

From: derek.williams@firstpeoplesbank.com [<mailto:derek.williams@firstpeoplesbank.com>]
Sent: Monday, September 27, 2010 9:23 AM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Derek Williams
PO Box 1178
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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 strongly oppose the FDIC's proposed guidance (FIL-47-2010) that addresses overdraft coverage programs.

Our small community bank has made a conscious effort over the years to avoid any kind of automatic overdraft privilege programs. We do, however, make overdraft decisions daily based on our knowledge of the our customers and their history with our bank.

Our bank does not manipulate transaction processing to generate more fees and higher revenue. Our 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:

First of all, to specifically exempt ad hoc programs from this guidance. Ad hoc overdraft coverage is an extension of our 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 our bank and its customers.

In addition, please consider eliminating 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.

Lastly, 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.

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,

Derek Williams
706-663-2700