

**Diboll State Bancshares, Inc.**

**First Bank and Trust East Texas**

**Jay Shands  
President & CEO**

*By electronic delivery to:*  
[OverdraftComments@fdic.gov](mailto:OverdraftComments@fdic.gov)

September 22, 2010

Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429-9990

RE: Overdraft Payment Programs and Consumer Protection, FIL-47-2010

I appreciate the opportunity to respond to the proposed Federal Deposit Insurance Corporation's (FDIC) Financial Institution Letter regarding the FDIC's expectations for management and oversight of automated overdraft protection programs.

I work at \$750,000,000 bank that has been in this small community for over 50 years. We employ over 350 people and serve the banking needs of approximately 33,200 deposit customers in our market area. We have grown our bank from a single location to one with 19 branches by knowing and serving our customers. Many of our customers have been with us for many years because of the customer service we provide and we continue to grow our franchise for the same reason.

I have concerns about several items. I do not understand the six (6) overdrafts in a rolling twelve (12) month period. Does it include check, ACH, or recurring debit transactions that may incur an overdraft fee? Are six (6) occurrences always equivalent to six (6) fees? I am also curious as to how the FDIC arrived at this number. In conjunction with current Regulation DD we are providing overdraft information to our customers. How will examiners interpret "appropriate daily limits on customer costs?" This seems rather vague, in fact if that type of language was used in one of our policies field examiners would most likely ask us to be more definitive.

Most of our customers have been with us for long time and make sound financial decisions of their own accord. We are already working with those who do not, whether it is a loan customer or deposit customer. Our market dictates that we take good care of our customers; we are not located in a metropolitan area where there is constant turnover.

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Community banks are already absorbing dramatic increases in operating costs from new regulations and increased premiums. The incremental burden of adding additional regulatory requirements is getting increasingly difficult. This is especially true when it is unclear as to whether or not it is accomplishing its stated goal of providing consumer benefit.

Again, I would like to thank you for the opportunity to comment on these important issues. The FDIC's efforts to identify existing compliance gaps and to address them are to be commended.

Respectfully,



Jay Shands  
CEO & President

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