

From: Citizens State Bank of Glenville, Christopher J. Mishler
Subject: Electronic Fund Transfers

Comments:

Email to: regs.comments@federalreserve.gov

Re: Docket No. R-1343

Dear Ms. Johnson:

I appreciate the opportunity to submit my comments in response to the notice of the above Proposed Rule regarding the ability of my bank to assess a fee for paying automated teller machine (ATM) withdrawals and one time debit card transactions that overdraw a customer's account.

My bank assesses a reasonable NSF/Overdraft Fee when a customer check is presented against insufficient funds. The fee is justified as the items are rejected from the typical payment process and required to be handled manually. Each item is individually reviewed and in most cases the customer contacted. In addition, if the item is paid, the bank assumes the potential liability that the amount of overdraft will ever be collected. The Proposed Ruling for ATM withdrawals and one time debit card transactions would essentially prohibit the bank from charging a fee for that same service.

It is not financially feasible for a bank of our size to process ATM transactions on a "real time" basis. Therefore the bank cannot return an electronic withdrawal initiated by an ATM withdrawal or debit card transaction. As I understand the proposed Rule, the bank would be expected to absorb the potential liability of the overdraft amount and the time and expense of handling the item for these types of items as customers would be given the option to "opt out" of paying for that service. .

In my opinion, it is highly unlikely that any customer would "opt in" for paying for this service and the bank would not have the option to reject or return the item even if the customer knowingly made the transaction without sufficient funds.

I am strongly opposed to the Proposed Rule and cannot understand why a bank should be prohibited from charging a reasonable fee for these transactions, which potentially carry more risk and expense to the bank than a written check.

Thank you for the opportunity to comment.

Sincerely,

Christopher J. Mishler-Executive Vice President
Citizens State Bank of Glenville
Glenville, MN 56036