

**From:** Chip, BJ [BJ.Chip@centurybnk.com]  
**Sent:** Thursday, September 16, 2010 5:01 PM  
**To:** Overdraft Comments  
**Cc:** [Name]  
**Subject:** Comment on Overdraft Guidance

To Whom It May Concern:

Thank you for the opportunity to comment on the FDIC's Overdraft Payment Supervisory Guidance. We feel the guidance is well intended but does not take into consideration the following:

- Many of the account holders who utilize an overdraft protection program cannot qualify for a traditional line of credit or another credit related alternative. These same account holders generally do not have savings accounts or other accounts with balances that could serve as overdraft protection. As such, an overdraft protection program offers these account holders a means to meet unexpected expenses (or to bridge timing differences with their next paycheck) without having a check returned and incurring additional fees from a check collection agency and often times multiple submissions of their check by this agency, which result in additional insufficient funds fees. This results in a more costly alternative to the account holder.
- The remaining alternative is payday lending. As with most states, our state does not have a usury law. Consequently, payday lending is generally a much more costly alternative and often borders on abuse from a consumer protection perspective.
- Processing transactions from low to high may result in the return of important payments such as mortgage and tax payments. The implementation of appropriate daily limits on overdraft fees will limit the impact of fees to the account holder.
- Establishing limitations on the number of occasions that a customer is permitted to overdraw an account in a rolling twelve month period may have the unintended consequence of promoting the more expensive payday lending alternative.

We feel that the requirements to: 1) give customers the opportunity to affirmatively opt-in to an overdraft protection plan, 2) discontinue this election at any time, and 3) the additional disclosures that are now required satisfy the consumer protection intentions of the recent rules changes.

In closing, it is important to note that we have had many discussions with our customers in the months preceding the recent Regulation DD and Regulation E changes dealing with overdraft protection programs. The vast majority have expressed appreciation for this type of service.

Respectfully,

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