

From: James Christopher, Morgantown, WV

Subject: Electronic Fund Transfers

Comments:

Jan 31, 2009

Federal Reserve Board Email comments

Dear Email comments,

I am writing concerning overdraft fees from my local banks. Each is different in its approach. I have one bank that provides overdraft protection, where if a check or ATM withdrawal is large enough to exceed the checking account balance, then money is pulled from the savings account. This protection is free and is done automatically. Another bank charges a fee for it. Another bank offers it only during signup.

I am discouraged at what I see happening at the banks. My second bank, where I have had my checking and savings account for over 5 yrs, has instituted 2 changes in the last 2 years. The overdraft protection I signed up for in 2004 as a free service offered by the bank has been modified without notices to its customers. If a checking account was overdrafted by a check or ACH or by an online bill pay or any other means, the protection would kick in and move funds from the savings account. If the funds were not available then a notice would go to the customer. An overdraft fee would be charged if the notice was not responded to by the customer. Now in 2009 as of January- without my knowledge, the overdraft protection policy has been changed to allow the bank to charge a \$10 fee for a vague array of "transfers; this includes my old overdraft protection. The \$10 fee was - charged for an "external" initiated transfer. In other words, if I have an ACH or EFT from another institution and is in excess of my checking account and the bank automatically kicks in the overdraft protection, then \$10 service fees is charged. This will occur for checks as well. There was no Opt Out for this. So in effect, I have a fee for overdraft protection and fees for overdrafts- quite ridiculous. Please protect consumers by:

Stopping banks from charging overdraft fees that they don't sign up for or cannot Opt out of. Don't allow changes in services that were signed up for without some type of signature to allow the change or to Opt out of the new policy. I should have a right to pay for an overdraft fee or overdraft protection and have the terms and conditions sent to me. I should have a right to choose the types of transactions that trigger fees and should know about them in advance of the policy change.

Please reign in some of the out of control bank practices concerning overdrafts, consumers deserve a clear understanding. I understand that it is worse in some other parts of the country, but I want to make a statement now, because I fear if this is not controlled in some way, my small town will be blanketed with these types of unfair fee policies.

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

Sincerely,

Mr. JAMES CHRISTOPHER
Morgantown, WV 26501-7669