

From: Anonymous
Subject: Electronic Fund Transfers

Comments:

In a past life, when I worked for US Bank, the process of determining one's daily balance was simple: At the end of the business day, a customer's debits were subtracted, and credits added, to their opening balance. If the final number was negative, the customer was assessed an overdraft (or NSF) fee.

Now, banks show jaw-dropping creativity by catching a transaction which *might have* placed an account into overdraft status - if a deposit had not been made. But many times, deposits ARE made, with collected funds. Through some unintelligible "accounting," that account went into overdraft status AT SOME POINT that day, and *poof* -- an overdraft fee of \$37.50 results.

Of course, this impacts each successive transaction, making the overdraft larger.

It can take a few days to receive a written notice of overdraft, so the customer may be unaware of her or his status. Each day following the original overdraft sees another \$8 in "continuing negative balance fees."

One big problem: Online ledgers are NOT ACCURATELY UPDATED.

How do I know this? I'm obsessive about checking my balance. For the most part, debits record as authorized transactions immediately. I only refer to my "available balance," because that is a legitimate figure the bank is holding for me. I never spend more than I have.

Unfortunately, something happened last month. They processed transactions out of order, resulting in an "overdraft" that I never really had. Worse, the overdraft never showed up on my online ledger (which I check a couple of times per day, since I run a low balance). My first indication of an overdraft was on the following Tuesday. I called the bank and was given an incomprehensible accounting of a single day's transactions - it made zero sense. I don't think the rep had any idea what she was talking about. The simple fact is that my account was NEVER overdrawn at ANY POINT THAT DAY.

But that made no difference to US Bank. The \$37.50 overdraft charge was supplemented by four days of "continuing negative balance fees," and I was on the hook for almost \$70 in fees I never should have incurred.

This is unacceptable. As I see more and more attempts to regulate so-called "loan-sharking" payday loan companies, I see that banks have snuck in and replaced these businesses with an identical product dressed up as a "courtesy" for their customers. The only difference is banks have direct access to funds and practically no restrictions on how much they can deduct in fees.

Please stop this. As you proceed to sort out the banks' shady lending practices and penchant for overextending risks, don't allow them to recoup some of their losses on the backs of low-income people such as I and others who are left bewildered by puzzling "overdraft" policies.

Please make my comment ANONYMOUS. I don't need the publicity.