

From: Robert Federline
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:

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.

By compelling consumers to accept the practice, unless they opt-out, banks are creating contracts of adhesion. Most banks will mislead their customers as to the effects of the system, and many have, in fact, already done so.

I have been charged huge overdraft fees for an account which did not actually overdraft, because the bank will deduct amounts represented by a card transaction from the date of the transaction, and not the date the money is actually deducted from the account. As a result, even if you check your balance daily and in supposed "real time" there are debits being calculated against the consumer of which he or she is unaware. It does not matter to the bank that all charges are, in fact, covered by the time the money is actually debited from your account, and posted as such, and paid to the merchant. This results in anticipatory overdraft fees, where customers are being charged on an accrual basis, even though they can only get credits to their account on a cash basis. Deposits are not immediately credited, but any potential debits are deducted, but not posted, so one cannot even tell that an overdraft is about to occur.

Sincerely,

Robert Federline