

From: dgraham@fbandtbank.com [mailto:dgraham@fbandtbank.com]  
Sent: Monday, September 27, 2010 10:38 AM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Dan D. Graham  
1010 W. North Ave.  
Flora, IL 62839-1290

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:

Thank you for taking the time to review my concerns. Our bank is about \$63 million in total assets and serves a community of about 18,000 county wide. We know our customers and strive very hard to provide services that both meet the customer's needs, and the needs of the banks stockholders. Our overdraft program is one of those services.

Has anyone paid attention to the current events as far as overdraft fees are concerned. In my bank, and nationwide as I understand it, overdraft fees are down, significantly. This while unemployment is up, foreclosures through the roof, and the economy in general is suffering! Does this not sound strange? When you think overdrafts would be even higher, they are in fact decreasing. I believe that this is because consumers consciously use overdrafts as a financial management tool, a tool that is cheaper than the pay day loans they would be forced into should overdraft programs not be an option. They purposely use overdrafts to meet cash flow needs. Now that times are tighter, they choose not to overdraw and have that expense. **BOTTOM LINE**, the consumer knows what they are doing!!! It is not the big bad bank trying to pull one over on them.

In our bank we waive fees regularly for extenuating circumstances; additional regulatory burden may force us to cease this practice.

Earlier this year we implemented the opt out guidance, and to know ones surprise had very few opt out, most of the ones who did are customers who are never overdrawn, and several who did have since opted in.

Is further regulation really a service to consumers? 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. Regulation of this nature will result in greater cost and inconvenience to the consumer.

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.

Processing return items represent expense and employee attention and should not be provided free of charge. Right now the customers who generate this additional expense pay for it. Implementation of this regulation will push the industry into imposing other fees to all customers, including those who do not overdraw! Is that fair?

**PLEASE DO NOT SET REGULATION THAT AFFECTS ALL OF THE INDUSTRY, AND ALL CONSUMERS JUST BECAUSE OF A FEW BAD APPLES!**

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,  
Dan D. Graham  
618-662-4441