

Iowa-Nebraska State Bank
P.O. Box 37
South Sioux City, NE 68776

September 23, 2010

Federal Deposit Insurance Corporation
OverdraftComments@fdic.gov

RE: Comments on Overdraft Payment Supervisory Guidance

For the past 10 years, this Bank has offered its customers an Overdraft Protection Plan that provides customers, who choose to take the service, the comfort in knowing an errant overdraft or deliberately written overdraft may be paid by the Bank and the check not returned to the receiving merchant. During the course of the past years, the Bank has consistently adhered to the best practices suggested by the FDIC and successfully complied with the new features of Regulation E that requires an affirmation by the customer regarding payment of overdrafts on certain electronic transactions. From the inception of our Overdraft Protection Plan to this time, after extensive Reg E confirmation, our customers have overwhelmingly appreciated this service offering and overwhelmingly confirmed their desire to retain the service for both checks and electronic transactions.

As a community bank, our Bank offers a full range of deposit and loan services to all of our qualified customers. It is in the best interest of the customer, our Bank and our community, to provide services that promotes the financial health of all our customers. In addition, the Bank offers quarterly Money Smart training to our customers at our branches and will soon link to on-line Money Smart training for the convenience of customers who desire training at their home to further their financial education.

With advances in technology and communications, our Bank provides a variety of methods for our customers to know their account balances on a real-time 24/7 basis. For example, the Bank provides to its customers, at no cost:

- Telephone banking for calls from both land lines and cell phones.
- Internet banking with balance warning messages and free transfer options.
- Balances via Bank owned and many networked ATMs

With a variety of real-time balance information available, their opt-in or opt-out Reg E decision made and consistently available education, we believe that customers who would have 6 or more overdrafts in a 12 month period do so as a matter of lifestyle and by deliberate choice. Requiring a bank to contact a customer with 6 overdrafts and implying that future activity will be limited or halted will undoubtedly result in an increase in closed accounts and an increase in unbanked consumers, an unintended consequence not desired by any of the concerned parties. These former customers might also return to Payday Lenders and Pawn Shops, since both of these shadow bank options are readily available. Our Bank customers who choose Overdraft Protection, do not want their checks returned to merchants, who in our community, charge almost twice the amount of our overdraft fee for their returned check fee. The merchants require cash payment of returned item and may limited future check payments by the customer. To reduce the risk of a damaged reputation, avoid additional fees and inconvenience required to rectify a returned check, an Overdraft Protection Program, using consistent decision making that the customer understands and accepts, within the FDIC best practices, including daily limits on fees and a transaction process method that reflects the desire of the customer, is a very valued service by those customers who choose the service. Contrary to the background presented in the Supplemental

Information, our experience has been one of overwhelming customer satisfaction and a reduced level of complaints.

In conclusion, a well defined Overdraft Protection Program decision process has provided customers with consistent service and treatment rather than the vagueness inherent in ad hoc processes. Our customers continue to have more account information and more education leading to informed decisions. They should be allowed to manage their accounts in a manner of their own choosing.

Thank you for your consideration in this matter.

Sincerely,

Ronald E. Bowden
Chairman and CEO
rbowden@insb.biz

Ronald E. Bowden, Chairman & CEO
Iowa-Nebraska State Bank
P.O. Box 37
South Sioux City, NE 68776-0037
Phone: 402/494-4225, ext 1034 Fax: 402/494-5086

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