

From: John Bales, TX
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.

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

Due to the expenses that customers incur under the current overdraft system where banks automatically cover overdrafts and charge excessive fees, customers deserve the right to opt out of the "service" and banking institutions should be stopped from using unfair practices that increase the money they make from "overdraft" fees.

Under a situation where a customer has opted out of overdraft coverage, the financial institution would be required to decline the transaction instead. While I understand that banks argue that they'd have to change their networks to handle this, I find this hard to believe would be a big problem since for decades banks have been able to decline credit card transactions that exceed the credit limit. The current argument suggests that the banks are more concerned with maintaining their "overdraft fee" cash cow.

Sincerely,

John Bales
TX