

From: sholt@ajbank.com [<mailto:sholt@ajbank.com>]
Sent: Monday, September 27, 2010 7:53 AM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Steve Holt
124 N Main ST
Greeneville, TN 37743-4920

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:

We at Andrew Johnson Bank are a community bank and have never tried gouging our customers by paying the highest amount to lowest amount of items each day. With us paying from lowest to highest amount each day, our method assures the customer is paying the lowest amount for their overdrafts each day that they use it. We even have where a customer can overdraw up to \$5.00 and no fees will be charged, this takes care small errors in their checkbooks.

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.

Further, any additional rules should be the result of an inter-agency effort to ensure consistency and fairness in its application for both banks and the customers we serve.

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.

Lastly, as mentioned above, 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.

Thank you for your consideration in this matter.

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,
Steve Holt