

09-24-10 02:05PM FROM=first national bank

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JOHN HERNDON
President

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September 24, 2010

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

SENT VIA FAX TO: 703-465-4303

RE: FDIC FIL-47-2010

Gentlemen:

Our bank is a community bank and has served our city for over 108 years. We offer an Overdraft Protection Program to our customers on an as requested basis. We pay items that are presented in a low dollar to high dollar priority so as to always maximize the number of checks paid and minimize the cost to the customer. To my knowledge, we have not had one customer complain about our Overdraft Protection Program in the length of time we have had it, which goes back over seven years. Our customers use this feature by choice.

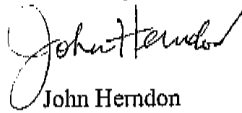
As all banks did, we complied with the recent changes to Reg E and DD. It costs us considerable time and effort to comply with this change. We had 70% of our respondents opting in rather than out. Most of those who opted out were customers who have no history of NSF's and don't even worry about being overdrawn.

This proposal to place new burdens on banks to monitor consumer transactions and to limit the imposition of fees after a customer reaches a certain level is unnecessary and will result in less consumer benefit. If we are forced by regulation to cap fees for users of this program, we will most likely when the cap is reached require the customer to close their account. Why should we be forced to continue to process activity that costs us without being able to be compensated for it? What is lost in all of this is that the consumer has the ultimate control over whether they wish to write checks or use their debit card when in fact they don't have funds in the account. The bank has no control over the initiation of the activity. If the consumer wishes to avoid paying fees they simply should refrain from drawing against funds they do not have. If the consumer wishes to do so, then we have programs available for them to use, such as an Overdraft Protection Program or setting up transfers from other accounts.

The including of requiring a board of directors to approve such a program on an annual basis is ridiculous. An original approval is certainly in order but to have it approved annually continues the recent ever increasing regulatory changes for boards to do certain things. It is getting to the point that regulations are such that they might as well have offices within the banks and do away with management since they are being required to do more and more things.

I ask you to consider what is really happening at the community bank level and know that customers are being treated fairly.

Sincerely,

A handwritten signature in cursive script that reads "John Herndon". The signature is written in black ink and is positioned above the printed name.

John Herndon