

From: Richard W. Porter, KS  
Subject: Electronic Fund Transfers

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Comments:

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R-1343 OVERDRAFT FEES COMMENT I operate a cattle ranch with a large line of credit. I tried to open a small bank account at one of my 3 local banks for my employees to use to pay for "petty cash" type of ranch expenses (COD deliveries, small purchases, etc). I told the 3 banks that I wanted to open a checking account with \$1,000 and have some mechanism for them to notify me when the balance got down to \$500. Several people would be writing checks, so it would be hard for me to monitor the balance. All banks offered me "overdraft protection" for \$28 to \$34/ check, but said they had no way to notify me when the balance hit a trigger level. I offered to also open a second account, for them to pull from till I responded to their notification that the main account was overdrawn. They replied that there was no way this could be done. That I had to either watch my balance myself, or just pay the overdraft fees. It seemed that the banks were making every effort to not allow an easy way for the customer to avoid the overdraft fees. Several of my employees have had to pay a lot of overdraft fees for their personal accounts, sometimes several for one event. Some of them are short on money anyway. I encourage you to require that banks offer a mechanism to their customers like the following: When the customer balance drops to some customer set level( \$50 to \$200) , the bank must notify the customer (by email &/or phone) of this occurrence, and the bank would be paid a modest fee (\$2 to\$5) for their expense of the notification. Sincerely, Richard Porter, Kansas P,S. I solved my problem by opening the "petty cash" account with my lender. They gave this new account a small line of credit at the same interest rate as my large line of credit. If there are any problems, they give me a phone call, for free!