced to mail my deposits, which obviously lengthens the time the money shows up in my account. I've been responsible and make sure to give myself a lot of time. This time, the deposit was done on a Sunday (rec'd by the bank) and was cleared on Wednesday. My checks to my landlord and utilities were presented to the bank on that same Wednesday yet they were all bounced again! That cost \$75.

The time it takes to address these issues is sometimes worth less than the money taken. I am still struggling as a public interest attorney to pay my debts, and make ends meet, while fighting for consumer protection. It's unfair for someone already strapped to try to find the energy and time to fight with the bank and convince them to give the money back into the account.

Furthermore, what is even more appalling was that this was a student account. How do you possibly justify charging a student \$35 overdraft fees? That they do not even offer a lesser fee to student accounts show that banks are not interested in tailoring their services to the needs of the customers but rather taking advantage of those in the most vulnerable situations.

Enough is enough.

Banks should simply not be allowed to enroll their customers without their permission in systems that approve overdrafts without warning, and that artificially increase the number of \$35 fees the banks' can charge for a shortfall. This practice is out of control. It is costing working people big chunks of their hard-earned income.

The "gotcha" practices that banks are using to inflate overdraft fees are not acceptable. I want to be able to opt-in. I want that choice spelled to me from the beginning. I also am calling for reasonable fees. The fees that banks charge now are unconscionable.

Enough is enough.

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,
Elena Gil
San Francisco, CA 94114