

From: Vance Lowe, Purvis, MS
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:

Charging \$35 per overdraft is an encouragement for banks to figure out ways to do the math on your account to have multiple overages.

For instance: If I have \$50 in my account and I have mismanaged slightly and there is \$50.02 in charges coming out - One charge for \$50.01 and another for .01 .. then the bank is encouraged during the batch processing to deduct the 50.01 BEFORE applying the .01... regardless of the actual order.

Net result? The bank gets to collect two overdraft charges. \$70 dollars for lending 2 cents isn't a bad ROI.

I think if banks should allow "overdrafts" at all... then it should be handled like revolving credit and only interest should be applied on a monthly basis.

Just because the bank labels it differently does not make it any less of a loan.

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.

Sincerely,

Vance Lowe
Purvis, MS 39475