

From: Chris Ferris
Subject: Electronic Fund Transfers

Comments:

I want the Opt - in rule. Plus the smallest to largest for processing. Last year Teacher Federal Credit Union in Minnesota charged my wife over \$1,000 in fees a month for three months straight. We eventually had to shut it down. They manipulated the system greatly to maximize the number of fees they could charge. Here is one way such way they manipulated the system. When using their check card as a vise the amounts would be in a pending state until they posted one or two days later. However, when looking at the account on-line these pending amounts would not show, nor would available balance reflect this pending amount. However, when calculating overdraft fees they would account for this pending fee in the balances For example: Say you have \$100 in your checking account and you go spend \$90 at the grocery store. That means you have \$10 dollars in your checking. However, when you look on-line at the current balance it still says you have \$100. In the case of a joint account you don't always know what the other card holders have charged. But you assume everything electronic, like ATM withdraws should be instantly reflected in the on-line balance. Well this is not the case. The other card holder after checking the balance figures there is \$100 there (not the actual \$10) and so withdraws \$20 bucks at the ATM. Well actually that would cause a \$10 overdraft and thus a \$38 dollar fee. It took me 6 weeks to figure this out and count less phone calls. Finally they told me they did not have to show pending charges on the on-line service.

Another way they manipulated there system is by switching from the traditional batch processing of checks at night to processing checks multiple times a day. Traditionally banks processed the credits and debits in a batch process at night. This is the way it has been for decades. What TFCU did was start processing debits from checks and such in the morning, afternoon and evening and then at night. So lets say you get paid electronically, like clock work every two weeks. Then say the day before you get paid life happens and your kid gets sick. Naturally you take them to urgent care, write a check for the \$20 co-pay at 2pm knowing full well that your paycheck will be deposited electronically then very next day. Well to your surprise, that check now cleared at 2pm the next day, 4 hours before your electronic deposit hit your account. Thus, a \$38 over draft fee, which snow balls into even more fees. And how can you be sure, that the deposit didn't actually reach the bank at 11am in the morning, but the bank sat on it until 6pm because the could and because they knew they will maximize profits doing just that.