

From: Amilcar Sanchez  
Subject: Electronic Fund Transfers

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Comments:

My case is simple I called to opt out the program of overdraft protection and was told it was not even possible to. That the best they could do was lower my limit of over draft to zero (0) and that it would limit my fees to only one as the sytem would not approved overdrafts if my account was negative but would aprove them if it was positive which is ridiculous. I had a courtesy limit of 250 and that ment that if i used 250 it would allow it, but with the courtesy limit at zero the rep could not telll me how much over could i go. Stupid if you ask me that zero could mean more tha 250.

The practice is abusive and should be an optional service to opt in to. Not an automatic service attached to the accounts.

Banks should simply not be allowed to enroll their customers-without their permission-in systems that approve overdrafts without warning, and that artificially increase the number of \$35 fees the banks" can charge for a shortfall. This practice is out of control. It is costing working people big chunks of their hard-earned income.

The "gotcha" practices that banks are using to inflate overdraft fees are not acceptable. Tell the Fed you want opt-in, and if you have been burned by banks" unfair overdraft practices.

Prevailing overdraft practices artificially drive up fees

Banks and credit unions now enroll many of their account holders into the most expensive option for covering overdrafts-an option customers generally don"t want and didn"t ask for-and leave them without the information they need to protect their funds. Under these systems, financial institutions routinely approve uncovered transactions without warning their customers of a deficit in their accounts, and charge an average \$34 fee for each incident, even when the uncovered purchase is for just a few dollars.

Fees vastly outweigh shortfalls

Almost half of all overdrafts (46%) are triggered by debit cards at the ATM or the point of sale. These overdrafts could be easily prevented with a warning or denial. Most debit point-of-sale overdrafts are small, averaging less than half this \$34 fee, meaning that these overdraft loans cost nearly \$2 for every dollar advanced to cover the shortfall.

Unfair practices

Unfair practices include holding deposits longer than necessary and clearing daily transactions from the highest to the lowest, which often allows the bank to charge more fees than are warranted. Banks and credit unions are collecting \$17.5 billion per year in abusive overdraft fees, higher even than the \$15.8 billion extended in funds to cover the overdrafts.

