

From: Jeffrey Freedman
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.

My 18 year old daughter's student checking account with Sovereign Bank came with a debit card. She thought she had enough money in her account to do a little shopping. In one Saturday, she went to 5 stores and spent a total of \$36. She did not have enough money yet for her "convenience", Sovereign bank approved the charges. For each one, they charged her a \$33 overdraft fee. 5 in total. They then sent a letter to her that took 4 days to get to our home (2 days between the date on the letter and the postmark so it probably sat in their mail room). The letter looked like a statement, so she dropped it on her nightstand to review later. She did a little more shopping over the next few days until a second letter arrived that I opened. She had only spent a total of \$58 greater than her account balance but was being charged \$251 in fees. This situation is unacceptable and irresponsible on the part of the bank. It is an obvious revenue generating method for them. Fortunately, I successfully argued away most of the fees (but not all). This has got to stop!! Help protect the customer, not the banking institution when it comes to these unethical methods of deriving additional banking revenue.

Sincerely,
Jeffrey Freedman