From: Avram Reisner, MD

Subject: Electronic Fund Transfers

Comments:

The problem with bank and credit card fees -- overdraft, late, others -- is that they are large and growing ever larger, and not responsive to the size of the overdraft or late payment. It used to be that a marginally late payment (one that did not indicate insubordination, but only indicated lateness) was not assessed a fee, but rather treated as a loan from the institution, payable at some reasonable (or even usurious) interest rate. Thus if a $50 payment was late two days, the "penalty" was not some one size fits all and enormous $45 fee, but two days at 20%, which equalled .06 cents. Even adding to that some reasonable added transaction fee (say $2), the added charge would be $2.06. One would try not to be late, but would not grant the bank the right to balance their books by gouging on your mistake. Even several overdragts one built on the other in such a scheme would amass a charge that was affordable and represented a reasonable approach to the mistake made by the individual. The current situation is terrible -- and is not properly addressed by opt-in or opt-out provisions. We should by now have learned that our banking and financial systems need to be regulated to be responsive to real situations, and not inflated and gouging wherever possible for the profit of the financial sector. There will be much less of an objection to a rise in specific costs if they are calibrated to the real cost of doing business and not artificially rigged to play gotcha.

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