

From: Nancy Poore, Indianapolis, IN  
Subject: Electronic Fund Transfers

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Comments:

Jan 27, 2009

Federal Reserve Board Email comments

Dear Email comments,

There are dozens of exploitive lending practices I'd like to see tempered by some equitable treatment for borrowers. I'll stick to a few:

1. Overdraft fees should be charged in proportion to the overdraft. (I have paid 37.50 for a \$12.00 overdraft.)

2. Overdraft fees should be based on the overdraft for the DAY, not by the item. If you have several items presented and overdraft that day, banks routinely pay the largest item first and then rake in multiple overdraft fees BY THE ITEM on several small payments. I have had the bank cover my mortgage BUT billed me \$37.50 X 4 (\$150.00) to cover \$7.00 for a school book, \$22.50 for car gas, \$8.99 for a pizza, and \$20.00 donated at church. These expenses totalled \$58.49, how is the bank justified in billing almost three times that amount for the error?

3. Overdraft fees should be re-credited when the bank already had the money but hadn't "cleared" it yet. I understand that the

bank must be protected if an item doesn't clear, but when an electronic

transfer leaves our 529 account it is not credited at the bank to which it was electronically sent! How can it be gone and not arrive in the

age of computerized transfers?? This is not a check mailed, it is not a money order deposited, it is giant institutions moving credits

electronically and the consumer knows doggone well that the money isn't going to get lost enroute.

4. Banks automatically permit overcharging and then profit from the overdrafts. The majority of consumers would prefer to be advised that the charge would overdraw their account, even in an embarrassing situation at the point of purchase. Those who wish to be covered and save face could have that option with an opt-in approach. Presently

consumers are routinely covered, even for miniscule overcharges and the banks exploit the opportunity to play "gotcha!" and collect huge fees.

As a parent I dislike this system because it encourages young consumers to be blase" about keeping checking balances. Often the payor is actually the parent, in the end. A little public embarrassment is preferable to getting, again, a \$37.50 bill after overdrafting \$10.00 to see a movie.

Please allow me the chance to opt-in to overdraft services. This is the only way that I will truly feel protected.

Sincerely,

Miss Nancy Poore  
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