

From: Bob Shifflett  
Subject: Electronic Fund Transfers

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Comments:

H.R. 1456 is not in the best interest of consumers or financial institutions..

Here"s why:

Overdraft Protection is Consumer Protection. Especially in the current economic environment, greater dangers await consumers whose critical payments are returned unpaid.

Interest Calculations are Inappropriate for Fee Services. The protection financial institutions provide is a traditional, and very valuable service -- making payments as intended, regardless of account balance -- and is not the traditional borrowing and lending of funds. Treating it as a loan has always been inappropriate, and is especially so in the days of direct deposit.

Community financial institutions share the values of Main Street, not Wall Street. These financial institutions and the people who work for them are responsible corporate citizens who are generally willing to forgo fees when appropriate -- like overdrafts incurred for a cup of coffee -- with a mere consumer call. But for Congress to eliminate overdraft products that both protect consumers and provide struggling financial institutions with reliable fee income hurts consumers and financial institutions, and pushes consumers toward even less-favored options outside of the regulated financial institution environment, like payday lending.

Bob Shifflett