



September 16, 2010

Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429-9990

Delivered via E-mail:
OverdraftComments@fdic.gov

Re: FIL-47-2010

Dear Sir or Madam:

I work at First Financial Bank, N.A. Mineral Wells, a financial institution of one hundred eighty million in assets that was chartered in 1923 to serve the citizens of Palo Pinto County in the state of Texas. The bank employs thirty seven individuals who serve the rural communities of Mineral Wells, Santo, Graford, Palo Pinto and several other small towns in our county.

I am writing because I feel that the FDIC, in proposing this guidance, is operating on the mistaken belief that community bankers are willfully and deliberately taking advantage of our customers through our banks' overdraft payment program. Nothing could be further from the truth. The fact of the matter is that if a bank were trying to mislead their customers for profit's sake, the bank would soon not have customers. They want to have the overdraft payment program as a service from our bank. We work very hard to retain our customers by providing outstanding customer service at our bank. If they felt as though we were taking advantage of them, we would certainly no longer be their bank.

I would like to comment on the following specific areas of concern in the proposed supervisory guidance. First, the proposed requirement that a financial institution monitor their overdraft programs for excessive or chronic customer use. If a customer overdraws his account on more than six occasions in rolling twelve-month period, the bank must undertake meaningful and effective follow-up action. I believe this proposal makes several assumptions that I believe are erroneous. Customers have repeatedly indicated they are willing to absorb any overdraft charge caused by their own failure to keep good balance records, requiring the bank to contact them and offer less costly alternatives would yield no benefit. The majority of our customers see the overdraft program as a benefit to the bank returning the item thus incurring higher and more costly charges from the retail businesses. Our customers have been counseled and offered less costly alternatives but have chosen the overdraft program over the other products. Requiring my bankers to call our customers every six months to counsel them on credit alternatives could not only be viewed as harassing or telemarketing calls, it could also be grounds for the customer to move their checking accounts to another bank.

Second, I am concerned with the fact a bank, a for profit financial institution with whom our customers have a contractual relationship when opening an account, must limit the amount of fees that a customer could incur as a result of violating their depository contract. The customer knows their responsibility for maintaining a positive balance account but many chose to write checks or use debit cards knowing they do not have a positive balance and they can use overdraft protection for a purchase and not have the item returned. Our bank is in business to make a profit for our shareholders in a very competitive market and I know I do not want to drive our customers away by not offering a product they chose to us.

Thirdly, there seems to be an inconsistency with the rolling twelve month period the FDIC suggests we as bankers follow to monitor their customers' use of overdraft programs. The six overdrafts, in a rolling twelve month period, requirement is an arbitrary number that is counter to existing Regulation DD requirements that require the bank to provide overdraft information to our customer on a year to date basis. Again, Regulation DD currently requires disclosure of the totals dollar amount for all fee or charges imposed on an account for paying checks or other items when there are insufficient or unavailable funds and the account becomes overdrawn and the total dollar amount for all fees or charges imposed on the account for returning items unpaid. This must be done both for the statement period and for the calendar year. Introducing an inconsistent rolling time range for which banks must reach out to their customers to counsel them on their overdraft usage imposes additional compliance burdens and cost to our bank, which will likely lead to increased cost for all bank customers.

Finally, I believe the majority of our customers make sound financial decisions and for those who do not, we already work with them to provide them a product that best fits their financial needs. I also believe the bank customer must take more personal responsibility in monitoring and balancing their checking account in regards to their financial spending. Ultimately, the customer should have the ability to choose the product they believe best fits their needs. The increased monitoring does not benefit the customer and mostly likely will be harmed by the adoption of this guidance.

I appreciate your providing me with the opportunity to comment on this matter and I hope the FDIC will reconsider this guidance.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth A. Williamson". The signature is fluid and cursive, with a large initial "K" and "W".

Kenneth A. Williamson
Chairman, President & CEO