

From: jstoner@welchstatebank.com [mailto:jstoner@welchstatebank.com]  
Sent: Monday, September 27, 2010 4:33 PM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

James Stoner  
P.O. Box 129  
Welch, OK 74369-0129

September 27, 2010

Comments to FDIC

Dear Comments to FDIC:

By electronic delivery to:  
OverdraftComments@fdic.gov

Federal Deposit Insurance Corporation  
550 17th Street, NW  
Washington, DC 20429-9990

Re: Overdraft Payment Supervisory Guidance, FIL-47-2010, August 11, 2010

Dear Sir or Madame:

I'm the President of the Welch State Bank in Welch, Oklahoma. We are 199 million in size with a rural community base.

I strongly oppose the FDIC's proposed guidance (FIL-47-2010) that addresses overdraft coverage programs. My bank has just implemented new requirements under Regulation DD (Truth in Savings) and Regulation E (Electronic Fund Transfers) at great expense and manpower. Having to rework our bank's deposit products and to accommodate a regulatory moving target does not help my bank serve its customers.

Many of our customers talked to us about the implementation of Regulation E. Almost everyone of them would stop us in the middle of explanation and tell us "I want my account to stay the way it is right now." Many were irritated that we were asking them if they wanted to opt into something they had already signed up for.

Our customers don't and haven't complained about the overdrafts unless we have taken the ability away from them. This is the only time we receive complaints.

I believe the target of six overdrafts in a rolling twelve month period is way to low and ten should replace six. Many customers will get annoyed if we contact them after six overdrafts and all will not change to a different system. If they had savings they would use it up and if they have a small revolving line of credit they will use it up and start overdrafting again. We have offered training to customers on how to balance and maintain a checking account and nobody shows up or signs up for the training. When you ask them about it they tell you they are "too busy" to balance their account each month.

The proposed change that concerns me the most is a daily limit on overdraft fees. I believe this will only encourage the consumer to overdraft even more when they find out they are only going to be charged a limited amount each day no matter how many overdraft items they have that day.

I urge the FDIC to carefully consider this measure to ensure that the guidance does not impede my bank's ability to provide overdraft coverage services to my customers. If we are forced to abandon or significantly alter these services due to regulatory burden, the result could lead more consumers into becoming unbanked or relying on other products such as prepaid debit cards and check cashing services, which have higher fees and foster unsound financial practices.

Sincerely,  
James Stoner  
918-788-3373