

From: Bruce Smith, GA
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.

In an era of a collapsing economy, many families are not only struggling to pay their bills but maintain a standard way of living. Some years ago, I experienced the burden of multiple overdraft fees for several small purchases that were processed over a delayed period. The total transaction would have been less than \$20.00 but ended up costing me between \$400 - \$600 because of duplicate overdraft and bank fees. The bank also sent me a notice in the mail which I received approximately 5 days too late. This feature is not "Customer Service" but a way that "Services the Customer" with huge fines and penalties. I agree that it is the consumer's responsibility to manage their spending habits appropriately but, the bank should not have the power to loan funds that consumers are unaware of and/or when the state of their current account is unknown. If the funds are not available then the purchase should not be allowed. If the bank wants to loan the funds to the consumer then it should perform like a credit card, charging interests to the account on a daily basis based on the balance owed until the amount is paid in full or until a deposit is made, whichever comes first. The APR and decision should be discussed with the consumer beforehand to ensure understanding and a signature will be required indicating the exact APR percentage that will be charged. I am outraged that I cannot cancel this feature of so-called "Customer Service". If I can't afford it then I don't need it! And I agree, if bankers are so sure customers want this high-priced overdraft protection they don't have anything to worry about.

Regards,

Bruce Smith
GA