

From: "Steve McFerron" <smcferron@american-state-bank.com> on 07/13/2004 04:36:30 PM
Subject: Overdraft Bounce Protection Services

July 14, 2004

Via Electronic Mail

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Ave.
Washington, D.C. 20551

Re: Regulation DD; Docket No. R-1197

Dear Ms. Johnson:

This comment letter is submitted on behalf of **American State Bank** in response to the notice of proposed rulemaking ("Proposed Rule") and request for public comment by the Federal Reserve Board ("FRB"), published in the Federal Register on June 7, 2004. The Proposed Rule would amend Regulation DD (Truth in Savings) to require depository institutions to provide additional information about overdraft protection programs. The Proposed Rule also would address issues regarding the marketing of such programs. **American State Bank** appreciates the opportunity to comment on this important matter.

- 1. Clarify information which needs to be provided to customer at account opening so that an illustrative list is sufficient without requiring additional notices upon any changes.**
- 2. The FRB seems to be creating consumer confusion with unnecessary emphasis on overdraft fees. Consumers are savvy and you minimize the consumer's ability to reason. To require banks to keep up with total fees paid by a consumer and periodically report them is going too far.**
- 3. To suggest that an overdraft notice should be considered a disclosure and come under advertising rules is overly broad and should be avoided.**
- 4. Clarification needs to be made for the terms "promoting" and "automated" when referring to overdraft services.**

American State Bank appreciates the opportunity to comment on this important matter. If you have any questions concerning these comments, or if we may otherwise be of assistance in

connection with this matter, please do not hesitate to contact **Steve McFerron**, at **870-268-4760**.

Sincerely,

J. Steven McFerron

dc-384269