

From: Raymond Witte [ray.witte@shellkestatebank.com]  
Sent: Thursday, September 16, 2010 12:47 PM  
To: Overdraft Comments  
Subject: OVERDRAFT FEES

Your assumption that it is the lower income consumer who is being charged overdraft fees for being chronically overdrawn. It has been our experience that the chronic overdrafters are those persons who have no idea how much they are spending because they do not keep a record of what they deposit or spend.

Despite the fact that we are required to furnish our customers with monthly statements, a large portion of these people do not even look at them. They don't have any idea what is in their account and only call when they get an overdraft. It appears to us that the lower income consumers either do not have an account because they think the amount they have is insignificant or they simply cannot manage their funds and need to be on a cash basis. The ones that do have account, especially the retired people, usually take very good care of their accounts because they know they only have so much money to spend and cannot afford any extra fees. They were also brought up to and learned how to keep a checkbook. So many students and young people have no idea how to balance their account. Schools skip over this as part of the educational process. Giving customers the opportunity to opt out of paying overdraft fees will do nothing but encourage those people who purposely overdraw their accounts to write even more insufficient funds checks because they know they will not be charged by the bank, but they forget that when a merchant gets a insufficient funds check back from their bank, they will charge a fee that is even higher than the overdraft fee charged by the bank. Allowing consumers to opt out of overdraft fees will reduce a bank's non-interest income at a time when some banks are struggling to maintain earnings and have the unintended effect of causing consumers to bounce more checks and thus incur even more fees outside of the bank. While this may seem a very well intentioned program I believe it will hurt consumers in the end.

Ray Witte  
Vice President  
Shell Lake State Bank  
Shell Lake, WI