



**First Missouri  
National Bank**

*In Touch with You*<sup>®</sup>  
[www.firstmissouri.com](http://www.firstmissouri.com)

September 22, 2010

Federal Deposit Insurance Corporation

via [OverdraftComments@fdic.gov](mailto:OverdraftComments@fdic.gov)  
or via fax to (703) 465-4303

RE: FDIC FIL-47-2010 dated August 11, 2010 "Overdraft Payment Supervisory Guidance"

First Missouri National Bank appreciates the opportunity to comment on the above referenced guidance. FMNB is a community bank. We understand the changes in the traditional deposit account relationship between banks and their customers and this will continue to change primarily due to increasing ways the accounts can be accessed. This presents challenges for banks and their customers.

In our opinion, the proposed Overdraft Payment Supervisory Guidance goes beyond what has traditionally been provided through interagency guidance – which is additional support or direction to help banks develop policies and procedures to comply with existing laws and regulations.

If the FDIC pursues the adoption of this Guidance and the Federal Reserve Board and OCC do not adopt any guidance, FDIC-regulated banks will be placed at a competitive disadvantage due to increasing costs and burdens they will have to undertake to comply with the Guidance. We feel any guidance on a topic of this nature should always be Interagency – not just from one agency.

The comments below are directed at specific provisions of the proposed Overdraft Payment Supervisory Guidance:

**FDIC expects financial institutions to promptly honor customers' requests to decline coverage of overdrafts resulting from non-electronic transactions.** There is no provision in existing laws or regulations that require a financial institution to do so. In fact, the model form adopted by the Federal Reserve Board in the recent change to Regulation E contained



verbiage stating that the bank may authorize and pay overdrafts for checks and automatic bill payments, recognizing the bank's right to do so. From a competitive, and customer relations standpoint, in our opinion banks would honor their customers' requests to decline the payment of overdrafts resulting from non-electronic transactions (and return the items instead), but this Guidance is not appropriate in "expecting" banks to do so when there is no accompanying law or regulation to require such practice.

**FDIC expects financial institutions to provide clear and meaningful disclosures and other communications about overdraft payment programs, features and options.** Many regulatory requirements currently exist requiring disclosures to consumers regarding their accounts. Suggested model forms and clauses to provide these disclosures have been adopted through consumer testing by the regulatory agencies. Most banks use these model forms verbatim as a safe harbor to ensure compliance, also making it easier to compare fees and practices by account and by bank. The proposed Guidance seems to suggest that the FDIC expects disclosures beyond those already required by Regulation DD and Regulation E. These regulations clearly require information about overdraft fees to be disclosed to the customer prior to account opening, on customer statements, and upon request. If the FDIC expects additional disclosures, that should be accomplished through proposed rulemaking by the Federal Reserve Board to amend Regulation DD and/or Regulation E, not through this Guidance.

First Missouri National Bank believes that a vast majority of banks respect their customers and have acted responsibly towards them. There is no perfect formula to make an overdraft go away but financial education would help along with fair disclosure by banks and personal responsibility from their customers. We support consumer financial education and the state of Missouri is one of three states that require a personal finance credit to meet high school graduation requirements. We know of several Missouri banks that have volunteered at high schools to help in educating their students. Bank customers being informed so they make the best decisions to manage their finances is in everyone's best interests.

Thank you for your time and consideration of our comments.

Respectfully,



Amy Jobson  
Branch Manager

AJ/lf