

From: dougsmith@fnbgriggsville.com [mailto:dougsmith@fnbgriggsville.com]
Sent: Monday, September 27, 2010 10:23 AM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Doug Smith
108 W Quincy
Griggsville, IL 62340

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 am the Vice President of a small community bank in Pike County Illinois. We were sadly a low income community even before the financial crisis hit.

I strongly oppose the FDIC's proposed guidance that addresses overdraft coverage programs. The timing for such action could not be worse. What is the goal of the FDIC? To reduce bank profits and further challenge the banking industry already witnessing bank failures. Shouldnt the FDIC be helping banks improve profitability to stabililze the bankinig industry. This is certainly a gutsy move and I pray this proposal is terminated before more banks are terminated. I assume the goal of the FDIC is to help reduce overdraft charges to customers. Well, it is disappointing that agency has taken the view of socialism and placed it above safety and soundness but there is another thing to consider. If the proposal passes what are the consequences to the bank and the customer? Since FDIC has already chosen the customers side i would like to point out that my bank cannot afford to provide interest free loans to irresponsible people who refuse to manage their accounts in the form of overdrafts. This is quite a concept, reward people who refuse to balance their accounts by giving them interest free loans. Under our current checking/debit program because of the fees we charge we can justify allowing customers to keep their accounts open while creating overdrafts. Under the proposal as I understand it we will have no choice but to terminate debit cards that overdraft forcing customers to use paper checks. Perhaps this is the goal of the FDIC to ensure that only wealthy urbank customers have access to

debit cards. I pray that FDIC think about all economic regions and the impact this proposal will have and not just focus on metropolitan areas. Having lived in rural area all of my life I am not surprised that we have again been overlooked.

In a capitalistic society it would seem that competition should dictate the price for any service. I feel that overloading banks with regulations during a weak economy and a failing banking industry is a recipe for disaster.

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,
Doug Smith
217-833-2329