



September 27, 2010

Federal Deposit Insurance Corporation

Comment on proposed guidance on overdraft programs

Dear Sir/Madam;

Prairie Community Bank is a \$143 Million community bank located in Marengo Illinois. As a community bank we feel it is important for us to respond to the proposed guidance on automatic overdraft payment programs.

Community banks have historically maintained good relationships with our customers by providing them with different products to meet their needs. As community banks, we know our customers. We make available to our customers other products in addition to our overdraft program such as savings account transfers or lines of credit. Occasionally a customer does not qualify for a line of credit due to credit underwriting issues, which then becomes a safety and soundness issue for the bank. We also make customers aware of the different product options available through statement messages, internet messages, and statement stuffers. Currently with our overdraft program, the product is discussed at account opening. A letter is then mailed to our customers who qualify explaining the process of the program and how to opt out. Our customers may opt out of the program within 3 days. We monitor overdrafts daily and contact with our customers is ongoing.

If the banks are required to use the order in which checks are received, this could make the customer pay more in overdraft fees. Prairie currently processes from smallest to largest transactions to minimize the overdraft fee the customer would incur.

Banks are regulated beyond the normal concern for public responsibility. As a community bank we use common sense and fairness when dealing with our customers. Regulation has taken so much responsibility away from the consumer versus allowing the consumer to be educated and financially responsible.

Thank you for your consideration.

Sincerely,

Dianna K. Tozman  
President and CEO  
Prairie Community Bank