

From: patr@fairviewbank.com [<mailto:patr@fairviewbank.com>]  
Sent: Monday, September 27, 2010 11:03 AM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Patricia Regier  
P. O. Box 493  
Fairview, OK 73737-0493

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:

Farmers and Merchants National Bank is a community bank with one office in Fairview, OK with assets of \$76 Million. We have been an anchor for the Fairview community for over 100 years. We employ 20 fulltime people.

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.

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.

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.

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. Our Loan Officers review the overdraft items every day and frequently contact a customer to assist them with alternative ways of managing their finances.

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. We dedicate many employee hours to this process and must recoup our costs.

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,  
Patricia Regier  
580-227-3773