

From: Victoria Stewart, Cross Plains, TN

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:

Banks should not be able to manipulate the order sequence the items are posted. By doing so, they are then able to maximize their profits by deducting the largest amount first, regardless of the order the transactions are posted.

For example:

Starting balance \$50 Pending deposits \$150
8:30 am \$2.00 coffee 9:00 am \$3.00 muffin 10:00 am 2.50 post
office 11:30 am \$3.50 turkey sandwich 1:30 pm \$52.00 pet food

Instead of applying a \$35 NSF to the \$52 pet food overdraft, the bank will deduct the largest amount first and thereafter charge you \$175 in the smaller charges in overdraft fees (even though there was sufficient funds in your account).

This practice appears to unethical and is in some way a form bank racketeering.

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.

Sincerely,

Victoria Stewart
Cross Plains, TN 37049