

From: Chad Goshorn, MI
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.

On several occasions my bank accounts have been charged multiple fees of at least \$25 per occurrence. Some were called "service fees", some were called "overdraft fees" others were just categorized as "bank fees", I often times have trouble deciphering what they are for exactly.

The main problem to me here is the fact that I have had upwards of \$600 in a bank account that has been completely wiped out putting me so far back financially that it took me over 2 months to catch up. Normally I would not mind service fees, if they actually have a value to me that is. These service fees do not, specifically, if you don't have money in your account, the bank will not allow a purchase to go through anyway, but.....they still charge you the \$30 service fee when you try to make a purchase that goes over what your available balance is.

In addition, they mislead you to think you do have that money. I have called the 800 # to my bank to determine what my balance is using their automated system. While their automated system told me I had \$300 in my account, the actuality is I only have \$50 available, resulting in a \$30 service charge for overdraft.

One classic example of how a bank has essentially taken an entire pay check from me (not much to them, but a matter of eating good, or eating bad for me), is when they charged me service fees, from similar service fees that they had charged my account. Often they will attempt to "piggy back" their charges resulting in several (in the 10s) of individual service fees. This occurred when I made a bank transfer from my savings, into my checking account. When I did this, the phone system stated that "my funds have been transferred and are immediately available for withdraw". Problem is, they don't tell you that

while the funds may be available for use, your accounts balances do not change, resulting in a "blown up" bank account for which the bank showed the funds I had transferred in both my checking and my savings.

Now the problem with this is that, when you check your balance (for 3 days) my balance showed the funds in both accounts (unknown to me), upon which on the third day, when the transaction had finalized, the bank charged me \$25 for each transaction I had made during the three days. For which I was on vacation with my family at the time, making many transactions. The result was \$800 in service fees for which they did little more than shut off my debit card. In the end while I did overdraft in the amount of \$100 (due to the incorrect balance I was given), I was charged \$800 for doing so. That's a pretty good return for the banks I would say. Considering a good chunk of my tax money is now vested in them and keeping them afloat; I would say that they could treat me with a little more respect. I made about \$60K two years ago, I make about \$50K now, so I'm not that bad off. When I think of other people who must be getting taken advantage of, that don't have the means to "make it" financially when something like this happens, it makes me want to go to law school and do something about it. Despite the fact there is no way I can pay for it. Maybe when they refund my \$800 I could get a small start on it.

Sincerely,

Chad Goshorn