

From: pseitz@firstbancorp.com [<mailto:pseitz@firstbancorp.com>]
Sent: Monday, September 27, 2010 9:13 AM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Peter Seitz
341 N. Main Street
Troy, NC 27371-3017

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:

I strongly oppose the FDIC's proposed guidance (FIL-47-2010) that addresses overdraft coverage programs. First 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.

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

To specifically exempt ad hoc programs from this guidance.

To give further consideration to any 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. The recent Reg DD and Reg E changes have had a significant effect on our bank's bottom line and to implement this mandate would be a further expense and extremely burdensome and operationally impractical for my bank and confusing to the customer.

To reconsider the mandate concerning the order of posting of checks. While our bank can adjust the posting order of checks, it doesn't take into account other payment methods such as ACH and debit card transactions, the order of payment of which is not effectively controlled by the bank. And worse yet, due to the recent Reg E changes, we are not allowed to charge an overdraft fee for debit card transactions unless the customer has affirmatively opted in when the merchant forces the posting of the transaction.

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,

Peter Seitz
910-576-2265