

ORANGE COUNTY COMMUNITY HOUSING CORPORATION

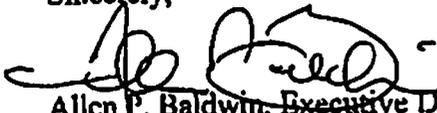
- **Volume.** How many customers overdraw their accounts each year? How much fee income is earned by banks annually as a result of overdraft protection programs?
- **High to low check clearing.** Do institutions clear the largest checks first and then smaller checks, which necessarily results in more instances of overdraft?
- **Notification.** Do ATM machines clearly warn customers before each transaction if they are about to overdraw their accounts and incur a fee?
- **Fees.** What are the fees assessed to customers who overdraw their accounts? Is there a fee for each day the account is in arrears? For how many days are daily fees assessed?
- **Costs.** What are the costs to banks when customers overdraw their accounts and the banks cover the overdraft through an overdraft protection program? How does this cost to the banks relate to the fees charged to consumers?
- **Channels.** What percent of overdraft protection fees charged at each bank come from bounced checks, what percent from ATM withdrawals, what percent from debit purchases, etc.?
- **Steering.** What percent of bank customers who are in an overdraft protection program are from groups protected under the Equal Credit Opportunity Act? How does this relate to each bank's overall percent of customers from these protected classes?

The FDIC should document these practices, urge compliance with existing best practices, require better public reporting of overdraft fees as a stand alone item in Call Reports or other disclosure document, and revisit the best practices in light of the findings from this investigation.

Finally and importantly, the FDIC and sister agencies should reverse their decision not to apply the Truth in Lending Act to overdraft protection programs.

We urge the FDIC to proceed with the proposed study and to vindicate the consumer protection principles implicated by these programs. Thank you very much for your consideration of these views.

Sincerely,



Allen P. Baldwin, Executive Director
Orange County Community Housing Corporation

Cc: California Reinvestment Coalition