

**From:** Strautz, David [mailto:dstrautz@fsbfinancial.com]  
**Sent:** Monday, September 27, 2010 10:17 AM  
**To:** Overdraft Comments  
**Subject:** FDIC FIL-47-2010 dated 8/11/10 "Overdraft Payment Supervisory Guidance"

I am president of a community bank operating in the St. Louis metropolitan area. In my opinion following are problem points with regard to the above title.

#### Clear & Meaningful Disclosure

- Reg DD & Reg E require overdraft fee information be disclosed prior to account opening – changes should be initiated by amending those regs.
- If we are compliant with the regs what does “demonstrating compliance” mean? We either are or we aren’t.

#### Requests to Decline Coverage of Non-Electronic Transactions

- Recent changes to Reg E contained language recognizing a bank’s right to authorize overdrafts for such transactions.

#### Choice & Monitoring of Overdraft Payments

- Many banks do not offer more than one payment product. Overdraft lines of credit are not practical for many banks to offer.
- No law or regulation requires a bank to monitor an account for “excessive or chronic customer use” as it applies to overdrawing an account. This subjective approach could certainly lead to confusion and law suits.

#### Institute Appropriate Daily Limits on Overdraft Fees

- Missouri law contains no limits on what a bank may charge.
- There are several ways to process payments with pluses and minuses in each case – there is no right answer to this question.

#### Safety & Soundness Risk

- Banks are already regulated in a way that makes sure they follow the laws that are designed to control risk.

I believe that the above guidance re-writes and/or preempts existing law and regulation. In addition, it is not clear as to whether this would be approached from an Interagency standpoint. In short the proposed ‘guidance’ is confusing and not needed.

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