

From: Mr. Corey Kinsella  
Subject: Electronic Fund Transfers

---

Comments:

Mar 27, 2009

Federal Reserve Board Email comments

Dear Email comments,

In addition to the suggestions included in the last paragraph of this letter, I would also like to see a change in the way that the bank sorts purchases. Right now, when charges are applied to an account, they are charged in order from the greatest amount first to the least amount last. This is regardless of the order in which charges were applied to the account. This practice makes it much more likely that a consumer will be charged for multiple overdrafts on insignificant amounts even when all of the items were covered by overdraft protection.

An example would be if a consumer purchased a candy bar at a gas station, then bought five gallons of gas, and finally a movie rental at the video store. A day later, they pay their rent. While all of these items may be covered by overdraft protection, the bank will sort it by order of most expensive first. Therefore, the rent would be charged first (possibly causing an overdraft by itself) and then the three other items would each cause an overdraft. This could cause hundreds of dollars in unnecessary overdrafts for a single consumer in a billing cycle. If the charges were applied in the order of the purchases, there probably would only be a single overdraft on the account. The bank will tell you they do it this way to protect the consumer where more expensive purchases may be more important and they are trying to ensure these expenses are covered. My response is that the bank knows it will cover all of the items before they are ever charged to the account, so why don't they do what is best for the consumer?

Please allow me the chance to opt-in to overdraft services. This is the only way that I will truly feel protected.

Sincerely,

Mr. Corey Kinsella