

From: jvondra@appleriverstatebank.com [<mailto:jvondra@appleriverstatebank.com>]
Sent: Monday, September 27, 2010 12:43 PM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Joseph Vondra
135 East Main Street P.O. Box 576
Warren, IL 61087-0576

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:

The Apple River State Bank is a \$260,000,000.00 institution serving a rural area with 6 locations in Jo Daviess County in the State of Illinois. I'm Joseph H. Vondra-C.E.O. of the bank.

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.

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.

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.

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.

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,
Joseph Vondra
(815)745-2194