

From: Keith Tonnies [ktonnies@townandcountrybk.com]
Sent: Friday, September 24, 2010 2:34 PM
To: Overdraft Comments
Subject: Dear Sirs FIL-47 (3)

Dear Sirs:

I am Executive Vice President of Town & Country Bank Midwest in LaBelle, Missouri. We are a 22 Million dollar bank located in rural farming area in Northeast Missouri. I have reviewed FIL-47-2010 and found concerns I would like to address.

1. Wanting banks to monitor accounts for “excessive or chronic use”.
 - A. How would exams determine what is “excessive or chronic use”? Are two overdrafts a month excessive? Or are five a month considered chronic? What would be the magic number? At our bank I would estimate that over 90% of our customers never overdraft. Every time an overdraft is paid on the other 10%, we are basically giving that customer an “unsecured loan”. That includes risks to the bank. Our customers are notified daily when overdrawn. Should they choose to write more checks, they have assumed the responsibility of additional overdraft charges. I do not feel that we as a bank can “save the world” for everyone plus not be compensated for our risk. More and more regulations are not going to change that 10% of the people’s habits. They want to buy an item right now, if they don’t have the money they will write a check anyway and worry about it later.
2. Undertake “meaningful and effective follow-up action”
 - A. Not exactly sure what that means. Are we supposed to go with them to the store and make sure they only spend \$200 instead of \$300 which might cause them to be overdrawn? I think people writing some of these regulations must just sit in meetings and read FIL’s. They apparently have never worked in a job that deals with people. If they had, they would soon figure out that all of the “disclosures” and personal contacts are not going to change the way some customers live their day to day lives.
3. Institute daily limits on customer costs
 - A. All customers, when an account is opened, are given disclosures regarding overdraft fees. I don’t understand why Washington thinks it is the banks responsibility to provide every customer with checking privileges and if they are not handled responsibility it is up to the bank to limit charges because a customer won’t keep track of the money in their “own” accounts. If they feel they are charged too much in fees at this bank...close the account and go to another bank. Most, if not all of our customers (that overdraft) would rather pay an overdraft fee than have their checks returned. More regulations and disclosures are not going to increase customer’s ability to keep money in their accounts. To me this is another set of regulations to reduce bank profits and increase costs.

Sincerely,
Keith Tonnies
EVP
Town & Country Bank Midwest