

From: Kevin Cunningham
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.

The banks are not offering customer service by allowing overdrafts to take place, they are just enriching themselves.

I am typically very aware of my financial situation but last year had a situation in which I overlooked an automated charge to my account that was posting on the next business day. I had used my card over the previous 3 days (i.e. Friday evening, Saturday and Sunday) to make small miscellaneous purchases. When the bank cleared the automated debit on Monday, my account overdrafted by approximately \$25 and I was charged fees for 8 "courtesy" overdrafts against my account. The cost to me for this "courtesy" was approximately \$240. What really makes me mad though is that had they processed the transactions in the order that they had occurred, I would have only had one overdraft at most (i.e. the charge that cleared on Monday.) And that overdraft might have been avoided had my charges on Friday been denied as I would not have continued using my card over the weekend and would have investigated why my purchase had been denied possibly avoiding the Monday charge that put me over the edge.

The banks are fully aware their consumers use their debit/atm cards for most purchases anymore (cokes, coffee, candy bars, lunch, etc., etc.)---that's why they put the VISA/Mastercard logos on them now. They know people are going to use those cards instead of cash and it increases the likelihood that overdrafts will take place. Banks are out there to make money for their shareholders and they don't offer any service unless they know they will gain revenue from it. Branding the VISA/Mastercard logos and the creation of the consumer's ability to use these card for all purchases wasn't about convenience, it was about the creation of an additional revenue stream for them (i.e. overdraft charges).

The laws need to be changed, had JPMorgan processed my transactions in order I would have been charged only one O/D at the most.....they manipulate the posting of debits to their advantage and that's not right. All of my charges took place over the weekend and the transaction that truly overdrafted my account was processed on Monday. Maybe I would have been a little embarrassed about my coffee purchase being denied but at least it would have given me the opportunity to investigate what was wrong with my account. I would have gone on-line to check my account and worked to rectify the overdraft before using my card again----but they don't give you that chance as it would cost them revenue.

Sincerely,

Kevin Cunningham