

From: Robert Santistevan
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.

In addition to the overdraft fees, what can make this situation worse are incorrect charges. An example is that AT&T double charged my card for \$105. If the funds were not there to cover the double charge, I would have encountered an over draft fee. Retailers are also at fault. Target and Walmart have both double charged my card due to unskilled/trained cashiers. Their official statement is that the funds should return within 3 to 5 business days. This is essentially an interest free loan. In the situations with Target and Walmart, the over charged exceeded \$300 total. I did receive my funds back within 3-5 days; yet, the issue at hand is the potential for the bank to charge overdraft fees. They will not listen when it is explained to bank customer reps when a merchant double charges. The only winners here are the merchants and the banks, while the account holder is sponsoring interest free loans and paying over draft fees when the funds are wrongly taken.

At the moment, there are limited rights for account holders while the banks have all the power to seize funds despite charges being wrongfully taken and then returned days later.

What would help protect consumers is to allow all debit charges to have a 24hr to 3 day PENDING period. This would allow the customer to rightfully challenge a double charge while preventing duplicate withdrawals that are indeed a mistake.

There are no refunds for overdraft fees caused by merchants who wrongfully double and occasionally tripple charge an account holder.

Also, gas stations are guilty of this too. They will ping a debit card for \$50, charge the card for the amount of the gas purchase and still HOLD the \$50 for several days. Some gas stations ping for \$1, others go for a full \$50+ they take these

funds as revenue and once again, it amounts to an interest free loan sponsored by the account holder. In one instance, I had to wait 30 days to get my \$50 ping fee, a fee charged for the priviledge to simply use my debit card at a gas station, returned to my account. Wells Fargo would have charged me \$35 + fees for such an overdraft. Once again, the bank and the merchants are the only winners at the cost of the account holder.

Sincerely,

Robert Santistevan