

From: Penny Swanson  
Subject: Electronic Fund Transfers

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Comments:

Mar 29, 2009

Federal Reserve Board Email comments

Dear Email comments,

I believe the Opt in requirement would provide more consumer protection because this requirement would prompt banks to explain the features of ATM card and the various fees associated with ATM overdraws. The ATM card features and fees are not always clearly explained to consumers. I recently opened a new checking account with Wells Fargo.

The personal banker who assisted me provided only a general overview of the account features. She explained to me the minimum amount required to open account, the free ATM check card that comes with the checking account, and the option of online banking. She never explained to me the critical features which would enable me to better management my account - the different fees associated with using the ATM card. To date, I still do not know for sure if I have overdraft protection with my ATM card, I still do not know how much it would cost me to make a foreign ATM withdrawal and how much it would cost me if I accidentally overdraw my account due to point of sale purchases.

Many consumers trust their personal bankers and rely on their bankers to educate them on the different account features and fees. One may argue that it is consumer's responsibility to read the account information booklet and the fees disclosure brochure as those disclosures are provided when the account was opened. However, many

consumers trust their personal banker and rely on their personal banker to provide them with the features and fees associated with their accounts. When a consumer trust that their personal bankers made all the disclosure on the account, he/she may not even think it is necessary to go over those documents. The financial management relationship is, after all, built on trust.

One may also argue that ATM cards are very common and that the general consumers know all about it. The truth is that ATM card features and

fees varied from bank to bank. Furthermore, based solely on the amount

of fee income banks received on an annual basis, it is safe to conclude that consumers do not know exactly how ATM cards work.

Fees such as overdraft fees are incurred when consumers mismanaging their accounts. The more informed the consumer, the less likely the banks would be able to collect these feeds. As banks becoming increasingly rely on such fees as one of their major source of income, there is a huge disincentive for banks to not educate their customers.

In my example, the bank did meet the FDIC disclosure requirement as the account information brochure and fees brochure was given to me.

However, I was not an educated or informed consumer. By default, I am mostly likely will incur those various types of ATM fees.

Requiring the bank to Opt in customers would encourage a discussion on the features and fees associated with the overdraft protection.

Hopefully, this would provide our consumers with sufficient information to manage their account effectively.

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

Sincerely,

Ms. Penny Swanson