

From: Katherine Krajenka, 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.

I totally agree that you should have a choice as to whether you want to have overdraft protection instead of it just being automatically done. I personally keep a very close eye on my accounts and have not had an overdraft fee in several years. However, my young adult children, who have not had a lot of experience yet with checking accounts have had these overdraft charges incurred on them. It creates a burden on them when they get these fees and then have to try and pay them being on a limited income anyway. If something were set in place to deny the charge when they swipe their card then this could be avoided and possibly help to teach them they need to keep a better watch on their accounts. I once had an overdraft fee applied to my account because it went over by .05 cents. That is absolutely crazy! I protested and it was removed but I am sure that this happens way too often and the banks are raking in the dough, so to speak!

The job ultimately lies with the account owner to make sure they have the money before they try spending it, but at the same time, banks should not let the charge go through and maybe if people were denied enough times they would pay more attention to what they do have to spend. I know in the case of my son, he had several overdraft fees applied to his account before he was notified by snail mail that he was overdrawn. By then he had several hundred dollars in fees that he had to come up with in order to get his account in good standing again. Had he been denied the first time that would not have happened and would have saved him lots of money and taught him a lesson. Unfortunately, he was taught a lesson the very hard way!

Sincerely,
Katherine Krajenka
MI 49250