

From: Heinz Stripp, Kelso, WA
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:

WHAT BANKS DO!

When a consumer deposits a check and a bank makes the amount of the check available to their customer's account before that check has cleared the customer will be tempted to start spending from the amount made available by that check. When the customer withdraws the money from his account before the check has cleared the bank actually loans the customer the withdrawal amount up to the value of the deposited check. When all goes well and the check clears in a short and reasonable time then the bank repays itself the loaned sum from the customer's account and nobody knows the difference.

Except that the customer protection law that requires the bank to provide a 3 day cooling off period during which the customer can change his or her mind about accepting a loan has not been complied with and the loan the bank has made to the customer is actually illegal. Null. Void. Nada.

Noncompliance with the 3 day cooling off customer protection law, knowingly by the bank and unknowingly by the customer, creates a problem for the bank when the check does not clear.

Because now the bank has to collect an illegal loan from a customer who was not aware of the loan and who would not have taken a loan if the bank would not have deceived the customer with a fake amount available account balance. ? Or if the bank would have waited, and make the customer wait, until the deposited check cleared.

Nationwide the N. A. banks have a certain percentage of checks that bounce and from which percentage of bounced checks the N.A. banks may be collecting millions of dollars of windfall money by ignoring the 3 day cooling off customer protection law. ? But the customer protection law has no exceptions. It does not apply to some loans and not to others. A second mortgage can be a short term loan that can be paid back any time. A loan, to be a loan, has to be recognized as such and agreed to by the person or consumer taking the loan.

Otherwise the banks will continue to set up that percentage of their customers who are unfortunate enough to deposit checks that bounce, for one reason or another, and to collect these illegal loans at predatory rates, like savage animals tearing the living heart out of their victims.

Why is everybody so scared of banks?

Why can banks put in your face arrogant lies on a consumers website account statement?

After doing that, why can banks, relying on the lying information provided in the consumers website account statement where the banks show current and available funds to be equal when these current and available amounts are actually not equal at all, trick the consumer into spending some of the ?available ?, in fact not at all available funds, by arranging a loan for their trusting consumer of which loan the trusting consumer is not even aware?

The consumer cannot be aware of the trick his bank is playing on him since the bank, deliberately not practicing transparency, would have to inform the consumer that his website account statement is a lie.

Before the consumer accepts the loan the consumer protection law kicks in and provides for the consumer a 3 day cooling off period during which time the consumer can decide not to accept the loan. Is it legal for the bank to ignore the US Consumer Protection Laws as well?

Is there anybody out there with the guts to say yes, the US banks are that powerful?

How about it, anybody? AARP? FORBES MAGAZINE? How about it IRS? How about it Office of the Comptroller of the Currency? Philadelphia Inquirer? US News & World Report? How about it USATODAY? Are any of you still there?

How about it, any of you Legal Eagles whom I have contacted?

If you are this scared now, what will you do when these banks, or someone such as them, become an armed Tyranny?

I support the proposed requirement that would require financial institutions to obtain consumers' affirmative consent (or opt-in) before any overdraft

Sincerely,
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