

From: Money Service Centers of Hawaii, Inc., R. Craig Schafer
Subject: Electronic Fund Transfers

Comments:

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Proposal: Regulation E - Electronic Fund Transfers
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Comments:

Dear Federal Reserve Board of Governors, I support requiring depository financial institutions to obtain opt-in consent for overdraft fees. Consumers should have the right to make a deliberate choice. Further, all depository financial institutions courtesy overdraft programs should be required to comply with RegZ APR discloser. Continuing to allow depository financial institutions to apply RegDD designed for savings products places consumers at a disadvantage in making an informed choice on short-term credit products. Consumers should have a right to transparency. It maybe of interest to know that my company operates 12 money service stores in Hawaii. We offer short-term credit and are sometimes accused of being "predatory lenders". This despite the fact we make a full RegZ discloser and our clients make a decision to apply for the service. Bank and credit unions should be held to the same standards.

I am in full support of Rep. Maloney's bill HR 1456 which addresses this issue. The Maloney bill:
--Requires consumer consent before banks can permit overdraft loans for a fee, and defines overdraft fees as finance charges subject to the Truth in Lending Act. --Prohibits banks from manipulating the sequence in which checks and other debits are posted if it causes more overdrafts and maximizes fees.

--Requires banks to warn the customer that an electronic transaction may trigger an overdraft loan fee and allow the customer to cancel the transaction after receiving this warning. I support fairness and choice for consumers.

Thank you,

R. Craig Schafer,
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