

From: brent_austin@fbtco.com [mailto:brent_austin@fbtco.com]
Sent: Monday, September 27, 2010 12:28 PM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Brent Austin
2305 Gary Farms Blvd.
Bowling Green, KY 42104-4418

September 27, 2010

Comments to FDIC

Dear Comments to FDIC:

By electronic delivery to:
OverdraftComments@fdic.gov

Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-9990

Re: Overdraft Payment Supervisory Guidance, FIL-47-2010, August 11, 2010

Dear Sir or Madame:

My bank serves customers in two towns, one rural and the other rural/suburban. Banking, as you should know, is very competitive. In an economy like the present, we to a great degree mirror our local communities. We have provided opportunities to businesses and individuals to live their dreams by helping finance their businesses and homes. As a community bank, we did not participate in sub-prime lending but are affected by the resulting economy spurned from the risky lending. As a result, we are experiencing higher losses than normal which naturally affects our bottom line.

I am not asking for no regulation on community banks! I am asking for the FDIC and the government as a whole to be reasonable. I feel the continued "grab" for money (a loose form of taxation) is excessive. We have just recently implemented new requirements under Reg DD & Reg E at great expense and manpower time. In addition, if further regulation is imposed, the ultimate cost will increase for the consumer you infer that you are protecting. The burden you would put on community banks in particular would come back around to the consumer in that you will force us to simply return all checks and other debits that create an overdraft. Now the customer has bank fees and merchant fees along with being denied future check writing privileges at the merchant. Surely, you understand that banks incur costs in handling return transactions as well as paying transactions.

This is a classic case of government interference and will most likely

create unintended & costly consequences for consumers. If you go too far on this one, the individuals you are trying to protect will end up at cash advance programs, etc.

Our current overdraft program is a valuable service for our customers. They only get charged a fee when they use it! When they do use it, it invariably saves them the added cost of merchant fees. It also saves time and embarrassment. I understand that time and embarrassment are not reasons by themselves to oppose the proposed guidance but they are important to our customers, enough to pay the fee to have an overdraft program in place.

Finally, I know the mood of regulators is to beat up the big, bad companies of today. I must remind you that most community banks did not cause the crisis we have experienced nor the ensuing maladies and so I ask for balance in your thinking. It is vitally important that community banks remain healthy as we are employers too!! Consumer advocacy groups would have you believe that we gouge customers to make a living when in truth, we help our customers in the long run by providing a convenience for a fee while maintaining them as bankable customers.

I urge the FDIC to carefully consider this measure to ensure that the guidance does not impede my bank's ability to provide overdraft coverage services to my customers. If we are forced to abandon or significantly alter these services due to regulatory burden, the result could lead more consumers into becoming unbanked or relying on other products such as prepaid debit cards and check cashing services, which have higher fees and foster unsound financial practices.

Sincerely,
Brent Austin
2709014382