

**From:** Ray Stipp [Ray.Stipp@cbthomebank.com]  
**Sent:** Monday, September 13, 2010 5:28 PM  
**To:** Overdraft Comments  
September 13, 2010

Following are observations about overdraft experience at our bank over the past several years:

1. The majority of our customers value overdraft services. In compliance with Reg. E we contacted eligible customers concerning their decision to opt in to our overdraft program. We found that two weeks after the effective date of opt in, 75% of our eligible customers had been contacted (9,537) and 84% of those contacted desired to opt in to our program (8,007) with only 16% opting out (1,530). This is an overwhelming response by our customer base that the service is valued and that our typical customers desires his or her overdraft service to remain the same. Asking this customer base to opt-in again makes absolutely no sense. The message would be that you Mr. or Ms. Customer are unable to manage your own financial affairs and it is obvious that you need assistance.
2. Also, these measures would add to the list of legal-ese our customers are tired of hearing. In most cases our customers say don't bother me with required "hazardous to your health" warnings and allow me to make my own decision about what I need.
3. We have observed that customers who are not allowed to deal with their accounts in the manner in which they please will migrate to the "check-cashing" companies for financial services where they are not "regulated to death".
4. We have observed that it is not only the financially un-sophisticated or lower income customers who utilize overdraft services. In fact, our customers who utilize our overdraft program cut across income categories and educational background and age ranges. They each have their own particular reason for choosing to utilize the program but share in their understanding it is their business and it is their choice.
5. We have for many years offered an alternative line of credit to customers who would overdraft and have found that many utilize the line and continue on into overdrafts on a regular basis.
6. The cost of originating a small loan is prohibitive for the size of the loan involved.
7. Monitoring the daily use of overdrafts and contacting customers who are "abusing" the privilege is much too cumbersome and moreover, many customers do not wish to be contacted.

In summary, we believe adequate initial disclosures about our overdraft fees and the opportunity to opt in for debit card and ATM overdrafts, as well as seeing overdraft fees prominently displayed on the customer bank statement are quite sufficient for our bank customers to understand our overdraft program.

We do not believe we, or the FDIC, should be making judgments about how our customers manage their bank accounts.

Respectfully,

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