

From: rbaronner@mybct.com [<mailto:rbaronner@mybct.com>]  
Sent: Monday, September 27, 2010 11:58 AM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Robert Baronner  
111 East Washington Street  
Charles Town, WV 25414-1071

September 27, 2010

Comments to FDIC

Dear Comments to FDIC:

By electronic delivery to:  
[OverdraftComments@fdic.gov](mailto: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:

As a community banker I strongly oppose FIL-47--2010 that pertains to overdraft coverage programs. It seems every week there is new guidance or regulation added to my banks already stifling compliance and regulatory laundry list. It is apparent that there is a big push toward mass consolidation of the banking industry or in other words "lets get rid of community banks". Community banks did not cause the current problems the industry is experiencing yet small institutions like my Bank continue to see their regulatory burden increase because of the misdeeds of a few. When folks write these new regulations, they should be required to study how it impacts small institutions like bank of Charles Town and its customers before new guidance is implemented. Thus far It is clear to me that any input that is received falls upon deaf ears.

Our customers like their overdraft protection and making it more difficult and onerous for us to deliver the same, depletes capital and in turn restrains lending at a time when our economy needs the stimulus. Community banks as a whole operate in a responsible and prudent manner and have the best interests of their customers at heart. Large detached banks in our community could care less about they treat the local customer.

If this guidance ends up being approved, I would ask that you consider the following:

Specifically exempt ad hoc programs from this guidance. Ad hoc overdraft coverage is an extension of my bank's customer service and is based on our knowledge of the individual customer. Including ad hoc overdraft coverage in this guidance would damage the relationship between my bank and its customers.

Eliminate of the requirement that banks monitor programs for excessive or chronic use (six overdrafts in a rolling twelve month period) and then contact the customer (in person or via telephone) to discuss less costly alternatives. This mandate would be extremely burdensome and operationally unworkable for my bank and would result in an excessive number of calls, causing us to either discontinue our overdraft coverage program, or to close the customer's account and return all payments.

Eliminate the requirement to set daily thresholds on overdraft fees. We price this fee to manage the associated risk and as a deterrent to encourage consumers to engage in more financially-responsible practices.

Don't prescribe the order of transaction posting. Banks should retain the ability to post transactions in the order they deem appropriate as long as they do not manipulate processing to maximize overdraft fee income.

Allow banks to charge a fee for returning items paid by check or ACH. Processing return items represent expense and employee attention and should not be provided free of charge.

Thank you for listening.

Robert F. Baronner  
President and CEO  
Bank of Charles Town

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,  
Robert Baronner  
304-728-2431