

From: Mark Frydman, Woodland Hills, CA

Subject: Electronic Fund Transfers

Comments:

Mar 24, 2009

Federal Reserve Board Email comments

Dear Email comments,

I wanted to bring something to your attention with regard to a change in policies or procedures for business customers who do business with Bank of America.

Our firm, Box Brothers Corp., has been in business for 24 years. We maintain bank accounts and credit card processing accounts, both with Bank of America.

A few months ago, Bank of America began a new program that said that credit card batches or sales made in the business would be paid on a next day basis.

However, while they do pay these amounts, as they amount to 70% of our annual revenue, as a source, they do not deposit these funds into a customers checking account (demand deposit) until after they have returned items presented at the same time.

I want to be clear here. The bank pays the debits, returns those they choose to, charges fees, then deposits the funds they already have into those same checking accounts.

By not having the deposits meet up with the debits, they have created thousands of dollars of fees that we have never had to pay before. Further, they have access to these funds that they are purposely withholding the deposits to create fee income, as they do not need to do any underwriting to get these fees.

It is so unfair to do this and we have gone from spending a few hundred dollars a months in fees, to several thousand dollars per month in fees paid to the bank.

I find this practice totally unfair and it only benefits them in the short term, but hurts us both with employment, and sustainability, as now the bank is my second larger expense, next to the products and services we sell.

This is a purposeful and damaging practice that requires the federal government to assist small business.

Please allow me the chance to opt-in to overdraft services. This is the only way that I will truly feel protected.

Sincerely,

Mr. Mark Frydman
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