
From: Ken Goldman [mailto:kengoldman@att.net]
Sent: Sunday, August 22, 2010 11:53 PM
To: Overdraft Comments
Subject: comment on proposed regulation

Dear Sirs and Madams:

From the description of the proposed regulations regarding overdrafts in the Los Angeles Times on August 22, 2010, these regulations appear more appropriate for elementary school students than for adults. Limits on charges? Counseling? It wasn't so long ago that people who wrote bad checks were referred to the District Attorney's office for criminal prosecution.

The frequent overdrafts cost banks money. Whether they cost the banks as much money as the banks charge their overdrawn customers is uncertain. Obviously the costs are not high enough to deter such irresponsible conduct. What is certain is that if the banks are prohibited from charging sufficient fees to these irresponsible consumers who are chronically overdrawn, they will make up for it by increasing the fees they charge customers who use their accounts responsibly. This is even more certain if banks are subject to any penalty for closing the accounts of such bad customers. So in the rush to protect irresponsible "consumers," please do not draft regulations that allow banks to shift this cost of doing business to responsible customers or penalize them for closing the accounts of customers whose irresponsible actions cost them more than you allow them to charge.

I question whether these "consumers" deserve any protection. Consumer advocacy should focus on protecting consumers from risks of the unregulated marketplace from which they are powerless to protect themselves. Hidden fees, misrepresentations of the insurance coverage provided accounts are two examples that are more appropriate for FDIC scrutiny and action than protecting people who persist in making themselves loans of their banks' money and then squawk at the "interest" the banks charge them.

Mary-Lynne Fisher
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