

From: Erika Whitney, MD
Subject: Electronic Fund Transfers

Comments:

Board of Governors of Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Federal Reserve Board Director:

I support the proposed requirement that would require financial institutions to obtain consumers' affirmative consent (or opt-in) before any overdraft fees or charges may be imposed on consumers' accounts.

Banks should get explicit permission before enrolling customers in the most expensive overdraft system, automatically covering overdrafts and charging high fees, and should be stopped from using unfair practices to increase their overdraft fees.

BANK OF AMERICA:

What bank of America does is process their checks/transactions in order from largest to smallest over the weekend. They claim this is so you don't bounce an important check, and that this has been requested by the masses. But since they profit from covering checks and ultimately do this unless your account is about to be closed, this is not an issue. Instead, they benefit from this practice by racking up so-called over-draft charges.

Here's the scenerio:

On Friday, you call to check your balance, see you have \$100, and do several transactions of \$50, \$35, \$15.

During the same period of time (let's say Sat), a long lost check for \$100 (I hate those!) has begun to be processed. The check amount has not been subtracted from your balance, so you'd be able to avoid charging other things, but it will be processed on Monday, and when the time comes, the Bank (not you) has a choice.

Scenerio A:

On Monday, your transactions can be processed in order of occurrence, with all 3 cash transactions clearing, and your check resulting in an overdraft fee of \$29.

Scenerio B:

Going from largest to smallest, check \$100 clears, but the three transactions that were processed WHEN YOU HAD MONEY IN THE BANK TO COVER THEM INITIALLY, all rack up individual fees. The resulting overdraft charges are \$29+\$29+\$29 (\$87)

The result, you paying \$87 for transactions that you performed when you had money in the bank. Even after being a customer for 10 years, they still take your money and make no allowances when you complain or close your account. Oh Well. I guess that's how profitable companies roll.

Sincerely,
Erika Whitney
MD 21212