



By electronic delivery to:
OverdraftComments@fdic.gov

September 24, 2010

Federal Deposit Insurance Corporation
550 17th Street N.W.
Washington, D.C. 20429-9990

Re: Overdraft Payment Programs and Consumer Protection, FIL-47-2010

Sir or Madam:

Thank you for the opportunity to provide comment and perspective in response to FDIC FIL-47-2010, Overdraft Payment Programs and Consumer Protection. Bank Mutual recognizes the importance of this topic for both consumers and financial institutions and supports the interagency efforts to provide clear direction to both banks and examiners on the management of overdraft protection programs.

Bank Mutual is a federally-chartered Savings Bank proudly serving the families and businesses of communities in Wisconsin and Minnesota since 1892. Today, our associates help meet the financial needs of nearly 100,000 households with transaction, investment and loan products designed to help our friends and neighbors make their way in life.

We are aware there was a comment letter filed by the ABA on September 22, 2010, covering their position on this topic. Bank Mutual agrees with the ABA's position.

To help our customers make informed decisions on how overdrafts on their accounts are handled, Bank Mutual offers several options. They include Overdraft Protection from Savings, Overdraft Line of Credit as well as criteria decisioning based on risk associated with a given account relationship.

In our effort to comply with the recent changes to Regulations E and DD, we have made significant expenditures of time, money and other bank resources to make the systems changes required, to train our associates and to reach out to our customers to ensure that they would have an accurate understanding of how overdrafts for ATM and point-of-sale debit card transactions would be handled.

It's important to note that over **80% of Bank Mutual's customers who have had an overdraft during the last 18 months have affirmatively Opted-in** for some form of

Overdraft Protection. This is a clear, unambiguous statement by our customers that they value this service and they are willing to pay our reasonable fees to have the convenience and peace of mind it provides. We used multiple channels to communicate with customers about overdraft alternatives. These included direct mail, email, and telephone contact as well as in-branch informational material and one-on-one discussions. The in person interaction proved most effective as our well trained bankers were able to explain the various alternatives so an informed customer could then make the choice which best fit their needs. This experience underscores the fact that the new regulatory framework has empowered the consumer.

We understand the new guidance contemplates a requirement for tracking and follow-up communication with customers after a prescribed number of overdrafts have occurred in a rolling 12 month period. This would be both redundant and confusing to customers and very costly for the bank to implement. Today each overdraft is promptly communicated to customers. In addition, a growing number of customers have elected our "e-Alert" service which is provided free of charge to customers but at a high cost to the bank. The "e-Alert" notifications are set-up by the customer to advise them when their account balance reaches a level they determine.

In addition to these notifications, a monthly statement is provided which shows all account activity including transactions which created an overdraft as well as the fees associated. Based on experience with our customers they would not appreciate being sent periodic Naughty-Grams about their overdraft behaviors. They feel they are receiving plenty of notice on overdrafts and the imposition of new monitoring and follow-up is unnecessary, wasteful and annoying.

Lastly, the new requirements contemplate assigning managerial responsibilities to the board of directors for annual approval of overdraft program features. In today's challenging banking and economic environment the time and attention of the board is far better devoted to strategic guidance and corporate governance of the bank and should not include such a granular involvement in the operation of overdrafts. Matters of capital adequacy, asset quality and risk management are more appropriate accountabilities for the board. We strongly urge the FDIC not to impose this requirement.

If you have any questions about these comments, please contact me at your convenience at 414-354-1500 Ext. 519 or via email at terry.anderegg@bankmutual.com.

Sincerely,



P. Terry Anderegg
Senior Vice President
Retailing Banking and Operations Group