

From: scott.greer@citizensbank24.com [<mailto:scott.greer@citizensbank24.com>]  
Sent: Monday, September 27, 2010 3:18 PM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Scott Greer  
300 Broad Sreet  
Elizabethton, TN 37643

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:

I am with Citizens Bank, a community bank in the Tri-Cities market of East Tennessee. We were founded in 1934 and have always operated conservatively and in a safe and sound manner. We believe we treat our customers fairly and with respect. We understand we are only successful by providing quality banking services to our customers in a manner that keeps them coming back.

While I concur with the objective of the FDIC and other regulatory authorities to eliminate abusive practices related to overdraft coverage programs, recently enacted and existing regulations are sufficient to achieve that objective. Currently regulations allow customers to understand these programs and to elect not to participate. In the case of transactions covered by the recently effective Regulation E requirements, customer transactions are not covered for ATM and one-time debit card transactions unless the customer has specifically "Opted In." We recently completed efforts at significant expense to implement the Regulation E requirements associated with such regulations. Customers are aware of the benefits and costs associated with these programs and have made a choice to participate or not.

Many customers appreciate these programs as opposed to having checks returned which creates embarrassment and higher costs to them as a result of returned check fees charged by merchants. It is time to stop even more layers of regulation regarding these programs and allow time for the recently enacted regulations to take effect.

Therefore, 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. Having to rework our bank's deposit products and to accommodate a regulatory moving target does not help my bank serve its customers. In addition, further changes to these programs may actually result in customer confusion.

Further, our bank does not manipulate transaction processing to generate more fees and higher revenue. As stated earlier, we are accountable to our community and our success is dependent on a mutually beneficially relationship with customers.

If the FDIC proceeds with adoption of the proposed guidance, please consider the implications of adding more stringent requirements. For example, 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 is an extremely burdensome mandate. The costs of such micro-level requirements would require us to assess the feasibility of this customer benefit. I fear that this proposal will ultimately do a great disservice to our 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.

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,  
C. Scott Greer  
423-543-2265