

From: Jon Barron
Subject: Electronic Fund Transfers

Comments:

To whom it may concern,

I am writing to express my support for "opt-in" regulations that would require banks to obtain express consent from consumers before allowing an electronic transaction that would overdraft their accounts.

Bankers claim they oppose a rule such as this because it would force them to change their ATM software, I note they had no such reservations to change their software to support third-party ATM fees, which essentially ask the same question ("do you wish to pay this fee, or cancel your transaction?"). In other words, their characterization of this as an undue burden is simply untrue.

Banking associations such as the ABA claim that consumers prefer the current arrangement. While I cannot speak for all consumers, I can certainly speak for myself: their self-serving justifications are a sad example of the lack of business ethics in America today. The ABA certainly does not speak for this consumer.

Finally, I wish to speak to the banking practice of clearing checks in the highest amount to the lowest amount. This practice is clearly designed to increase the odds of an overdraft, and it entirely artificial. What I mean by this is that the natural way to clear checks is to simply clear them in the order they are presented. Banks artificially re-order the checks for a reason, and that reason is clear.

I believe banks should be forced to clear checks by calculating the least amount of overdraft fees that would be generated in a particular clearing sequence, or at the very least give consumers the option to decide for themselves in which order their checks are cleared.

If the ABA is so confident in their declaration that the current set of practices is "what consumers want", they should have no reservations about giving consumers the option to prove them right.

Kind regards,

Jonathon E. Barron