

From: Kenneth G Weaber
Subject: Electronic Fund Transfers

Comments:

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Proposal: Regulation E - Electronic Fund Transfers

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Dear Sirs:

I am writing in response to an article I saw in our local newspaper yesterday. It described a rule change that the Federal Reserve has proposed to give customers the right to instruct their bank whether to pay or not to pay overdrafts for automated teller machine withdrawals or one-time debit card purchases. I would like to vary strongly urge that the regulations be put in place to make sure that the customers are aware that this is an option. Although I do not use debit card extensively myself, my son and daughter, both in their mid-20's, do. In fact, in both cases, I am listed as a joint owner of their respective checking accounts at our local Citizens Bank branch. I became aware of this "automatic overdraft" policy with my daughter's account. It seems that she lost track of her balance due to a hold put on her account from a purchase that she had subsequently canceled. When she looked at her balance online, it showed that there was over \$100 in the account, which did not reflect the hold. (Closer inspection showed there was another area in the display that showed the nominal "real" balance, but it was less apparent.) Because of this misunderstanding, she made three additional purchases while the hold was still in effect, (the largest of which was for \$12.07), which triggered THREE separate insufficient funds fees of \$39 each. To add insult to injury, because these fees were not posted immediately, the amount that I transferred into her account was not quite sufficient to cover them, and so each of the additional two purchases she made two days later (\$11.47 and \$5.06) triggered additional insufficient fund fees. The bottom line was that for five purchases totaling less than \$50, we got hit for \$195 in fees. Had we known that there was any option about this "automatic overdraft payment", I would have had my daughter opt out of it. In that case, she may have gotten docked for an initial fee from the store on the first attempted purchase, but at least she would not have made the other four. It was this recent experience, which occurred last December, which had me very upset with the whole banking practice. In all the conversations that I had with the bank to discuss this, at no point did any of their employees give any suggestion that to opt out of the program was a possibility. (After all, why should they deliberately shut down what is apparently a lucrative income stream for them, which only costs them a

certain amount of customer aggravation.) PLEASE try to do something to minimize the risk of this other people having this very distasteful experience.
Sincerely, Ken Weaber