

From: Rafael Borrero
Subject: Electronic Fund Transfers

Comments:

My comments are in regards to how the ongoing discussion on regulating banks on their policies involving overdrafts on customers' accounts. I have worked in banking for over twelve (12) years so I consider myself an expert in this matter.

ATM/Debit Card overdrafts:

An "opt in" option should be given to customers who want their bank to approve transactions that will overdraw their accounts.

Check overdrafts:

Banks should be allowed to pay checks in any manner they see fit.

When one is outside of the home, consumers should know, more or less, how much they have in their account. However, the back up should be that if the funds aren't available at the time of purchase or withdrawal, the transaction should be refused. If the consumer is "embarrassed" by the refusal, then they can either "opt in" or get overdraft protection.

Unlike ATM/Debit card overdrafts, the bank isn't causing the overdraft, the customer is. When items are presented for payment, all the funds for those items should already be in the account. If it isn't, then the customer hasn't properly set aside funds. In most cases this is due to the customer not being responsible enough to maintain a correct transactional log to track their accounts. If a proper log is being used then it doesn't matter how banks pay checks since one will always have the funds to cover it. This is no different than not placing enough money into a parking meter, when the meter runs out, you get a ticket - parking enforcement officers shouldn't be told to ticket cars in any kind of order. It's a matter of personal responsibility.

As I have mentioned before, I have over 10 years of banking experience. It's easy for me to defend a bank when the customer gets assessed a fee for not having enough funds, regardless of what order they came in. However when a bank allows a customer to overdraw their account during a purchase, defending the bank isn't so easy.

Thank you for your time.

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