

From: David Wells, OH
Subject: Electronic Fund Transfers

Comments:

Mar 27, 2009

Federal Reserve Board Email comments

Dear Email comments,

I find it to be expletive deleted..that banks can get away with this. To go over my balance by \$2 shouldn't result in a \$39 overdraft charge (my banks fee). They try to explain that it's a "big hassle" for them to "front" you the money to cover the expense; and that the \$39 is reasonable. Look, sometimes stuff happens and people overlook certain charges or just forget about some of them.

The thing that really gets me about the situation is this; the way their system works is to take out the most expensive charge first regardless of when the transaction took place. That way they've got a better chance to stick you with overdraft fees.

Example :

Charge A - Paid \$5.37 for cigarettes on 3/6/09 (pending charge since on a Friday night)

Charge B - Paid \$10 for gas on 3/8/09 (Pending charge since on a Sunday night)

Charge C - Paid \$200 for electric bill on 3/9/09. (Pending charge on Monday morning).

Let's say the starting balance for the example above was \$200. They SHOULD first take out charge A (remaining balance \$194.63), and then charge B (remaining balance \$184.63; followed by charge C (remaining balance \$-15.37) which would result in an overdraft fee of \$39 to bring balance to \$-54.37.

But what their system is programmed to do is take out the largest charge first; charge C (remaining balance \$0), then charge B (remaining balance \$-10), and finally charge A (remaining balance \$-15.37) All of this would result in 2 overdraft fees of \$39 which would bring the balance to \$-93.37.

So not only is the system corrupt in that it's practically robbery to charge people this much in overdraft fees; but it's truly screwed up b/c the system is programmed in a way to screw the consumer every way possible. Banks make MILLIONS of dollars a year doing this and it's wrong.

Please allow me the chance to opt-in to overdraft services. This is the only way that I will truly feel protected.

Sincerely,

Mr. David Wells
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