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Subject: Electronic Fund Transfers

Comments:

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Proposal: Regulation E - Electronic Fund Transfers
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Comments:

I agree with Washington Post columnist, Michelle Singletary writing in her column dated March 26, 2009 who wrote "The more consumer-friendly way to address this problem is to allow people to be informed that they are broke before a transaction is approved. At that point, they can decide whether they want to accept the overdraft protection and the fee. I doubt the banks will suffer a significant loss of income. There are plenty of people who will still choose to pay the price for this service." I strongly encourage the Federal Reserve Board to approve either of the two proposed change to Regulation E (electronic fund transfers). "First option: Institutions would be prohibited from automatically enrolling customers for overdraft protection services. Instead they would have to first give customers notice and a reasonable opportunity to opt out of the service. Second option: Institutions would be required to get a customer's permission upfront to provide overdraft protection. Customers would have to choose to opt in before any fees could be assessed for an overdraft authorization." Either of these approaches would stem the bleeding of the bank or financial institutions customers of overdraft charges. These charges are unfair and excessive.