

# HORIZON STATE ♦ BANK

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September 21, 2010

Federal Deposit Insurance Corporation  
Fax (703)465-4303

Re: FDIC FIL-47-2010 dated August 11, 2010 "Overdraft Payment Supervisory Guidance"

Horizon State Bank appreciates the opportunity to comment on the above-referenced guidance. We certainly understand that the traditional deposit account relationship between our bank and our customers has evolved and continues to evolve, primarily due to increasing ways that accounts can be accessed. This evolution presents challenges our bank and our customers.

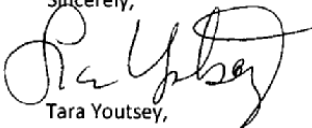
**The FDIC will take supervisory action where overdraft payment programs pose unacceptable safety and soundness or compliance management system risks or result in violations of laws or regulations, including unfair or deceptive acts or practices and fair lending laws.** Horizon State Bank is very serious in obeying and following all banking laws imposed by the federal regulators. Also, we make every effort to correct any action or criticism brought to our attention by the federal regulators. Horizon State Bank does not believe that overdraft payment programs pose an unacceptable safety or soundness risk or that it is detrimental to the customer. These programs have been around for a long time and we still have customers requesting overdraft payment programs. Most customers greatly appreciate the fact that we pay their overdrafts and avoid embarrassing situations of having their checks returned.

**The FDIC states that institutions should incorporate the best practices outlined in the 2005 Joint Guidance on Overdraft Protection Programs.** This guidance states that "the best practices, or principles within them, are enforceable to the extent they are required by law." Horizon State Bank believes that we should be well informed on the guidance and "best practices" but should not be forced to follow the procedures that are not required by law.

We at Horizon State Bank believe that we have acted responsibly toward our customers. As we move forward into the new Dodd-Frank Act era, there are real issues about the amount of regulation and associated costs that we can absorb and stay in business. We believe that financial education in our public schools should be the starting point to make bank account owners more responsible in handling their checking accounts and avoiding overdrafts. It is in everyone's best interest that bank customers are informed so they may make the best decisions to manage their finances. Any efforts by the FDIC in providing financial education would be welcomed.

Thank you for your time and the consideration of our comments.

Sincerely,



Tara Youtsey,  
Operations Officer