

September 24, 2010

Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street NW  
Washington, DC 20429-9990

DELIVERED VIA E-MAIL:  
[OverdraftComments@fdic.gov](mailto:OverdraftComments@fdic.gov)

Re: FIL-47-2010

Dear Sir or Madam:

I am Vice-President of Operations at The Community Bank in Bridgeport, Texas. We are a locally owned community bank that opened in June, 2007. We have 13 employees and serve approximately 400 customers in the Wise County area. Our bank prides itself on customer service and meeting the needs of our community. The majority of our employees grew up in the area, and we personally know many of our customers.

I believe the guidance proposed by the FDIC was issued due the mistaken belief that banks are taking advantage of their customers. We feel our policies regarding overdraft payments is fair and does not mislead or take advantage of the customer. Most banks offer this service because it is a product that customers demand. It saves the customer the embarrassment of a returned check as well as the fee from the merchant that would be imposed on a returned item. Banks have to offer services that customers demand; otherwise they would not have any customers.

There are several specific concerns I have with regard to the proposed guidance. First, there is inconsistency in the monitoring suggestions with the requirements of Regulation DD. Reg DD requires banks to disclose the total dollar amount for all fees or chares imposed for the statement period and for the calendar year. The new guidance requiring monitoring on a rolling twelve-month period would add a burden on bank staff as well as increased costs for monitoring systems.

Second, the proposal to have the bank contact the customer to counsel them after the six transactions poses many problems. First, the six transactions rule is unclear. Is it meant to be six occurrences? Six fees could be done in 2 days at our bank (we have a limit of 4 fees per day on our overdraft program). There needs to be a clear definition. Second, the proposal suggests contacting the customer in person or by telephone. Technology has made it so that many customers rarely come in to banks anymore, and many are not available during business hours by phone. Perhaps a letter (similar to what is done with excessive transactions on savings accounts) would be appropriate. Next, repeated calls could become annoying to customers, and could lead to them changing banks. Customers sign up for overdraft programs because they want the additional funds to spend and are willing to pay a fee for the service. They do not maintain accurate record of their account, and a phone call from the bank could be viewed negatively from the customer's standpoint when they are using the service. Overdraft privileges should be removed after some point of repeated occurrences, but it should be left up to banks to design their own policies for monitoring and removing overdraft privileges. This would allow banks to use the resources available to them from their vendors to set up monitoring systems.

Finally, I am concerned that setting daily limits on customer fees will only result in banks turning to other means to make money. Banks are for profit businesses, and if a customer agrees to a fee for a service, then they have no right to complain about the fee later. The fees for overdrafts are only charged when it is used. The costs alone associated with having to monitor the limits will force banks to come up with other ways to cover their costs leading to increased fees for all customers, and the Reg E Opt In change has resulted in less income for banks already. Many customers have overdraft protection and never overdraw thus having no fees. Again, it comes back to customer responsibility. I am concerned that this

rule is being considered to protect customers from banks when they really need to be protected from themselves. I believe at some point, customers need to become liable for their own actions.

In closing, I believe that overdraft programs do provide a benefit to the customer; however I don't think all customers should automatically be enrolled in the program. I think customers should have to go through an approval process prior to being enrolled. I believe overdrafts are given to too many people that would not qualify for an unsecured loan. If appropriate measures were taken at inception, much of this guidance would not be necessary.

I appreciate the opportunity to comment on this proposed guidance, and hope the FDIC will consider all options available as well as the possible results before finalizing the guidance.

Sincerely,

Deanna Poole  
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The Community Bank  
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