

From: John Evans
Subject: Electronic Fund Transfers

Comments:

Just read the St Louis Post-Dispatch article on the overdraft fee policy of banks. I have a short personal story to add impetus to the need to reform.

My younger brother died in Apr 08. I discovered that he had a checking and saving account with the XXXXXX. For the first three and one-half months in 08, he had been charged over \$500 in overdraft fees. The fees were \$36 per insufficient check. It seems he maintained most of his money in the savings account and frequently overdrew his checking account. The bank would transfer funds from savings to checking to cover the check and charge \$36 for this service. The bank explained they had a cheaper way to do this service but did not know if my brother had known it or not. Typically, he would bounce a \$25 check and paid \$36 in fees to cover it.

My brother was not the most financially savvy person and I don't know if he was aware this was happening. He failed to open most of his account statements or read the few he did open, so some of the blame has to fall to him.

I criticized the bank for not alerting him that their service was costing him over 100% in fees. I don't clearly remember their answer, but, my recollection is that more of the blame lay with them than my brother, the customer.

My recommendation for a solution is to require banks to clearly explain the options they offer in covering insufficient checks when enough money is available to be transferred from another account. I also feel the \$30+ fees are entirely too high.

Hope this helps.

John A. Evans