

From: Melissa Kelly, CT
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 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 was lucky enough to notice the flyer that my bank so helpfully included in the monthly statement when they began their "courtesy overdraft" program. I immediately called to "opt-out" and then called my family and friends to notify them of the new "benefit" and the fact they had to "opt-out" in order to prevent egregious fees and charges if they overdrew their accounts. Several years later, I received a call from one of the people who had "opted-out" of the program the same day I had. This person was hit with over \$150 in overdraft fees for using her debit card and overdrawing her account.

She immediately called the bank and found she was enrolled in the "courtesy overdraft" program. She notified the customer service rep she had "opted-out" of the program at its inception and in fact, had had debit purchases declined in the past when she did not have the funds to cover them.

The bank tried to claim the account holder had "opted-in" to the program but could not provide any proof to substantiate their claim. They did eventually refund the overdraft fees.

This example shows why it is necessary for consumer protection that banks must have written consent before enrolling a customer in a "courtesy overdraft" program. The written consent will protect both the bank's and account holder's interest while ensuring only people who want "courtesy overdraft" receive it.

Sincerely,

Melissa Kelly
CT