

From: lmarcum@mountainwestbank.com [<mailto:lmarcum@mountainwestbank.com>]  
Sent: Monday, September 27, 2010 11:48 AM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Lanette Marcum  
2970 E. Stl Lukes Drive  
Meridian, ID 83642-3506

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 strongly oppose the FDIC's proposed guidance that addresses overdraft coverage programs. The Regulation E opt in/opt out implementation we just went through was a huge expense to the bank for meaningless results. Most customers opted in and didn't want to be "lectured" about how they handled their accounts. When we contacted customers to go over the program with them, most did not want to be bothered with it and were irritated that we were calling them to tell them about the Regulation requirements. They were perfectly aware that if they were covered with the overdraft, they would be charged, and they would rather be charged than have the item rejected and embarrass them. Further, the regulation was poorly written and added more confusion to the whole process. Several customer didn't understand that checks weren't part of the rules. Isn't it about time we start getting regulations that make sense?

I think the government is going to far trying to legislate customer behavior under the guise of protecting them. Why don't we try holding them accountable for themselves and allowing them the agency to choose for themselves? If they make bad choices, they should suffer the consequences that go with them.

This new proposal ultimately does a great disservice to customers, many of which appreciate having an accidental overdraft covered. The newer legislation is burdensome and makes it such that banks will stop offering these services to customers, which ultimately harms more than it helps. Saturation bombing to kill a gnat doesn't work.

If the FDIC proceeds with adoption of the proposed guidance, please consider the following:

To specifically exempt 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.

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.

To eliminate the requirement to set daily thresholds on overdraft fees. We price this fee to manage the associated risk and as a deterrent to encourage consumers to engage in more financially-responsible practices.

Not to prescribe the order of transaction posting. Banks should retain the ability to post transactions in the order they deem appropriate as long as they do not manipulate processing to maximize overdraft fee income.

To allow banks to charge a fee for returning items paid by check or ACH. Processing return items represent expense and employee attention and should not be provided free of charge.

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,  
Lanette Marcum  
208-884-6924