

From: Zhi Yang Yong  
Subject: Electronic Fund Transfers

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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 am a college student and I bank with the Bank of Hawaii. I have a checking account with them. I receive a bank draft (from CitiBank) from my family every one or two months, and directly deposit it into the bank. Transactions are usually processed at the end of the day and I would be able to spend the money by the next day.

I have an online banking account with Bank of Hawaii as well, and use it to monitor my balances. On this one occasion, my funds were running low, while the due dates for my bills were approaching. As usual, I proceeded to deposit my bank draft and was expecting to receive funds the very next day. So as usual, when I checked my online banking account, the funds were shown as deposited and available, so I went ahead to schedule payments for my bills.

I was very surprised the following week, when I received three separate letters from my bank, each stating a case of overdraft fees of \$25 each. I promptly went into the bank to inquire about above-said overdraft fees, together with a printed out copy stating the available funds on my online banking account. I was informed by the staff at the bank that the money from the bank draft was still waiting approval, and was technically not in my account yet, and would only be deposited in another week's time. According to the bank staff, I was told that the online banking account was not accurate and should not be referenced? (very confusing indeed)

What was more annoying was that I could have delayed paying my bills for another week without incurring any charges, but instead because of the inefficiency of the bank I had to pay an additional \$75 in overdraft fees. Had I known I was going to be charged, I would have canceled those bill payments immediately.

I really feel that ALL financial institutions should have to obtain consumers" affirmative consent to allow an overdraft, as well as the accompanying charges. It is only fair that consumers are well informed before making their decisions.

Sincerely,  
Zhi Yang Yong