

From: Tobey Unruh [macronerd@gmail.com]  
To: Overdraft Comments  
Sent: Sat 08/28/2010 8:29 AM  
Subject: Proposed Overdraft Guidelines

Dear Sir or Madam,

I just read an article in the LA Times regarding the new overdraft guidelines being proposed by the FDIC. While I mostly agree with everything that was mentioned, I would like to comment on a couple things. One, regarding habitual or chronic abusers, as someone who probably averages 5-10 overdrafts a year, I have to say that just because someone has that many in a year, does not mean they are abusing the system for the sake of taking advantage. "A 2008 FDIC study found that people who had five overdrafts or more per year accounted for 90% of all overdrafts. Those chronic overspenders were not simply making errors; they were using overdraft plans as short-term loans, [FDIC director of consumer protection, Sandra L. ] Thompson said." I believe this is a gross generalization and feel that rules put in place in response to that are as short-sighted as some of the current rules in place such as clearing larger debits first.

My main comment on this new overdraft proposal, which does sound as if it will help, is on this last statement regarding the clearing of large payments first. There have been many times we have been penalized with multiple overdraft fees because a large payment has come in and wiped out all available funds and when the smaller ones come in they are penalized. While I understand it is the consumer's responsibility to ensure funds are available, obviously having an account that is over-drafted is a persistent and perpetual problem so why not implement changes to help the consumers? If rules are put into place regarding the ordering of check clearing perhaps additional rules or guidelines could be implemented for banks to interview repeat offenders and determine which transactions take precedence (i.e. car payments, mortgage payments, etc.).

I do like and agree with the statement of banks monitoring and counseling repeat offenders as the current lack of even acknowledgment of chronic overdrafts leads one to believe they are taking every advantage they can get to collect those fees. By monitoring and addressing overdrafts with customers, the banks will be able to weed out the actual abusers and help those in need.

Thank you for your time,  
Tobey Unruh