

From: University of Pennsylvania, Sigrid Peterson  
Subject: Electronic Fund Transfers

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Comments:

I am writing in support of regulations for banks that require them to ask customers to designate whether to go into overdraft, or to refuse all demands for overdraft payments. The following example may clarify my concern.

Recently I needed to make a deposit to my main checking account. I had the necessary funds in my PayPal account, and a debit card to use for the transfer of funds. When I got to the bank I was rushed, tired, distracted, and used the wrong debit card, from a second bank where I deliberately keep a modest balance. The balance there was way under the amount of money I intended to transfer from my PayPal account. I made the transfer of funds, and my main checking account showed the new balance and transferred funds.

Four or five days later I happened to check the balance in my low-balance account. To my horror I discovered that I was significantly overdrawn. Not only did the "low-balance" bank charge me \$39, they also added a daily charge after three days of non-sufficient funds in the account. They made out like bandits. I asked them how it was that I was even able to make the transfer of funds, why didn't my ATM card get kicked back at me. The reply was on the order of "We do that because we can."

And they made over \$200 on my inadvertent error.

Thank you for considering this question.

Sincerely yours,

Sigrid Peterson, PhD  
University of Pennsylvania