

September 24, 2010

Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429-9990
OverdraftComments@fdic.gov

RE: Overdraft Payment Programs and Consumer Protection, FIL-47-2010

Dear Sir or Madam:

I am writing today on behalf of The Roscoe State Bank, a \$114 million community bank. We have been in business since 1906 and employ approximately 45 people in three locations. We serve the banking needs of people located in and around Nolan and Bastrop counties in Texas.

I would first like to comment on the issue of contacting and counseling consumers who overdraw their accounts on 6 or more occasions. We already send out NSF notices everyday to customers, write letters to those who have been overdrawn several days, field countless phone calls for account balance inquiries and offer internet and mobile banking. We give our customers every opportunity to know that they are overdrawn and the recommendation that we need to further monitor and contact of customers who overdraw their accounts seems a bit onerous. Do consumers not need to be accountable for their actions? I have had many customers tell me that they once got charged an NSF fee and used that as a learning experience to balance their accounts and not let that happen again. I have also had many tell me that they are happy to know that we will cover their NSF items and do not mind paying a fee for this service. Bottom line, most people know when they are overdrawn because of the notifications they receive by mail, internet and mobile banking. Trying to add another layer of notification will be burdensome, costly and will not be a benefit to the consumer.

The next point I would like to comment on is the issue of daily limits on customer costs. What exactly is an "appropriate daily limit" on costs or fees? With an automatic ODP program, the bank is basically taking the risk of paying NSF items in exchange for a fee. The more risk I take, the more fee I should be able to earn. The notion of taking increased risk but capping the fee would be counteractive to an ODP program. I think many banks will just send back items that would trigger a fee over the capped limit and cause the customer to pay a higher fee to the merchant that took the payment originally.

In conclusion, automatic ODP is already a burdensome service and adding more to it is not the answer. Many community banks cannot afford to implement these recommendations and may have to choose between being out of compliance or simply return all NSF items. Of course, this would drive customers to the big banks who can afford to implement these recommendations and isn't that where all the problems started in the first place?

Sincerely,
Shane Tomlin
Vice President/Compliance Officer
Roscoe State Bank
117 Cypress
PO Box 609
Roscoe, TX 79545
325-766-3311
stomlin@roscoestatebank.com