

September 17, 2010

Federal Deposit Insurance Corporation

DELIVERED VIA E-MAIL:

OverdraftComments@fdic.gov

550 17th Street NW
Washington, D.C. 20429-9990

Re: FIL-47-2010

Dear Sir or Madam:

I am writing today on behalf of the 75 employees who work with me at Comanche National Bank in Comanche, Texas and its four branches of First National Bank of Santo which are located in Santo, Palo Pinto, Mingus, and Millsap. Jointly, our two organizations have served these communities and their surrounding areas for over 225 years. The current asset size of our organization is \$242 million and with an approximate customer base consisting of 22,000 account relationships.

Our organization has numerous employees that have been with the organization more than twenty years and those employees have had the pleasure to serve several generations of families. We retain our customers because of the customer service we provide them and they are confident our bank is fiscally strong and responsive to their needs. If they felt as though we were taking advantage of them, we would certainly no longer be their banker. I am proud of the work our employees do each and every day to provide our customers with excellent service and the best products available.

When proposing this guidance, the FDIC is operating on the mistaken belief that we, as bankers, are willfully and deliberately taking advantage of our customers through our overdraft payment programs. Nothing could be further from the truth. If we were trying to mislead our customers for profit's sake, we would soon have no customers. Competition in today's marketplace is tough, and our employees are doing everything they can to ensure we keep our current customers.

I have specific areas of concern in the proposed supervisory guidance such as the planned requirement that a financial institution monitor their overdraft programs for excessive or chronic customer use, and, if a customer overdraws his account on more than six occasions in a rolling twelve-month period, we must undertake meaningful and effective follow-up action. This requirement is an arbitrary number that is counter to existing Reg DD requirements because they require banks to provide overdraft information to our customers on a year-to-date basis. A banker contacting a customer every six months to offer counseling on credit alternatives could cause them to take their business to another bank.

There seems to be an inconsistency with the rolling twelve month period the FDIC suggests banks follow to monitor their customers' use of overdraft programs and with the existing federal regulations; namely, Reg DD. This regulation currently requires disclosure of the total dollar amount for all fees or charges imposed on an account for paying checks or other items when there are insufficient or unavailable funds and the account becomes overdrawn and the total dollar amount for all fees imposed on the account for the returning items unpaid. This must be done for both the statement period and the calendar year. Introducing an inconsistent rolling time range for which we must reach out to our customers to counsel them on their overdraft usage imposes additional compliance burdens and costs on our bank which will likely lead to increased costs for our customers. It appears to me that by proposing this guidance FDIC will ultimately harm our customers by adopting this guidance instead of protecting them.

I truly feel that the majority of our customers make sound financial decisions, but for those who do not, we already work with them to help them find a product that best fits their financial needs.

I appreciate the opportunity to communicate my concerns regarding this matter and hope the FDIC will reconsider imposing this guidance.

Sincerely,

Linda McKeehan
Comanche National Bank
Vice President