

PROSPERITY BANK

MEMO

To: FDIC

From: Shirley Fiano, Executive Vice President
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Re: Overdraft Comments

Date: September 24, 2010

In response to your request for comments regarding the FDIC recommendations for Overdraft Payment Programs, these comments relate directly to the additional expectations that the FDIC stated it would expect of financial institutions, such as monitoring customers who have more than 6 overdraft charges per year, limiting daily overdraft fees, and directing the order in which overdrawn items are paid.

As with any business in the service industry, banks offer *services* in exchange for a *fee*. And as with any other business, banks should be able to set their fees and rates based on what the market will bear. A bank should clearly disclose their fees and how they are assessed, and then the consumer has the right to choose whether or not they wish to pay the fee. A checking account is not a right due to a consumer, but rather a service provided by a business. That business should be able to set fees related to the service provided. If the consumer does not wish to pay the fee, they have choices: discontinue the activity that assesses the fee or move to another bank.

Regulators should not insert themselves into free trade by dictating fees that businesses may or may not charge. It hurts the business and will ultimately hurt the consumer.

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