From: jbshara@banksis.com [mailto:jbshara@banksis.com]
Sent: Monday, September 27, 2010 11:13 AM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Jerome Bshara
900 Main Street
Sanford, ME 04073-3516

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:

INSERT INFORMATION ABOUT YOUR BANK'S BACKGROUND: Jerome M. Bshara, EVP/COO, Sanford Institution for Savings-Sanford, ME 04073
is the only central/western York County based and headquatered mutual savings community bank with assest size of $430MM with a very diverse deposit base from rural hills of western York County, low income blue collar workers of a former mill town to vacation land lakes region and the coastal region of the County. Thank you for allowing us the opportunity to comment on FIL-47-2010-Overdraft Payment Programs and Consumer Protection.

I strongly oppose the FDIC's proposed guidance (FIL-47-2010) that addresses overdraft coverage programs. Simply put now is not the time to introduce further regulation targeted at overdraft coverage products. My bank has just implemented new requirements under Regulation DD (Truth in Savings) and Regulation E (Electronic Fund Transfers) at great expense and manpower. Having to rework our bank's deposit products and to accommodate a regulatory moving target does not help my bank serve its customers.

My bank does not manipulate transaction processing to generate more fees and higher revenue. My bank is accountable to its community and its success is dependent on a mutually beneficially relationship with customers. If we engaged in "price-gouging" tactics, we COULD NOT do business in our community.

The elimination 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. We currently have programs in place that monitor for excessive use and allow our customers to seek alternatives. In this current economy, now is not the time to limit this service for our customers that use it, like it, and find it very beneficial. After just spending the first 6 months of this year complying with the new Reg E rules, our ODP customers have opted in to our fully disclosed program. Those that did not want it have opted out and we'll obviously obey their choice. At a time when pay-day loan stores and pawn shops are growing, ODP programs that SAVE/REDUCE our customers from added fees, should not be eliminated.

Lastly, I fear that this proposal will ultimately do a great disservice to my customers, many of which appreciate the assurances that accidental overdraft coverage offers in preventing a bill being returned unpaid or a merchant-imposed fee being levied. If regulatory barriers and requirements become too burdensome, I will be faced with discontinuing these services and returning all check and ACH transactions, exposing my customers to fees far greater than those imposed by my bank.

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,
Jerome Bshara
207-608-4327