From: Border Collie [bcollie1212@hotmail.com]
Sent: Thursday, September 23, 2010 2:03 PM
To: Overdraft Comments
Subject: FIL 47-2010

I would like to comment on FIL 47-2010. It would appear that the FDIC is attempting to supplement the recently updated Reg E by introducing guidance not addressed in the regulation. I thought Reg E applied to only electronic items presented for payment. Any guidance in addition to Reg E that includes non-electronic items appears to be not under the Reg E "umbrella".

It is important for everyone to realize that most banks are not the bad guy here. Our bank, like most banks, offers Internet Banking and a phone-based system for customers to monitor their accounts between account statements, and customers still write bad checks. Customers have a checkbook register to keep track of checks written and their current balance. <u>Banks do not make customers write bad checks</u>. This is a choice most of them knowingly make. There is a cost for spending money they don’t have, just as with using a credit card.

A consequence of this FIL is that banks will not pay checks that will overdraw accounts, but will return them for nonsufficient funds. The customer will be charged NSF fees instead of overdraft fees, and the checks returned will be returned unpaid to the payee. The customer will then be charged return item fees by the payee/business for the NSF checks. The fees charged by these businesses will be more than fees the bank would charge the customer. And I doubt the businesses are as heavily regulated in this area than banks.

And if banks will have to monitor accounts for excessive overdrafts, the cost will be prohibitive and customer accounts will be closed.

The last time I looked, banks were a “for profit” business. It’s just like shopping for clothes – if I don’t like the price, I don’t buy. This is the American way. The same goes with bank services. People have a choice – they can choose to not use a particular service or they can change banks.

Anonymous Banker