

From: Marcella Harshbarger, Washington, DC

Subject: Electronic Fund Transfers

Comments:

Board of Governors of Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Federal Reserve Board Director:

Dear Federal Reserve Bank -

I strongly support the goal of an opt-in system for customers to have the choice to enroll in bank overdraft programs. I do not agree with the current system which allows banks to choose which checks get bounced, depending upon size.

I volunteer with the "unbanked" - low income people in the US that do not have bank accounts. The current system of bank overdraft procedures strongly discourages the "unbanked" from participating in the banking system.

Often, these individuals are low-income, and poorly educated. What little money they do manage to save and place in a bank account can be quickly depleted by bank fees in the event of an overdraft situation. Imagine scraping and scrimping to save \$135, only to have it disappear by an overdraft situation. One little mistake on the part of the individual can wipe out months of savings, destroying someone's confidence in themselves and the banking system. Is the type of bank activity that the Federal Reserve wishes to protect?

Please help encourage savings - make it easier for people to save and protect their assets. You can do this by eliminating banks' overdraft programs, or at the very least, placing some restrictions on them, such as requiring consumers to opt-in. While we will still have to fight the strong marketing power of banks as they encourage uneducated consumers to sign up for opt-in programs, at least making the program opt-in is a start.

Thanks.

Sincerely,

Marcella Harshbarger
Washington, DC 20002