

# NorthGeorgiaBank

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September 24, 2010

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

Comment Letter Regarding FDIC FIL-47-2010, Overdraft Payment Programs

Dear Sir or Madam:

North Georgia Bank is a small community bank located in Watkinsville, Georgia. We offer several options to our customers in our overdraft program. These include a direct Overdraft Program, an overdraft line of credit or overdraft transfers from other deposit accounts. We offer these programs to our customers because it is a service that the customer desire and value to have as protection against returned checks.

I have read the comment letter from the American Banker's Association and agree with their comments, however, I also wanted to file a comment letter from North Georgia Bank's perspective on Overdraft Programs and Customer Protection.

North Georgia Bank has made every effort to comply with the recent changes to Regulation E and DD. These changes created a significant expenditure of time as well as hard expenses to manage the compliance process. We have trained employees, worked with vendors, and initiated letters and notices to our customers regarding the changes to our overdraft program and to ensure that customers had the opportunity to opt-in to retain overdraft protection for ATM and point-of-sale debit card transactions. This was a significant burden for time, resources and expense for North Georgia Bank and other community banks to ensure compliance.

North Georgia Bank has made great efforts to communicate with our customers to make them aware of their options and opportunities regarding overdraft protection. The bank's opt-in rate is less than 25% although a few customers made the decision to use other overdraft protection options available through our bank. The bank sent three separate letters to communicate with its customers regarding overdraft protection and included the same information on its website. The current regulations empower consumers to make their own choices regarding overdraft protection.

I urge the FDIC to avoid imposing additional new monitoring and follow-up requirements. The bank nor its vendors currently have a mechanism for tracking and following-up with each customer who may have 6 overdraft transactions within a rolling 12 month period. At present we monitor usage on a month by month basis. We have had a number of customers who use the bank's overdraft products to comment to our customer service how much they appreciate having overdraft protection coverage and who diligently follow the parameters of the program so that the coverage remains available for their use. As a small community bank, in a relatively small community, when we stop offering responsible and responsive customer service that meets the needs of our customers, we will no longer be able to remain in business. Repeatedly contacting customers regarding how and why they are using an overdraft program risks

embarrassing and annoying them with no apparent benefit to the customer or the bank. Again I urge the FDIC to carefully consider unintended consequences of imposing overly restrictive monitoring and tracking requirements on banks.

Finally, I urge the FDIC not to impose requirements for annual Board review of overdraft program features. The bank's Board approves the general policies and programs for the bank but does not have the time, the mission nor the expertise to undertake a granular review of overdraft program features.

Thank you the opportunity to comment.

Sincerely,

Haynes Standard, Jr.  
CFO, North Georgia Bank