

From: Paul Genova, MA
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.

My wife had an account with bank of america. She had the overdraft protection on her account. She was not very good with balancing her checkbook, so she'd get on average about one of these fees a month. It got so frustrating that I had to have her close the account. One time, she had 45 dollars in her account. Using her debit card, she bought something that cost \$30 leaving her with \$15, then she bought three more items each about \$5 leaving her with nothing, but she wrote a \$6 check a week before that hadn't cleared yet. So here's what happened, first the debit for \$30 hit the account, but wasn't posted, then then three \$5 hit the account, but also weren't posted, then the check went in, which caused the overdraft because the other money had been allocated to the other items first. Now, since those other four debit card transactions hadn't posted, when they finally did post all four of them caused a separate overdraft, resulting in FIVE - \$35 fees, or \$175 for a \$6 overdraft. At this point, I was fed up and I told my wife to close her account, and I signed her up for mine and I keep a close watch on it to ensure that this type of stuff doesn't happen anymore.

My wife and I called bank of america about six times, and finally my wife was able to get the five overdrafts reduced to two overdrafts. I had to let the managers that I spoke with know that I thought they were using really shady accounting schemes and that we will be closing our account with them shortly. They of course, didn't care because they still got \$70 of our money for a three day \$6 loan, or over 300%/daily compounded rate. I don't think loan sharks charge that much ...

I think people should have to choose to have this option, but I think that when people are signing up for it, they should told exactly how it works. I believe my wife willingly signed up for it, but I don't think she would've if she knew that this type of

shady practices were going on. I mean, a \$35 overdraft fee as opposed to a \$25 returned check fee ... hmmm ... I'll take the \$25 fee. Thanks!

Sincerely,

Paul Genova