

From: Patrick Kelly, CO
Subject: Electronic Fund Transfers

Comments:

In my time I've experienced the "customer service" provided by an overdraft protection loan. Let's start off with the Orwellian name, it is actually a program that allows bank card overdrafts, rather than protection from them. In my case, I was charged \$35 for \$1.25 at a vending machine.

It is clearly possible for a bank to decline a canceled bank card with the current infrastructure. In light of this, it should be possible for a bank to decline a card if an account has insufficient funds. One might understand all of this as it concerns a paper check, but the near instantaneous transaction processing that goes on with bank cards, makes any argument in favor of the loans ridiculous.

If the banks believe people want this, then they can allow a person to opt-in. Most people, however, would rather accept the difficulties of having a charge declined, rather than be unknowingly tricked into taking out an extremely high interest rate loan. The banks probably know this, and wish to continue making money this way that's just so wrong. I know that I personally would have rather had my card declined rather than pay \$36.25 for a candy bar. Perhaps a middle ground can be reached: don't allow charges that are less than the "overdraft protection" fee so that it would at least be 100%, which is still unreasonable, but not as bad as the 2800% interest rate I was charged.

I must also note that this practice almost certainly disproportionately impacts the lower income individuals of our nation, as those with more money, would rarely have to worry about overdrafts.

I urge the Fed to issue a rule that only allows opt-in overdraft protection loan programs and ends the "overdraft protection" racket.

Sincerely,

Patrick Kelly, private citizen and unhappy customer of an overdraft protection loan.
CO 80210