



**First Missouri  
National Bank**

*In Touch with You*<sup>®</sup>  
[www.firstmissouri.com](http://www.firstmissouri.com)

September 22, 2010

Federal Deposit Insurance Corporation

via [OverdraftComments@fdic.gov](mailto:OverdraftComments@fdic.gov)  
or via fax to (703) 465-4303

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

First Missouri National Bank appreciates the opportunity to comment on the above referenced guidance. FMNB is a community bank. We understand the changes in the traditional deposit account relationship between banks and their customers and this will continue to change primarily due to increasing ways the accounts can be accessed. This presents challenges for banks and their customers.

In our opinion, the proposed Overdraft Payment Supervisory Guidance goes beyond what has traditionally been provided through interagency guidance – which is additional support or direction to help banks develop policies and procedures to comply with existing laws and regulations.

If the FDIC pursues the adoption of this Guidance and the Federal Reserve Board and OCC do not adopt any guidance, FDIC-regulated banks will be placed at a competitive disadvantage due to increasing costs and burdens they will have to undertake to comply with the Guidance. We feel any guidance on a topic of this nature should always be Interagency – not just from one agency.

The comments below are directed at specific provisions of the proposed Overdraft Payment Supervisory Guidance:

**FDIC expects financial institution to give consumers the opportunity to affirmatively choose the overdraft payment product that overall meets their needs.** This expectation implies that every bank offers more than one overdraft payment product. Banks from a competitive and customer relations standpoint will offer the products and services that best fit



300 W. Lockling · Brookfield, MO 64628 · Phone: (660) 258-3311 · Fax: (660) 258-5722  
455 S. Sam Barr Dr · Kearney, MO 64060 · Phone: (816) 903-9010 · Fax: (816) 903-9015



the market and customer base. Many community banks do not offer overdraft lines of credit as the open-end disclosures required by Regulation Z are extremely complex and require an investment in technology and resources that may not be feasible for the bank. Customers have the right to receive Regulation DD disclosures prior to account opening describing the fees and features for an account – if the bank does not offer the fees and features that suit their needs, they can look for an account elsewhere.

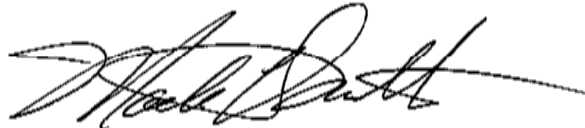
**FDIC expects financial institutions to institute appropriate daily limits on overdraft fees.**

This proposed guidance goes beyond current law. Missouri law contains no limits on what a bank may charge for an overdraft fee, and does not impose a daily limit. The marketplace should and does drive this issue, and many banks have adopted such a limit as a competitive strategy. The FDIC states such a limit will reduce customer costs. If the bank does not pay the overdraft and returns a check, the customer will incur a non-sufficient funds fee at the bank and likely a returned check fee from the merchant. How does that reduce the customer's costs? The FDIC should not mandate a set limit on overdraft fees.

First Missouri National Bank believes that a vast majority of banks respect their customers and have acted responsibly towards them. There is no perfect formula to make an overdraft go away but financial education would help along with fair disclosure by banks and personal responsibility from their customers. We support consumer financial education and the state of Missouri is one of three states that require a personal finance credit to meet high school graduation requirements. We know of several Missouri banks that have volunteered at high schools to help in educating their students. Bank customers being informed so they make the best decisions to manage their finances is in everyone's best interests.

Thank you for your time and consideration of our comments.

Respectfully,



Mark L. Smith  
President and CEO

MLS/lf