

From: Dan Blanton [<mailto:DBlanton@georgiabankandtrust.com>]  
Sent: Monday, September 27, 2010 2:43 PM  
To: Overdraft Comments  
Subject: FIL-47-2010: Overdraft Comments

Federal Deposit Insurance Corporation  
Overdraft Comments

Re: FIL-47-2010

Thank you for this opportunity to comment on the proposed regulatory guidelines relating to overdrafts as outlined in FIL-47-2010.

Our Bank offers free checking accounts, among other checking products, with overdraft protection as an additional service. We provide disclosures as per regulatory requirements along with brochures that describe the service. Customers are not automatically provided this service at account opening, but must qualify. They are notified that they have met the qualifications and are again provided with information about the service. Our customer contact staff are trained to explain the product, answer questions, and they also are authorized to refund fees for those customers who may not have understood the service fully. Customers may opt out of this service at any time.

Beginning in 2007, customers have been provided with specific details about their overdraft service on their monthly statement including the total of fees charged over the year. Customers are provided with NSF notifications by mail or electronic delivery if they overdraw their available balance.

Customers are provided with an array of services to be able to track their spending including monthly statements, internet banking, telephone banking, the ability to check a balance at any ATM, access to our fully staffed customer care center along with simply coming into one of our branches and requesting an immediate statement or snapshot of their account history.

In accordance with regulatory requirements, we notified our customers of the need to opt in to continue to receive overdraft protection for electronic transactions and pay a fee for this service. Of those that use our overdraft protection service 80.41% chose to opt in. We find that the customers who use this service are not financially unsophisticated and have incomes that cut across all categories and each has their own reasons for choosing to use this service.

However, it should be noted that of those customers who could avail themselves of this service, 71% do not use the overdraft protection service.

Based on this analysis, it appears that our customers are making a conscious decision to use (or not use) this service depending on their individual needs.

It is of deep concern that our Bank will be required to track overdraft use amounting to 6 times over a rolling 12 month period when we do not have the technology to do this and then be required to contact our customer during the business day when so many customers are at work, based on the assumption that the customer is not aware of his or her own spending habits. At a time when income is being reduced by regulatory restrictions and a poor economy, it will be especially burdensome for financial institutions to establish tracking technology and provide trained staff to complete these tasks, with no assurance that this contact will be of meaningful benefit to our customers.

Customers who make use of this service frequently do not have a savings account to link to their checking account; if they did the overdraft service would not have been used. These same customers often do not qualify for unsecured overdraft lines of credit, noting again that if they did they would not have used their overdraft service. Ultimately, the result of this intervention could be removing this service from a customer's account, returning transactions when there are not sufficient funds and ultimately closing the account leaving the customer with NO banking service.

Regulators desire to protect consumers from questionable practices, but frequently those practices are the consequences of the consumers' irresponsible choices, yet customers have the ultimate financial responsibility to manage their finances wisely. Shifting this responsibility to banks will further encourage customers to continue keeping inadequate records of their withdrawals and ultimately lead to spending more than the available balance in their account.

Thank you for your time and attention to these important matters.

Respectfully,

A handwritten signature in black ink, appearing to read 'R. Daniel Blanton', with a long horizontal flourish extending to the right.

R. Daniel Blanton  
President & CEO  
Georgia Bank & Trust  
Augusta, Georgia

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