
From: Robert Kernodle [mailto:rkernodle@thecornerstonebank.com]
Sent: Wednesday, August 11, 2010 5:01 PM
To: Overdraft Comments
Cc: Norman Osborn
Subject: Overdraft Payment Program

This represents a public comment on the Federal Deposit Insurance Corp's proposed guidance on how the banking institutions it supervises should implement and maintain robust oversight of automated overdraft payment programs.

I believe in an effective monitoring program for excessive or chronic customer use of their overdraft privilege including contacting the customer by phone or by direct mail. In my opinion the customer should be contacted when they have used the privilege more than twice in any given month. I believe this is more realistic than the stated "six occasions where a fee is charged in a rolling twelve-month period". Giving the customer a reasonable opportunity to decide whether to continue fee-based overdraft coverage or to choose another available alternative is an excellent approach. However, it should be understood that many customers fully understand the privilege and their options but choose to continue the program.

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