
From: Shaun Harms [mailto:sharms@bankersassurance.net]
Sent: Friday, August 27, 2010 1:22 PM
To: Overdraft Comments
Subject: Comment on proposal

I would just like to comment on the overdraft proposal sent on August 11, 2010. First, let me just start by saying that we do have a problem in the industry with ODP and the fact that some institutions are not doing what was actually intended. Now, some of the comments in this proposal are extreme in my eyes. The fact that the guidance states that the opt-out for Reg E could be a blanket for all transactions doesn't make any sense. I work in banking and I decided to opt-out based on the Reg E rules. However, based on the guidance, my opt-out would include all transactions? That's not feasible. As a consumer, if I had a mortgage or car payment that HAD to go through my account, I would want the bank to pay that item to keep me from adversely affecting other accounts. My \$25 ODP fee at the bank is better than paying an NSF fee, a late charge, an returned check charge, and other charges that can be linked to that transaction. Why not limit the fee to \$25, instead of costing me probably \$100 and making my credit rating potentially going lower. That to me more adversely affects the average consumer than a few ODP charges from the bank. I don't want to opt-in to the Reg E program, but by the FDIC's guidance I would have to opt in to make sure my items are paid. The Federal Reserve actually gets this area spot on in the Federal Register for the Reg E provisions. They only included one-time debit card transactions and ATMs strictly to avoid the situations noted above. I see this is a potential HUGE problem for both consumers and banks alike.

Next, on the notification, I have no doubt some consumers need to know the options available. But six in a rolling twelve month period? Six in a year for some consumers is ok if the transactions are paid not causing any problems. Will this really fix the problem? How will it be monitored? I just don't see how banks will maintain documentation on this, without doing an opt-in and opt-out for these transactions. That will be confusing to the customer, and cause the distrust in the banking system to rise even more. Most of the overdraft charges happen because of a certain event and have been increasing based on the sluggish economy. Setting daily limits (allowing 2 per day, etc.) or monthly ceilings may help more than a rolling 12-month period.

In the end, I understand the premise for this guidance but I don't think it solves the actual problem. I think this could go a long way to make it worse.

Shaun Harms, CRCM, CCBCO and CBAP
Bankers Assurance, LLC
(501) 410-3198
www.bankersassurance.net

Confidentiality Disclosure Notice: The information contained in this e-mail is legally privileged and confidential information for the sole use of the intended recipient. Any use, distribution, transmittal or re-transmittal of information contained in this email by persons who are not intended recipients may be a violation of law and is strictly prohibited. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you are not the intended recipient, please contact the sender at the number above and delete all copies.