

From: David Neves
Subject: Electronic Fund Transfers

Comments:

I am very much against overdraft protection for debit cards as implemented by banks. I don't even feel it should be an option offered. I'd prefer in all cases if a debit card account transaction doesn't have money available that the transaction be denied. Often debit cards are used for small amounts and being hit with a \$35 fee on a small purchase doesn't make financial sense for the user.

On the surface overdraft protection sounds reasonable -- i.e., if you need gas for your car in an emergency, then you can get it even if your debit account is negative cause a deposit hasn't posted. So even if given a choice people might sign up. However banks should be required to adequately explain the pitfalls of such protection on an account with low funds such that an initial overdraft may cause many overdrafts because the fees are automatically debited from the account. It isn't enough to give people the choice without adequate explanation of the consequences.

David Neves