

From: Northwest Georgia Bank, Stacey Kennedy  
Subject: Electronic Fund Transfers

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Comments:

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Proposal: Regulation E - Electronic Fund Transfers  
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Name: Stacey Kennedy  
Affiliation: Northwest Georgia Bank  
Category of Affiliation: Commercial  
Address: P.O. Box 789  
City: Ringgold  
State: GA  
Country: UNITED STATES  
Zip: 30736  
PostalCode:

Comments:

Re: Docket No. R-1343 Thank you for the opportunity to comment on the proposed amendments to Regulation E, Electronic Fund Transfers (R-1343) involving point-of-sale and ATM transactions. Northwest Georgia Bank continually encourages our customers to always balance their check books with their account statements and diligently record all of their transactions. Overdraft fees are easily avoided with responsible account management. Customers have multiple ways to know their account balance and transaction history 24 hours a day, including free on-line banking, telephone banking and ATMS. We also recognize the benefit to honest and good customers of providing discretionary overdraft accommodations to avoid the embarrassment of nonpayment for goods or services purchased. Further, due to current technology constraints, any type of opt-in or opt-out requirement would force the Bank to apply an all or nothing approach to ATM and debit card transactions, which could adversely affect customers who use debit cards for recurring payments. While technically, with enough time and money, it might be feasible to have a payment channel opt out, it would not be an easy or inexpensive task. This could force smaller banks to be unable to even offer overdraft accommodations. In addition, if the technology were available, there is no readily available methodology for distinguishing between card present point-of-sale transactions and scheduled reoccurring debits. Finally and possibly most significantly, there would still be instances when the Bank would end up paying debit card transactions that would cause an overdraft, at not fault of the Bank's. This could happen, for example, if a check that was previously deposited was returned for insufficient funds. We ask the agencies to thoroughly consider any actions that could mislead customers into thinking that they are not responsible for managing their accounts or that an opt out/opt in system is a cure all for overdraft fees. Thank you again for the opportunity to comment on this significant proposal and if you have any questions, please contact me. Respectfully, Stacey Kennedy Northwest Georgia Bank P.O. Box 789 Ringgold, GA 30837