

From: Site Administrator [mailto:web@responsiblelending.org] On Behalf Of Chuck Carollo
Sent: Monday, September 27, 2010 11:31 AM
To: Overdraft Comments
Subject: Stop unfair and abusive debit-card overdraft fees

Sep 27, 2010

Ms Sheila Bair

Dear Ms Bair,

I support the FDIC's recommendations that banks address deceptive unfair debit-card overdraft practices used to maximize the fees they charge customers.

I have had several issues with [*Name of Institution*] concerning deceptive Overdraft fees on my daughters account. I approached [*Name of Institution*] about closing my daughters account because she kept getting overdraft fees. The vice-president of the local branch told me he could fix it so that she wouldn't overdraft. He said he would make it so that if she didn't have money in her account for a purchase that she wouldn't be able to complete the transaction. I told him I wish he had told me this several hundred dollars ago.

Within a day or so I noticed she had new overdraft charges. I called the same individual at the bank and he said that they were probably already in the system and just hadn't shown up in time. I put the money in necessary to cover the amounts debited for the purchases and he backed off the overdraft fees.

A couple of months went by and we had no charges. It seems that my daughter was doing a better job of keeping her account straight. I thought it was the bank keeping her straight till I received a call from her asking me to check her account. I went online and saw where she had 3 overdraft fees totaling 112.50. She had purchased 3 very small transactions all from Sonic totaling less than 7.00 for all three. I contacted the bank and they said that they were unable to police the small transactions. I told them that I can understand and that I would simply close the account as I had started to do previously but I expected the 112.50 charge removed from her account. They said that they would not remove the charges. She had over-drafted and that was all there was to it. I tried to speak to the same person that made the promise but he was out of the bank for several days. The branch manager said she spoke to him and that there would be no change in their decision. I came back to the bank and sat in front of her and put my phone on record. I asked her to restate their position and she got angry with me. I asked for their attorney of record and she asked why. I told her that I intended to take this argument to Justice Court and let the Judge decide what was right in this case. She finally relented to remove the charges and I agreed we would close her account.

I have 0 faith in the ability of [*Name of Institution*] to act in a morally correct lending mode. I have seen in the past where they will organize their transactions receipts to maximize their ability to charge over-draft fees. I personally had a draft go through from my utility company that wasn't scheduled for 3 more days. When the draft came through I noticed a disturbing issue. The size of the transactions were from highest to lowest without a deviation. While I was getting the Utility company to take care of the issue that they created I discussed with the vice-president as to why it would be in that order. He said it was a corporate decision to always run the largest check first. When I pointed out that had they done it in reverse that all of my checks would have cleared except for the miss-timed draft. He shrugged his shoulders and said it was decided at home office.

As someone who was surprised by very high fees for small purchases, I wholeheartedly agree with the FDIC's proposals and hope that the other banking agencies will follow suit.

The banks should hear as often as possible that customers want overdraft coverage that is fair and reasonable. I hope that they listen and make the changes outlined in your guidance. Providing customers with a responsible product is not only right thing to do--it's good business.

Sincerely,
Mr. Chuck Carollo
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