

From: Chris S. Caley [bankofclarkschris@clarks.net]  
Sent: Wednesday, September 15, 2010 8:57 AM  
To: Overdraft Comments  
Subject: FIL-42-2010

As the owner of a small ag based bank in Nebraska I am amazed that it has become a necessity to issue guidance on bank overdraft programs that goes well beyond the newly set regulations for the opt-in/opt-out regarding debit card/atm card transactions. We have given a \$10 buffer of no charge for a number of years when it comes to an overdraft to give consideration to a customer who makes a small mistake. I have never felt that charging a \$20.00 or more overdraft fee for a \$5.00 error was ever morally correct. Additionally, we are usually at the lower end of what we charge on overdrafts to our customers when compared to bank within a 60 mile radius and have always been much less than the large financial institutions. To expect that we now have to offer the same opt-in/opt-out for all forms of debits to an account when the current regulations do not state that is simply taking things too far. We have always tried to work with customers to give them the a means of avoiding overdrafts whether that be through an automatic transfer from another account or a loan. We looked at offering overdraft protection accounts, but at that time those accounts were falling under ever increasing scrutiny and we decided not to delve into that field of lending. At what point does it come down to the customer has a responsibility to know if they have money in their account when they write the check. I fail to see why it falls upon the bank to make sure a customer is aware of this and how to balance a checkbook or to go out and tell a customer that they need to apply for a loan. A certain degree of responsibility must fall back on the bank customer for their own actions. Everybody who has gone through school has been taught how to balance a checkbook. We pay for materials annually for both of our local schools that helps to teach students how to do this and how important it is to maintain your account in a satisfactory manner.

The expectation of the FDIC for banks to institute a program monitoring when an account has had more than six overdrafts (where a fee was charged) over a rolling 12 month time frame is absolutely taking things too far. If the customer is unhappy with the overdraft charges they can cease writing checks or using the debit card (which generally won't work if the account doesn't have sufficient funds) or come in to apply for a loan. Requiring the bank to institute such a review program will require a substantial amount of time and is quite frankly unnecessary. The consumer needs to be held responsible for making their own decisions. I realize why some of these regulations that are coming into being are necessary, but many of them have simply gone too far and that includes this guidance on overdrafts.