

From: lcook@cnbtxas.com [mailto:lcook@cnbtxas.com]
Sent: Monday, September 27, 2010 5:33 PM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Lisa Cook
P O Box 1009
Henderson, TX 75653-1009

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:

I work for Citizens National Bank, an \$865M bank that has been in this community for 80 years. We employ 300 staff and have 18 branches that serve the needs of approximately 52,000 customers in 38,000 households.

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.

Our 52,000 customers bank with us because we are meeting needs they have. If we did not meet their needs, they would find other means to do so. The fact that many of these accounts have been open for years helps illustrate that fact.

My bank has structured transaction processing in a manner we feel best serves the customer's needs. My bank is accountable to its community and its success is dependent on a mutually beneficial relationship with customers. If we engaged in "price-gouging" tactics, we could not do business in our communities. Not being allowed the right to adjust transaction processing when prudent for the customer would not be beneficial for our customers.

A customer's use of his accounts may reflect adverse phases in his life where he will inadvertently have more overdrafts than in normal periods. A single error can have a cascading effect on many more than just one item, causing multiple overdrafts in one day or period. To limit overdrafts to 6 per year is not a beneficial service to our customers.

If the FDIC proceeds with adoption of the proposed guidance, please reconsider the requirement for personal counseling for overdrafts above an arbitrary number. This mandate would be extremely costly, burdensome and operationally unworkable. Our bank is compliant with Regulation DD requirements to provide monthly statement information on number and costs of overdrafts, paid and unpaid. The majority of our customers make sound financial decisions and, for those who do not, we already work with them to seek any other more beneficial alternatives.

Please consider specifically exempting 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.

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 our 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.

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,

Lisa Cook
903.657.8521