

From: Toby Brutto
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.

Regarding;
Docket No. R-1343: We say "NO" to Gotcha Bank Fees.

I, Mr. Toby L. Brutto, have been greatly affected by overdraft issues with banks quite often. In 2001, I opened a checking account with Commercial Federal Bank. They were eventually bought out by Bank of the West. Both banks use or used what I feel are predatory overdraft fee systems. These are not in the best interests of lower income customers like myself. Or higher incomes with a high overhead in bills.

I feel that it's more in my best interest to have my bank decline any debit card transactions that will overdraw my checking account and incur automatic banking fees for each and any overdraw. I'm even less appreciative of having no choice in either overdraft fee protection or simply having my bank decline transactions that will result in an overdraw. Fortunately on my Visa check debit card, I use the "credit" option at most merchants. This will result in a decline if funds are lacking in my account. But I also have automatic debits each month as well. These, I've been burned very badly on in the past. I now have two separate checking accounts at 2 banks as a result. One for automatic bill pay and credit history since it's the older of the 2 accounts. The other I use for all else and my payroll deposits from work. Plus if one bank gets bought out, it doesn't look like a short term account to loan and credit card applications. I simply use the older account as the credit reference.

I don't agree with banks position that overdraft fees are a "customer service". This is called "positive upselling" of services in the sales world. It's a very condescending practice that corals consumers into a "take or leave it" marketing strategy. It's not service when the customer can't choose

anything except to simply not bank at a particular bank. It gets worse when little competition or similiar services exist to choose from (like smaller towns and cities).

Sincerely,

Toby Brutto