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To: Overdraft Comments
Cc: [Name]
Subject: OD Protection Programs

I know the FDIC has a difficult task of protecting the public and ensuring that financial institutions have a viable method to provide OD services while getting compensated to do so from a cost and risk perspective. I ask that the following be considered when comments are reviewed and final decisions are made regarding limits and regulations.

While I understand the possible limit of 6+/- OD in a 12 month rolling period as being a guide for the banks to provide alternatives to the customer, many customers that have issues do not have the ability to cover their OD from other accounts at the bank being tied to them and I am certain many banks are not anxious to create a program that provides lines of credit to cover the situation. So while the bank may offer other ideas to avoid OD's from happening, I hope the final regulation does not require the bank to either close the account or stop charging for OD's once the 6+/- limit is achieved and alternatives given.

I also understand why a limit per day for number and dollar amount is being considered however this also needs to be approached with great caution. While maybe a universal sliding scale could be supported for the dollar amount of an OD, limiting the bank to so many in a day as well as so many in a 12 month period of time would likely drive these customers out of the banking system if at some point they could not be charged for an OD but yet continue to OD their accounts. Most would quickly realize what the limit would be for OD charges and then continue to abuse the account making it impossible for the bank to justify keeping it open. If the banks are then required to provide accounts without compensation for the cost and risk of having them, that would be completely unfair to the banking industry. At the same time however, if the bank's are limited to what can be charged for these challenged accounts and allowed to ask the customers to leave the bank if we can no longer charge for the service, the new regulation will be creating a new group (possibly large) of customers that are the "un-banked" – unable to have accounts at financial institutions and obviously producing the opposite impact of what is intended as it relates to supporting the consumer.

I ask that careful consideration is given when the number and allowed fees are determined when handling OD situations. While financial institutions should not abuse the situation and charge fees that are unreasonable, there is a cost and risk associated with handling accounts and to set a limit as to what can be charged needs to be carefully considered to ensure it can be done at a level wherein the financial institutions can at least make some margin of return and not have the accounts as an expense.

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