

I am responding to requests for comments regarding bank overdraft regulation.

I have a son who is currently 22 years old and has struggled to avoid bank overdraft fees since going away to college at the age of 19. The struggles continued after leaving college and working full time for low wages.

I regretfully encouraged the use of a debit card thinking initially that purchases could not be made if funds were not available. Problems persisted whether or not the account had overdraft protection; when the account had overdraft protection expenditures were brought up to and exceeding the overdraft limit, overdraft protection did little to limit fees. Overdraft fee amounts often exceeded the withdrawal or purchase amounts causing the overdraft. On some occasions the overdraft was caused by an ATM fee.

Initially the bank was willing to write off the fees, however when the overdrafts persisted the willingness to write off the fees disappeared. While the bank did send a notice promptly notifying of an overdraft, no effort was made to restrict use of the account or to close the account. I assume the bank was content to keep the account open as long as fees were paid.

Overdraft fees are paid primarily by persons who are least able to afford them. The account I have referred to was titled a "Student Account". By definition one would expect this to be a potentially troublesome account, no attempt was made by the bank to limit overdraft expenses. There was nothing student friendly about this account. The bank offered no account restrictions that would enable

my son to better manage the account; a call-in feature to obtain account balance was only useful if the user was disciplined enough to call-in and if the balance was current.

I have attached a months of account activity to this email. At the time my son was a full time student and worked part time.

For the month: deposits were \$796.41; purchases and withdrawls \$623.95; ATM fees \$48.75; overdraft fees \$308.; checking account balance beginning \$-22, ending -\$208.87; Overdraft Line of Credit account balance beginning \$502.58, ending \$506.38. For the month, 38.7% of my sons income went to pay bank overdraft fees. This was obviuosly not sustainable.

A debit card or ATM card is needed that will not allow cash withdrawls or purchases if funds are not available. Fees, if any, for rejection of a purchase or withdrawl should not exceed normal ATM fees.

Overdraft Line of Credit should not be offered or should be severely limited until a customer demonstrates an ability to satisfactorily manage an account.

Regards,

Ed Crowley