From: Hal D. Baden

Subject: Electronic Fund Transfers

Comments:

Date: Mar 29, 2009

Proposal:Regulation E - Electronic Fund Transfers
Document ID: R-1343
Document Version: 1
Release Date: 12/18/2008
Name: Hal D. Baden
Affiliation:
Category of Affiliation:
Address:
City:
State:
Country: UNITED STATES
Zip:
PostalCode:

Comments:

The default should be to treat Debit Card like cash. Do not allow overdraft,
if not linked to some other source of funding and approved in advance.   Also:
do not allow penalties at all. A debit card is not a credit card. It either
is the equivalent of cash (can"t use if no money), or automatically pulls from
a secondary source if empty (such as a credit card). If a penalty is allowed,
institutions will find a way to trick the consumer into racking up the charge.
I am leery that there will be some excuse, such as the debit charge was not
posted until after another debit was transacted, resulting in an expensive
charge, without cardholder having visibility of the parallel charges.