

From: lwillbanks@bartowcountybank.com [<mailto:lwillbanks@bartowcountybank.com>]
Sent: Monday, September 27, 2010 12:24 PM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Laura Willbanks
P O Box 1030, 301 E. Church St.
Cartersville, GA 30120-1030

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:

Bartow County Bank was founded in 1974 and has served its local community in northwest Georgia for over 36 years. I have worked at my bank for 32 of those years, most recently as the SVP in charge of Enterprise Risk. We have offered an automated overdraft program to our customers for over five years.

During the recent implementation of Reg E requirements that customers Opt In by August 15, 2010 in order to keep overdraft coverage on their ATM and POS transactions, over 75% of our customers that utilize the product chose to Opt In to keep their coverage. In conjunction with our Reg E campaign, the bank reduced its fee to cover ATM and POS transactions by 30% to make the service more affordable for our customers.

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.

I fear that this proposal will ultimately do a great disservice to my customers, many of which appreciate the assurances that accidental overdraft coverage offers in preventing a bill being returned unpaid or a merchant-imposed fee being levied. If regulatory barriers and

requirements become too burdensome, I will be faced with discontinuing these services and returning all check and ACH transactions, exposing my customers to fees far greater than those imposed by my bank.

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.

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

The elimination of the 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. This mandate would be extremely burdensome and operationally unworkable for my bank and would result in an excessive number of calls, causing us to either discontinue our overdraft coverage program, or to close the customer's account and return all payments.

To eliminate the requirement to set daily thresholds on overdraft fees. We price this fee to manage the associated risk and as a deterrent to encourage consumers to engage in more financially-responsible practices. As mentioned previously, my bank has already reduced the amount of its overdraft fee for ATM and POS transactions by 30%. Further restrictions, would limit the bank's ability to cover the risk associated with offering this service to our customers.

To allow banks to charge a fee for returning items paid by check or ACH. Processing return items represent expense and employee attention and should not be provided free of charge. Customers have just been asked to make a choice as to whether or not to retain overdraft coverage on ATM and POS transactions. The feedback from our customers that have Opted In for that coverage has confirmed their desire to maintain the coverage on all types of debit transactions that post to their account.

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,

Laura Willbanks
770-387-8442