

From: Kissanet Taffere, Houston, TX

Subject: Electronic Fund Transfers

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Comments:

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

Dear Federal Reserve Board Director:

I had a Bank of America account with about \$200 or so which I used for daily, small expenses: small purchases, dining out, and the like. In the course of the two weeks, I failed to track my spending ? and that was my fault. I spent under the erroneous assumption that my check card would function like a wallet or that good old piggy bank ? that I couldn't take out more than what I had, that if and when my funds were depleted, I would have nothing to spend. But that was certainly not the case. Instead, I was charged an exorbitant overdraft ?protection? fee for every single transaction, regardless of how far apart or when the transactions were. Every charge, whether it was \$10 or \$1, was assessed a fee ? at one point in time, a cup of tea which cost less than \$2 at Starbucks ultimately cost me \$37 after a \$35 overdraft "protection" fee was tacked on to it. By the time my card had been declined, I had spent less than \$50 but my account was close to \$300 in the red. My card should have been declined when I spent a penny I didn't have, not when I spent \$50 I didn't have, or rather, not when I ?borrowed? \$250 to spend the \$50 I didn't have. I paid Bank of America back and closed my account. I have not used a check card since, and I'd never felt as distrustful or as helpless as I did then ? I had no recourse, no form of redress, no one to call, no letters to write. I paid up, knowing that (in principle) I should have never owed that money in the first place. To be sure, it is each individual?s responsibility to track their spending and be responsible with their finances. But failure to do so should not mean that we should accept and repay loans with triple-digit interest rates ? a loan which we did not know we were taking out in the first place. Such practices are not just unfair and dishonest; they are deceptive and rob people of their hard earned money. This is a lesson we ought to have learned by now and a lesson for which we are all paying a high price, including, ironically, the banking industry.

I support the proposed requirement that would require financial institutions to obtain consumers' affirmative consent (or opt-in) before any overdraft fees or charges may be imposed on consumers' accounts.

Banks should get explicit permission before enrolling customers in the most expensive overdraft system, automatically covering overdrafts and charging high fees, and should be stopped from using unfair practices to increase their overdraft fees.

Sincerely,

Kissanet Taffere  
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