

From: Mairin Augustine
Subject: Electronic Fund Transfers

Comments:

Hello,

As a college student living 400 miles from home 9+ months of the year, it is difficult for me to keep track of my account at a regional bank at home (FirstMerit Bank of northeast Ohio). My senior year has certainly become increasingly independent, especially in a financial sense, and I have definitely been living from "paycheck to paycheck."

Last month I overdrafted my account for the first time when a large check cleared before I could replace the money in my checking account from my savings. My bank sent the overdraft notice to my home address, and it was not noticed by my mother until a few days after the overdraft occurred. I continued to spend with my debit card and incurred outrageous overdraft charges from which I have been largely unable to recover. I called my bank to inquire about the situation and they were largely unsympathetic.

I would support three suggestions in enacting policy change for overdraft procedures. First, I definitely, definitely support the idea of including an electronic overdraft notice in the process of a debit purchase. Had I been alerted of my overdraft when trying to use my debit card that week, I could have stopped the transaction and immediately looked into my account changes.

Secondly, I very much support a clearly stated opt-out feature for the overdraft program. As a student still learning to manage my money properly, it would have been much more beneficial to me to suffer the embarrassment of having my debit card denied than the pain of not being able to pay my bills. In a sense, banks have an open opportunity to take advantage of their young customers' financial naivete, and an opt-out feature would be a fair and safe way to protect these customers.

Lastly, I would suggest the option of an secondary mailing address on accounts. This would be separate from the billing address, a more temporary address perfectly suited for students and others who live away from their permanent address at least part of the year. Because I use my permanent home address for my bank account, there is no way for me to receive mail from my bank at my school address. Had I myself received the overdraft notice in my school mailbox, there would have been less of a delay in my response to the situation. Considering I am largely in charge of my finances, it is dangerous for me to rely on my mothers unpredictable mail habits.

Thank you for the opportunity to express my opinions. Although it is too late for me to change the unfortunate financial situation in which I have found myself, changes in overdraft policy may prevent the same situation from occurring to another young person.

Sincerely,
Mairin Augustine