

From: First Tennessee Bank National Association, Robert C McKinney  
Subject: Electronic Fund Transfers

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Comments:

Date: Mar 30, 2009

Proposal: Regulation E - Electronic Fund Transfers  
Document ID: R-1343  
Document Version: 1  
Release Date: 12/18/2008  
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Comments:

Our comment pertains to the Board's proposal to have an "Opt-In" or "Opt-Out" choice with respect to overdraft services. We would urge the Board to adopt "Opt-Out" rather than "Opt-In." As other banks and trade groups have stated, overdraft services are provided as a convenience to customers. While the majority of bank customers manage their accounts responsibly, even the most conscientious customer on occasion might accidentally overdraw his/her account and utilize overdraft services. It is of great concern to us that, if customers are forced to "opt-in" to overdraft services, numerous transactions will be denied simply because a customer did not take action with regard to opting in. In other words, we believe it is important that customers not have to take some action in order to activate overdraft services; rather, we believe it is highly preferable for a customer to decide whether or not to decline such a service and notify the bank of same after making an informed decision. For customers who accidentally overdraw their accounts, the overdraft service is a helpful tool. They are able to avoid embarrassment and returned check fees, and can complete important transactions. For the vast majority of bank customers who responsibly manage their accounts, it seems unfair to burden them with a requirement of having to affirmatively agree that the bank may pay overdrafts. By choosing the "Opt-Out" alternative, the Board will assure that banks may continue competently provide a crucial service to their customers. We appreciate the Board's consideration of this important matter.