

From: Jerry Burdette, Iva, SC
Subject: Electronic Fund Transfers

Comments:

Jan 27, 2009

Federal Reserve Board Email comments

Dear Email comments,

It is good news is that the Fed has acknowledged that overdraft fees on ATM and certain debit transactions are especially abusive. As a consumers don't expect to be able to overdraw my accounts at an ATM or debit terminal.

I agree whole-heartedly with Eric Halperin, DC director of the Center for Responsible Lending who said, "Consumers should have the right to decide whether they want to pay a \$35 fee to buy a \$5 hamburger."

I strongly encourage the Fed to require banks to get consumers' permission before covering ATM and debit transactions for a fee, known as opt-in. Furthermore, federal truth-in-lending disclosures about the APR of overdraft loans should apply to these fees. A recent FDIC study noted that charging a \$27 overdraft fee for a \$20 debit card

transaction would be the equivalent of a 3,520% APR if the overdraft is repaid in two weeks.

Again, I encourage the Fed to adopt the opt-in approach, and go further still than the current proposal to prohibit most overdrafts caused solely by debit card "holds"--when a hold by a merchant exceeds the actual amount charged-- by stopping banks from intentionally delaying the availability of deposits, and by not allowing banks the ability to manipulate the order in which transactions are cleared in order to maximize overdrafts. Please STOP banks from automatically enroll consumers in the most expensive overdraft option.

I concur with Chi Chi Wu, National Consumer Law Center who recently said, "Addressing overdraft fees related to ATM and debit transactions is a move in the right direction toward protecting all consumers. But we need more. Much more."

I want to see a stop to banks allowing overdrafts for ATM and debit transactions and to banks clearing transactions in an order from highest to lowest for the purpose of maximize fees.

Please allow me the chance to opt-in to overdraft services. This is the only way that I will truly feel protected.

Sincerely,

Mr. Jerry Burdette
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