

From: Tim Aiken [mailto:taiken@hometownbanc.com]
Sent: Saturday, September 25, 2010 9:57 AM
To: Overdraft Comments
Subject: Overdraft guidance - comments

Overdraft service is considered a valuable service by our customers. As a community bank, we have always priced this service fairly, and below that of our larger competitors. We also frequently waive and / or refund fees, and we do not charge for small overdrafts (i.e., a "cup of coffee" overdraft).

Asking banks to "monitor" customer's overdrafts *under set guidelines*, would be an incredible burden to banks, and if implemented, would likely drive up the cost of other banking products, hurting all consumers in the long run. Since Union Bank uses an ad hoc system for paying / not paying overdrafts, we are already in effect monitoring overdrafts daily. We DO contact our customers, when warranted. And, when an account is habitually not managed properly by the account holder, we CLOSE THE ACCOUNT, which usually requires overdraft fees to be refunded. Banks need to be allowed to manage their Overdraft programs according to the needs of their particular markets and customer bases, not under mandated arbitrary guidelines. As for an "effective way to monitor" accounts with excessive overdrafts, I really don't see any way other than allowing each bank to establish its own policies and procedures. If an arbitrary trigger is mandated, I expect many banks will simply decide to close the account once the trigger point is reached, rather than deal with the burden of monitoring the account, contacting the customer, documenting the same, etc.

Lastly, I ask: Should not the consumer bear responsibility for his / her own actions? Keeping a check register is not difficult; it is simple addition and subtraction, which is taught in all U.S. schools. It therefore should be very easy for the consumer to determine if a transaction that they are contemplating will cause an overdraft, and thus incur a fee if they choose to proceed. **I have a suggestion that might simplify all of this:** Perhaps, at account opening, banks should be required to ask the consumer to certify that he / she has taken basic math, and that he / she believes that he / she is capable of managing a checking account and keeping a checkbook. If so, the bank will open the account and the consumer will be subject to stated overdraft fees, should they overdraw. If the consumer cannot certify this, then banks simply won't open the account, and would refer the consumer to an entity (an "adult life skills" class, or similar) that can provide training or counseling in managing a checking account.

Thank you for allowing me to comment.

Respectfully,

Tim Aiken
President / CEO
Union Bank Inc.
PO Box 145
Middlebourne, WV 26149