

From: Chris M. Wilson
Subject: Electronic Fund Transfers

Comments:

Awhile ago my wife made a slight accounting error and thought we had some extra money in the bank. She transferred that money to our savings account from our checking account.

Unfortunately, that was not "extra" money, and we did not discover this problem for a couple days. By then we had used our debit cards a couple times and even withdrawn funds directly from our bank's ATM a couple times.

At no time was I given an indication that my account was severely overdrawn. Not even from the ATM! In those couple days we made a number of small purchases, as we rely on our debit cards for just about everything. We managed to rack up several hundred dollars in overdraft fees. It's sad when a \$0.99 soda at the convenience store winds up costing you over \$30. In fact, it's practically extortion.

The sad thing about all of this was that I actually HAD money. It's not like we were trying to spend money we didn't have. That money was just in another account.

Once we discovered what was going on, I called our bank (Sterling Savings Bank) and they agreed to take back a couple of the overdraft fees, but the damage was done, and it was a painful lesson learned. I questioned them on how it was possible that their own ATM machine could give me money from an account that had no money in it. They explained that their customers prefer to not be embarrassed by having their card rejected in public. We had a rather heated exchange where I expressed that I would much rather be "embarrassed" than rack up several hundred dollars in overdraft fees.

Had my bank rejected my debit card the first time I tried to use it, I would have instantly realized there was a problem, and transferred money back into my account to resolve the issue. Instead, my bank remained silent. Allowing each little transaction to go through and happily tacking on a \$30 overdraft fee each time. Clearly this was done with their best interests in mind, and not mine.

What these banks are doing is deceptive at best, and flat out extortion at worst. And the sad thing is that the people they prey on are the people least able to afford it. My wife and I are lucky. We were able to absorb the cost of this mistake. But not everybody is so well off.

Banks should require you to Opt-In before they can turn your checking / debit account into what is essentially a line of credit with astronomical interest rates. A \$30 dollar fee on a \$1 purchase?!? That's 3000% interest on a loan you didn't even ask for in the first place, and there's nothing you can do about it. Loan sharks should have it so easy.

Banks should also stop the practice of processing the largest checks first in the hopes of creating an overdraft situation that will be much

more profitable for them at the expense of their customers.

Thank you for your time,

Chris M. Wilson