

From: Benjamin Berman, Highland Park, IL

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:

It is counter intuitive that overdraft fees exist in the first place. The entire point of instantly verifiable transactions is that they eliminate the labor and losses involved in insufficient fund issues. Today, machine verification means a negligible processing fee is involved in each transaction (after one year, easily under a cent per transaction). With today's debit cards and machine balance checking, a transaction should logically be denied, not charged an overdraft fee. In other words, overdraft fees are pure profit, and therefore signal an abuse of consumer trust.

This profit mechanism is an obscene offense to ordinary working folks. They do not work for money only to see it needlessly disappear in absurd overdraft fees. Labeling overdraft protection as a convenience is a plain lie.

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,
Benjamin Berman
Highland Park, IL 60035