

From: Ray Owens, OH  
Subject: Electronic Fund Transfers

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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.

In Ohio, the banks were leading the charge to close down "payday lender" organizations citing "exorbitant and excessive interest rates" on the short term loans.

If you don't have enough money in your account to cover, say, a \$3 sandwich, the bank approves the transaction and, as a convenience, levies a \$34.50 "overdraft fee." A more than 1000% interest charge isn't exorbitant and excessive, I suppose, when it's the banks themselves levying the charge.

My insurance company withdrew funds from my account six days earlier than they'd said they were going. I made 3 small purchases by debit card over the next couple of days, which the bank gleefully approved, and then I was shocked to see over \$115 in fees for purchases totaling less than \$20. When I went to the bank to complain, they first told me only the branch that opened my account could help (that branch was 200 miles away) Then they touted that ancient chestnut about, "Wouldn't you want us to honor your transactions so that, say, your mortgage was approved?" Bull.

I am NOT a fan of government regulation. As a business owner, I'd be happiest if the government would get off my back about the 42,000 things they want me to keep track of. But banks have obviously shown a willing disregard for their customers and other than the government, who's going to slap them down?

Sincerely,  
Ray Owens  
OH 43085