

From: Philip Lowman  
Subject: Electronic Fund Transfers

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Comments:

Here is a balanced way to handle this opt-in vs. opt-out mess in a fair way:

== For new accounts ==

Please require that consumers explicitly opt-in to overdraft protection for all \*new\* accounts via a secondary agreement that they can optionally sign with the bank.

The agreement should clearly state the amount that the overdraft protection would cost per infringement. If the protection is being offered in person banks should be required to verbally inform customers of the cost of the overdraft protection and that it is optional. If the protection is being offered via an electronic application it must have it's own page separate from any other agreements. If a checkbox or radio option is used to enable the overdraft protection it must be disabled by default. If a button is used to enable overdraft protection, a button of similar size and prominence must be present in approximately the same place to allow it to be disabled (this is to prevent banks from including a "Yes and Continue" button that consumers mindlessly click on because there is no "No" button, only some obscured text and a hyperlink in the "fine print").

Banks should be prohibited from penalizing customers in any way if they opt not to sign the agreement.

== For existing accounts ==

For all existing accounts please do not annul any agreements between banks and customers despite the fact that many banks have deceptively slipped the overdraft documentation in with initial customer literature and never mentioned it. Instead, do three things:

1. Require banks to allow customers to opt-out of overdraft protection in-person, via postal mail, via telephone, or via the internet (for banks that have websites).
2. Require banks to send a first-class letter to all of their customers with overdraft protection turned on that includes the cost of the overdraft protection and directions for the consumer to opt-out (in-person, mail, telephone, and internet)
3. Require banks to send a letter whenever a customers account is overdrawn which includes
  - a.) The date of the overdraw
  - b.) The vendor and amount of the transaction which caused the overdraw
  - c.) The cost of the overdraw protection to the customer
  - d.) Directions for how consumers can opt-out of future overdraft protection.

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