



September 21, 2010

Via E-mail: [OverdraftComments@fdic.gov](mailto:OverdraftComments@fdic.gov)  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, N.W.  
Washington, D.C. 20429-9990

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

To Whom It May Concern:

West Plains Bank and Trust Company is a \$265 million asset commercial bank located in south-central Missouri. Organized in 1883, the Bank has continued to serve its local community and is the oldest continuously operated business in southern Missouri. With a conservative lending and management style, we have weathered the recent recession quite well, having the lowest non-performing asset ratio as compared to our local competition and well below our national industry peer group.

West Plains Bank and Trust Company offers a courtesy overdraft protection to our customers once they have had an account open for 30 days and have met an aggregate deposit threshold limit within the 30 day timeframe. The usual overdraft amount is \$400. We also offer our customers the choice to apply for an overdraft line of credit or set up an automatic transfer from another linked account. At any time, a customer with a courtesy overdraft limit can request to have it removed and the bank immediately honors the customer's request.

Although I agree with some of the requirements in the proposed Overdraft Payment Supervisory Guidance, some of the provisions go beyond what is necessary for well run banks. In my opinion, the following items in the guidelines need to be further reviewed.

1. The FDIC pursues the adoption of the Guidance while the Federal Reserve Board and OCC have not joined forces on the guidance to make it "interagency." FDIC regulated banks will therefore be at a competitive disadvantage with the increased regulatory burdens and costs as compared to non-FDIC regulated banks. Interagency guidance would level the competitive playing field.
2. The requirement to monitor the programs for excessive or chronic customer use appears to be unduly burdensome. Requiring follow up action for accounts that overdraw their accounts six times in a rolling twelve month period would require at least one full time employee to monitor overdrawn accounts. Many customers rely on and appreciate the fact the Bank will pay overdraft items when they run a little short. Six items in one month may be the norm for some customers, but would we be required to contact them every month or just once every twelve months? On a joint account does the Bank need to speak to one or both account holders? Some customers may think that the "in person or via telephone" contact is intrusive and even insulting since the customer had to overdraw his or her account and may not want to be reminded of it. The customer already receives

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a breakdown of monthly and year to date overdraft fees on each monthly statement. In essence, the method of contact is unreasonable and the six items in a rolling twelve month period is entirely too low.

3. The number of regulations that a financial institution is required to monitor and comply with seems to grow daily. The new Frank-Dodd Act has the potential to add hundreds of new regulations, which in turn increases the compliance costs to operate the Bank. Requiring the Board of Directors to annually review and approve the overdraft programs is not the best use of the Board's time. The Board is not responsible for managing the day to day operations (such as an overdraft program) of the Bank. They do not have the expertise or time to effectively review the overdraft program.

Thank you for your time and consideration of our comments.

Best Regards,



David M. Gohn  
President and Chief Operating Officer