

From: mjohnson@glacierbancorp.com [mailto:mjohnson@glacierbancorp.com]  
Sent: Monday, September 27, 2010 10:48 AM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Marcia Johnson  
49 Commons Lp  
Kalispell, MT 59901-2679

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:

Glacier Bancorp, Inc, where I am the Corporate Operations Officer is a multi-state regional bank headquartered in Kalispell, Montana.

I 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.

I fear that this proposal will ultimately do a great disservice to my customers. Over 80% of our checking customers "opted-in" to allow us to honor POS and ATM debit card overdrafts. This shows that they 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, our bank 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. Merchants will also be negatively impacted as they will have to deal with an increased number of returned checks and denied transactions.

The elimination of 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. This mandate would be extremely burdensome and operationally unworkable for my bank and would result in an excessive number of calls, causing us to either discontinue our overdraft coverage program, or to close the customer's account and return all payments.

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,

Marcia L. Johnson  
406-751-4721