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**From:** Raymond J. Hix [mailto:rhix@deanbank.com]  
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**To:** Overdraft Comments  
**Subject:** FIL-47-2010: Overdraft Comments

Working at an institution that had instituted an overdraft payment program a few years ago, there appears to be benefits in the following proposals:

- Board and Management oversight – the development of procedures to be reviewed by the Board, at least annually, should be a necessity, but there should also be a report on the number of depositors in the program, the activity, the number of accounts cut off for abuse of the program, and any complaints.
- Staff training – this should be a necessity, especially cross training staff in the offering of alternate products.
- Institution of a daily fee limit – this would allow institutions to charge fees but would cap the amount a consumer could be charged, thus offering the consumer protection.

HOWEVER, the proposal for monitoring **excessive or chronic customer**, as written, is **too stringent**.

Defining what six occasions in a rolling twelve month period means is extremely important. If it is 6 days out of 365 days during a year, the restriction becomes onerous on the institution performing the monitoring, and contacting the customer to offer alternate programs where they would have the choice of staying in the program would become almost ludicrous.

A better alternative might be using months instead of occasions (days). The suggestion would be if there were any 4 months during a 12 month rolling period, during which overdrafts were covered by the overdraft payment program, the bank should contact the customer with notification of other products that would allow this protection.

Along with this would have to be a definition of when the privilege has been abused and informing the consumer that they are no longer in the program.

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