

From: Reid Sharp [Rsharp@fnbbastrop.com]
Sent: Thursday, September 23, 2010 2:41 PM
To: Overdraft Comments
Subject: FIL-47-2010

Federal Deposit Insurance Corporation
DELIVERED VIA E-MAIL: OverdraftComments@fdic.gov
550 17th Street NW
Washington, D.C. 20429-9990

Re: FIL-47-2010

Dear Sir or Madam:

We are a \$325 million bank located in Central Texas. We were organized in 1889 and employ 132 people. We are the 5th largest private employer in our community of 5,800 folks.

We serve the banking needs of approximately 15,000 customers in our county. Our customers bank with us and tell their neighbors and friends about us because of the customer service we provide them. There are 14 financial institutions in our county. If our customers felt as though we were taking advantage of them, we would certainly no longer be their banker and would certainly not have a 48% market share of the deposits in our county.

The proposed requirement that a financial institution monitor overdraft programs for “excessive or chronic customer use”, and, if the account is overdrawn on more than six occasions in a rolling twelve-month period, require us to undertake “meaningful and effective follow-up action” is ridiculously onerous and even conflicts with existing federal regulations like Regulation DD.

Requiring the bank to contact overdrawn customers and offer less costly alternatives is also ludicrous – if they had a savings, they would transfer the funds; if they are creditworthy, they would borrow the money to cover the account. That is, unless they just prefer to do business in this manner and pay the fees. Many folks just consciously choose to overdraw their accounts instead of keeping track of their checkbooks and budgeting their spending.

It is disturbing that we must now limit the amount of fees that a customer could incur as a result of the customer not only violating their depository contract (the signature card setting out the customer’s duty to maintain a positive account balance) but also the law. To do so not only legitimizes hot check writing, it rewards irresponsibility.

How about this proposal: we all balance our checkbooks and keep track of our spending and not follow the example of the Federal Government?

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