

From: Florida International University, Team Olympus
Subject: Electronic Fund Transfers

Comments:

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Proposal: Regulation E - Electronic Fund Transfers
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Florida International University School of Business BBA Student Cohort 27: (Members of Team Olympus) Emely Espinal, Alberto Prado-Diaz, Obed Landeros, Nelson Bermudez, Axel Dunstan are submitting the following Comments of Proposed Federal Rule: We agree with the Board's proposition to amend Regulation E, in our opinion an individual should have the right or option to opt out of the payments of such overdrafts. The Financial Institution or Bank should not have the liberty to assess overdraft fees for paying automated teller machine (ATM) withdrawals and one-time Point of Sale (POS) transactions that overdraw a consumer's account. To clarify, unless the customer is given a notice of the right to opt-out of the payment of such overdrafts and the consumer chooses not to opt-out. At this time, after given an opportunity to opt-out and the consumer experiences an overdraft of his/her account, the Financial Institution or Bank should assess ONE overdraft fee. The excessive overdraft fees that Financial Institutions or Banks get to charge their customers should be limited. The only reason banks take a risk in paying transactions that will overdraw a consumer's account is because the amount of risk versus reward. In most cases, the risk will favor the Financial Institution and not the consumer. For example, when a Financial Institution or a Bank pays a consumer's transaction that will overdraw his/her account, the Financial Institution or Bank gets to review the overdraft report and makes a decision to pay only the minimal risk transactions. For example, they will charge \$35.00 overdraft fee on a transaction that will overdraw by \$5 the consumer accounts by going over his/her available balance; at this time the consumer will need to make a payment of \$40.00 to the Financial Institution; because of the bank's ability to pick and choose which transactions they will pay. In other words, you will never see a Bank taking a \$35.00 overdraft fee as income for overdrawing a consumer's account by a greater amount. Such as a transaction involving a \$10,000 item or check when the customer's available balance is only \$1,000. This means that the Bank will need to collect \$9,035.00 from the customer. Finally, the proposal should also prohibit the financial institution from assessing an overdraft fee if the overdraft would not have occurred, but for a

debit hold placed on funds in the consumer's account that exceeds the available balance in the account. Sincerely, Team Olympus FIU Cohort 27 Class of 2010