

From: Terry Lewis, Arlington, VA

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:

Long ago, I actually used my bank's overdraft protection. Instead of simply paying off the overdraft as soon as I replenished my account, they converted it to a loan, charged a very high rate of interest, and "paid it off" out of my account with an amortization schedule that would have had me paying interest for years. I figured out the scam and (with some difficulty) persuaded the bank to use my balance to fully pay off the overdraft without additional fees or interest. I never used the protection again and opted out permanently when the bank began to charge monthly fees for the unused protection as though it were a line of credit.

Please force banks to fully disclose all of the potential costs of overdraft protection and persuade informed customers to opt in if (and only if) the customers decide it adds value to their banking relationship.

Sincerely,

Terry Lewis
Arlington, VA 22202