

From: Doug McClure, RI  
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.

Overdraft protection *can* be a good thing -- if it is used responsibly not just by the consumer but more importantly. More than a half-dozen times, Bank of America has done their trick with re-arranging from high to low transactions to insure they got as many fees as possible when I was well aware I had to make a single transaction that would overdraft. This is not even just on a given day; in the most recent instance, *all* transaction from Thursday through Monday were re-sorted from high to low which made sure the one transaction that would run the account over and incur a fee, which was the last transaction I made, would post first, therefore a half-dozen small (I'm talking \$4 for chicken mc nuggets that ended up costing \$38) transactions would run it over at \$35/piece. It is ridiculous in this era of down-to-the-microsecond tracking of transactions that such transactions cannot be ordered in the exact order in which they occurred. In addition, \$35 for an overdraft is absurd -- especially if the overdraft is something like \$2-\$3. I have yet to see any believable explanation of how these fees even relate to a tangible cost of business. Everyone knows that in 2009, money is essentially vapor once in the banking system, and there's no way that these fees make sense. A percentage -- say even 150% up to a set fee of say \$30 -- combined with a cap on the amount of overdraft which could be set up very easily with a series of calculations automatically established (those are obviously already in place, because you can't go out and buy a new Mercedes on overdraft) -- makes far more sense. Fine if I need to pick up something at the corner store and know it's gotta go over -- but don't hit me for \$35 on a \$2 purchase. If ppl keep getting nailed like this then they will basically adopt the attitude that if worse comes to worse, the bank sends an overdrawn account to ChexSystems and ends up losing money on it, so what.

Sincerely,  
doug mcclure  
RI 02904