

**From:** Greg Studer [gstuder@nstarbank.com]  
**Sent:** Thursday, September 23, 2010 4:31 PM  
**To:** Overdraft Comments  
**Subject:** Comment--FDIC FIL 47-2010

Dear Sir/Madam:

Thank you for allowing me to comment on the proposed changes to our Overdraft Payment Program.

Northstar Bank of Texas is an \$800M state banking institution located in Denton Texas. Currently we offer our customers at ODP program that provides services to over 7200 customers who have opted-in to our program. These customers value the overdraft service we provide and appreciate Northstar taking a risk on them by paying items on their accounts even though available funds are not in the account. This is a much better alternative to them than having the item returned and being embarrassed and usually charged by the receiving merchant.

We, like our customers, felt the recent change to Regulation E was unnecessary and confusing, but we were successful in complying with the new regulation. As a result, we estimate that over 90% of our customers opted-in (again) for this service and are comfortable knowing their items will be paid in the event an error is made on their part.

We have instituted limits ensuring customers are not charged a fee when the account shortfall is \$5 or less. We withdraw ODP privileges when it appears a customer is using the funds as additional pay rather than emergency protection. We arbitrarily limit the number of charges per incident on given customers.

We operate our program in such a way that it provides appreciated protection to our customers and both Bank and customer are happy with how the program works. Of course, a customer is free to opt-out of our program at any time if they feel it is not in their best interest. We provide guidance to our customers before they are allowed to opt-in to our program and I do not feel they will appreciate receiving "counseling" after they have made so few mistakes.

On behalf of the Bank and our customers, we appreciate the opportunity to let you know that we feel the proposed changes are unnecessary, are confusing to clients and an unnecessary burden to all financial institutions.

Thank you for considering our position.

Greg Studer  
Executive Vice President  
Northstar Bank of Texas  
Denton, Texas

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