

From: John deSaavedra
Subject: Electronic Fund Transfers

Comments:

In regard to overdrafts for ATM withdrawals & point of sale debit card purchases:

I think debit card systems should operate on yes-no system for the exact amount of the purchase with no holds or overdrafts. Banking institutions should be prohibited from automatically enrolling customers for overdraft protection and they should be required to get any customer's permission upfront for over drafting protection on any account associated with a debit card.

A customer would have to choose to opt in before they could be charged any fees. If the customer did not opt in the debit card would fail at the point of sale and the withdrawal transaction would fail at the ATM with NO additional fees. Multiple transactions the same day should not be stacked against the customer causing recurring overdraft fees with this change. I have had bank managers advise me that they do not use their own debit card system due to the risk of over drafting with the merchant hold system. I work in a Community Action Agency assisting clients with the Home Energy Assistance Program (HEAP) who are at 150% of poverty guidelines. These clients can ill afford the many, many overdraft fees they are assessed. If the overdraft fees were viewed as interest rates, I am sure the overdraft charges would easily compete with the interest rates charged by payday lenders.

Thank you for your time,

Jeannie deSaavedra