

Citizens Bank

www.citizensbanktx.com

September 24, 2010

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

Re: FIL – 47-2010

DELIVERED VIA E-MAIL: overdraftcomments@fdic.gov

Dear Sir or Madam:

I am the President and CEO of Citizens Bank, a \$300,000,000 community bank located in East Texas. We have a total of eleven locations in ten Texas communities. We have been in business for sixty one years and we employ close to one hundred and fifteen wonderful people.

All one hundred and fifteen of us are here to provide the best possible banking experience we can for our customers. In fact, our “tag line” states: “We Stand For Your Success.” The “Success” of our customers. We retain our customers because of the positive experience that we provide them. If they felt that we were taking advantage of them, in any way, they would simply change banks. That is the way our free market system works in America, at least for now. In each of our locations, there are numerous other banks, thrifts or credit unions where our customers could do business, not to mention the hundreds of choices available to them through the internet. Competition is fierce for each and every customer. We do not take a single one of them for granted. I get the feeling that maybe the FDIC, in proposing this guidance, believes that banks such as mine are deliberately taking advantage of our customers through our overdraft payment program.

The vast majority of our customers make sound financial decisions and never write a check drawn against insufficient funds. For the small minority of our customers that do sometimes write checks drawn against insufficient funds, we already provide them (as required by Reg. DD), each month on their statement, with the amount of fees they have incurred for the month and year-to-date. In addition, we still make personal phone calls to many of these customers letting them know that their account will be overdrawn and that they need make a deposit or make some other arrangement with us such as linking a savings account or some type of loan product. One thing that I never really hear anyone talk about is who writes these checks? It is almost like some think that banks **MAKE** our customers write checks when they do not have the money in their account. That is not

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the case. Our customers write these checks of their own free will. I am very concerned that a regulatory agency could put in place regulations that would be in direct conflict with the contractual relationship my bank has with our customers whereby fees could be limited as a result of customers violating their depository contract with the bank.

Thank you for allowing me the opportunity to comment on this matter. I would ask that the FDIC reconsider the promulgation of this guidance.

Sincerely,

A handwritten signature in black ink, consisting of a large loop at the start followed by a series of connected, somewhat horizontal strokes.

Sammy D. York
President & CEO