

From: Heather McGhee, San Francisco, CA  
Subject: Electronic Fund Transfers

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Comments:

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Federal Reserve Board

Dear Federal Reserve Board:

This practice is a short-term money-maker for the banks at the expense of our nation's long-term economic health, as measured by the finances of middle- and working-class Americans. It is part and parcel of a deregulated consumer finance system that has been a loser for the American working public.

I have closed two bank accounts (with Citibank and Bank of America) out of frustration with overdraft fees. It was the common situation in which an unexpected large draft came in on a Monday, and my paycheck was automatically deposited at the end of that same business day, but after the draft was paid. The bank debited the large draft BEFORE small charges that I incurred over the weekend and BEFORE they credit the paycheck (which they credited the following day). In both instances, this practice resulted in \$150-\$200 in fees for small charges that were no more than \$20. In both instances, I made the weekend's small charges, usually debit card or online transactions for coffee, subway passes, gasoline and the like, BEFORE the large draft, yet it was credited afterwards. If the small charges had been debited in the order in which they'd been made, I would have incurred one overdraft fee, not 5, 6, or 7.

I sincerely believe that most customers would rather have a \$5 point-of-sale transaction refused than to have it paid, without their notice, for a \$34 fee. I once

Please also stop banks from using unfair practices to increase overdraft fees - like ordering transactions from highest to lowest, rather than the order in which they occurred.

I do not want to be automatically enrolled in an overdraft "protection" program. Please allow me and other customers to "opt-in" to these programs rather than allowing banks to automatically enroll us.

Sincerely,

Heather McGhee