

From: Judy Spiewak
Subject: Electronic Fund Transfers

Comments:

Comments on Overdraft Regulation:

As a recently retired VP of business development and a branch manager for a major bank operating in the United States, I want to speak out strongly in favor of NOT allowing banks to pay overdrafts of ANY kind and then charging exorbitant fees unless Specifically Authorized to do so by the client. We need a well- publicized OPT-IN program that is monitored by the federal government. It was my experience that most customers would rather not have the overdraft go through in the first place than pay any fee let alone the ridiculously high charges. I saw client after client over the years pay hundreds and sometimes thousands of dollars in fees for a simple error that wasn't caught quickly enough. The argument that banks make that most customers like the convenience of allowing overdrafts is simply not true. Also, as is usually the case in the banking industry, those who can least afford to pay the fees suffer the most from them because they are too busy working two or three jobs trying to make ends meet to keep up with the never-ending changes banks make in how debits and credits are posted. Also, they have no leverage to get fees reversed as do clients with large balances in banks.

If a bank wants to allow everyone to be able to overdraft, they could offer everyone lines of credit on their checking accounts. Instead they have made it increasingly difficult to get lines of credit which sets many people up for the possibility of no reserve should they accidentally overdraft. The banks could still legitimately collect the 18% interest they get on these lines which would be preferable in any case to the fees which amount to out and out usury.

I write this as not as a disgruntled bank employee, but as one who had a very successful and happy career with the same bank for 25 years before I chose to retire. However, I share my perspective in the hope that government will step in and stop the abuse consumers are suffering as a result of these fees. Usury laws were passed to prevent just this kind of problem, but the laws need to be expanded to cover all overdraft circumstances.

Thank you for considering my opinions.

Judith Spiewak