

From: Michael Beaty
Subject: Electronic Fund Transfers

Comments:

Board of Governors of Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Federal Reserve Board Director:

I support the proposed requirement that would require financial institutions to obtain consumers' affirmative consent (or opt-in) before any overdraft fees or charges may be imposed on consumers' accounts.

Banks should get explicit permission before enrolling customers in the most expensive overdraft system, automatically covering overdrafts and charging high fees, and should be stopped from using unfair practices to increase their overdraft fees.

Banking industry lobbyists point out that overdraft fees can be avoided by keeping track of your balance. That sounds simple enough, but like many Americans I use my checking account for many transactions. I pay large bills like my mortgage as well as tiny ATM charges at the local cafe. Who knows when what charge will hit when? These same banks have done their best to obfuscate the process. Debits to my account are NOT always made in chronological order, but instead are done to maximize the number of overdrafts and associated fees. What's more, even if I check my balance online and then walk down to the local cafe to make a small charge, there is no guarantee that last Friday's dinner tab isn't about to finally be debited in the intervening hour.

It is outrageous and laughable that the banks are trying to sell this as a service to their customers. If it is such a great and necessary service, what's the harm in first educating customers about those benefits (and sky-high costs!) and letting them make an informed decision themselves? Instead, they want to be able to cram this down their customers' throats. Want to "opt out" of this great (expensive!) service? Tough luck, you'll have to close your account with us. What, all the other banks do the same so you really have a choice? Not our problem, have a nice day.

I urge you to take this opportunity to provide bank consumers like me the freedom to truly choose overdraft "service. I urge you to reject the notion that the banks possess some superhuman ability to predict what "services" we want before we even know enough to make an informed choice.

Sincerely,

Michael Beaty