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To: Overdraft Comments
Cc: singletarym@washpost.com
Subject: Overdraft Comments

I read Michelle Singletary's column today and was inspired to comment.

Working for a midsized credit union and having been employed in the credit union industry since 1981, this issue is important to me. First let me say that I do agree with the regulatory changes regarding debit/ATM overdrafts. As a parent, my young adult son has already saved \$120 in the month of July. However, the loss to my credit union for that same month was \$40,000 in fee income. We are working to find other sources of revenue to replace the lost OD fees. It does appear that checking account maintenance fees do need to make a comeback.

I would like to comment on the proposed new guidelines for overdrafts. I do agree that some type of limit should be placed on the number of overdrafts to an account. However, the FDIC/NCUA needs to know that many, if not most, of the overdraft fee abusers, do not want to be helped. I say this out of direct experience and not disrespect. About two years ago, we identified 100 members with excessive overdraft activity. We sent them a letter offering them \$100 to sign up for a course in how to manage a checking account. Guess how many responded to the offer ?---- zero. Many of the executive team were shocked and dismayed. Individual counseling sessions with abusers over the years, confirms the same. I had one member who paid enough in fees to take her children to Disney World on vacation. I pointed that out to her and she barely blinked an eye, despite living paycheck to paycheck. We try to counsel folks on the benefits of payroll deduction and even offer budgeting seminars and a one-on-one financial counselor. Unfortunately, I have often had to forcefully close the accounts to end the fee cycle. When personal lines of credit are offered as alternatives, the lines are quickly maxed out. I realize that I am talking about the heavy abusers.

As you consider forcing financial institutions to monitor overdraft usage and offer financial education, please keep this "abuser" group in mind. I don't think a checking account is right for everyone. Walmart offers a good source of low cost money orders for many.

Thank you,

Mary, Jacksonville Florida