

From: Cathy Briscoe
Subject: Electronic Fund Transfers

Comments:

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Date Submitted: 03/30/2009

On the Today Show this morning they discussed that the Federal Reserve was looking into the high rate of banking overdraft fees, and that you were looking for consumer comments. My boss is constantly getting hit with overdraft fees. Last year she paid over 2,500.00 in overdraft fees, simply because the bank policies at several banks are when posting transactions for the day all debits are posted first then the credits for the day are posted, this quite frequently incurs overdraft fees. Even when she has deposited cash into the account it credits to the account after the debits. The explanation we get from the bank is that "when money is deposited the bank is basically loaning money to the account until the check has officially cleared the institution from which it is written." If this is true then wouldn't the reverse hold true especially in terms of cash deposits. We as consumers are loaning the bank money until they decide to post it and make it available. What the bank is saying is we will hold on to your cash and invest it for one day prior to posting it to your account and by the way if you happen to have any checks presented to your account today against that cash deposit we will charge you 35.00 for Non Sufficient Funds. I realize that much has changed in the banking industry with the advent of electronic banking, but I still think it should be illegal to post debits first with the intent to charge overdraft fees. There was a time when banking policy was to post the daily credits first and then post the debits. A fine example on Friday I deposited 11,894.00 in the bank 9,000.00 of the deposit was on an electronic check. Friday happened to be our payroll day. I was told by the bank that if any payroll checks were brought to the bank that same day we would be charge overdraft fees. How are small businesses supposed to survive and pay our bills on time when the bank holds our funds hostage?