

From: D. Martin, CA
Subject: Electronic Fund Transfers

Comments:

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Proposal: Regulation E - Electronic Fund Transfers
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Dear Board Members and Concerned Parties, Please take my request seriously as I am typing this freehand into your web site. It is not an automatically generated email from a consumer advocacy group, so I will try to make this short and to the point. For starters, I am outraged by the excessive abuses of the banking industry relating to overdraft protection. While I have been affected relatively few times by OD practices, the pain has been intense. Due to the economic/banking crisis, and consequently job loss, I have been forced to move out of state to find work, and in doing so I exhausted my savings and bank accounts. I had been back and forth between my home in California and working in Arizona since August 2008. When I left town again in September, I had somewhere around \$5.00 in my Washington Mutual checking account and was trying to figure out how to pay my HELOC/mortgage payment since I had been out of steady work for quite some time. After a couple of months I fell behind as I was still out of work. As I had not heard from my bank, I was shocked when I caught up on my mail over the Christmas break. To my dismay I found out that my bank, Washington Mutual Bank, had processed a payment to their mortgage division, Washington Mutual Mortgage, for \$834.49 against my account with a \$5.00 balance. With their \$33.00 OD fee added to the equation, I ended up with a negative balance of \$862.24. The situation was made worse by the fact that their Risk Management department had written off the amount and sent it to a Collections Agency without calling me to work it out. When I called to Customer Service and asked them "Do you folks call your customers to let them know there is a problem?", I ended up being rebuffed with a smug "We mailed you a letter". When I asked why they would allow a payment for over \$800 (to themselves) to clear on an account that had a \$5 balance, I was told that OD protection was in place. When I asked to have them show me where I agreed to an OD of \$1,000, an insanely high amount, I was told that they increased it on my behalf from the standard \$100 since I was a long time valued customer. When I asked why I was given OD protection in the first place without the opportunity to opt out of the OD, I was told that it was standard and is not an option to decline. Now this is not a sob story seeking sympathy. I was caught

up looking for work and juggling the last of my money to survive, so I take complete responsibility for falling behind on my mail for 2-3 months. That is my issue. Compounding my problem was the fact that I was staying with friends out of state, and not receiving my mail on a regular basis. The point here is that banks take full advantage of their customers and deposits when it works for them, to maximize their bottom line. They need to be held to common-sense practices such as allowing customers the ability to opt out of OD "protection". My opinion is the real reason for OD "protection" is to protect the banks' bottom line and their ability to generate more revenue by charging fees in an unregulated fashion. I do agree with many of the other people that urge you to include the following modest characteristics of Maloney's bill - HR 946: A. Require notice to customers when an ATM or point-of-sale debit card transaction is about to trigger an overdraft B. Give consumers a choice to accept the overdraft service, and the associated fee, or not. (You should be alerted at point of sale if you will exceed funds and incur an overdraft fee if you choose to continue.) C. Require an opportunity for account holders to choose to have an overdraft plan or not. (FDIC reports that over 75% of surveyed banks automatically force their customers into an overdraft program and some do not allow customers to opt out and that isn't right.) D. Prohibit manipulation of the order of posting deposits and withdrawals so as to maximize overdraft fees. (Charging the largest posting first even if it was the last thing you purchased that day so that you pay multiple OD fees instead one on the big ticket purchase.) Sincerely, D. Martin, CA