

From: Site Administrator [web@responsiblelending.org] on behalf of Ana Malik [christinamalik@mail.com]
Sent: Friday, September 17, 2010 6:05 PM
To: Overdraft Comments
Subject: Stop unfair and abusive debit-card overdraft fees

Sep 17, 2010

Ms Sheila Bair

Dear Ms Bair,

I support the FDIC's recommendations that banks address deceptive unfair debit-card overdraft practices used to maximize the fees they charge customers.

I think that charging overdraft fees is fine, as long as they are not exorbitant (Greatly exceeding bounds of reason or moderation) for each overdraft item.

The Banks already control all electronic transactions credit/debit, they also have the ability to BLOCK transactions in real time just as they are occurring - Much like the prepaid cards do. If an account overdrafts, it could be for a number of reasons, willful or automatic debit. In the automatic debit world, consumers do not always KNOW when exactly a specific dollar amount will be debited, after all they are not the ones initiating the automatic debit at that given moment. (some instances, not all)

However, Banks always have the ability to block the transactions. Do they? No. Why not? Because they make more money if they overdraft the account.

Now, does it make sense to pay a \$35 Overdraft on a \$3.95 Starbucks Frappuccino? No. Would it make sense to pay a % based on the amount over drafted? Maybe, as long as it doesn't exceed another exorbitant amount.

It is easy to tell the world, watch your Bank Account. However, there are also 111 other things going on in the daily lives of Consumers.

With all the gadgets and gizmos out there, I don't see a Cell Widget which keeps you informed of what's in your Bank Account at any given time, in real time.

Why? Because Banks essentially are not in Real Time, All the time.

They process credits & debits, but many times the transactions do not appear or modify in ones account until days later, depending on the vendor, bank.

IF the overdraft fees followed a Tier (pay less for smaller overdrafts & pay more for larger overdrafts, not to exceed a certain figure), perhaps Consumers would not be complaining so much.

However, when the Banks are set up to Debit the larger checks first and the smaller checks next, it creates more overdrafts in ones account. A more overdrafts, more fees. And if the consumer didn't have 9.95 in the account to pay Netflix to begin with, how does the Banking Industry think they are going to have \$35 to pay for Nexflix X 3.5? Instead, they will have one angry customer - and shortly after wards a closed account.

Also, there should be a way to Dispute charges online - the same way people make disputes online with the Credit Bureaus. Then the complaint is put into a que, followed by someone investigating the dispute and deciding whether there is something that can be done to correct, remove or lower the amount disputed. This is reality. If one can't pay \$10, they are not going to pay \$30 - if they could, they would. There is ALWAYS a solution. However, there is not always "SOMEONE" who wants to provide a solution. And that is the real problem here.

Who wants to provide solutions?

American Consumers would like to know.

Sincerely,

Ms. Ana Malik
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