

From: James Boehm, Callahan, FL

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 have personally been caught in these "gotcha" fees by my bank. Once someone gets "gotcha'd", it's hard to stop the cycle. A series of overdraft fees drain your account and put it into the red. Next payday, those fees are taken out of your direct deposit and it starts the cycle all over again.

Myself, I was hit with seven overdraft fees for very small debits. These were processed after a larger debit cleared my account, despite the smaller purchases being made a week prior. This "largest amount first" and "releasing holds immediately" policy of my bank, and many others, led to a huge financial mess for me.

Banks may say that this is a courtesy, but in truth it is a way to generate huge fees off customers, primarily customers who can least afford them. It is intentional, it's systematic, and it should be stopped.

Holds should not be lifted from accounts for 30 days or until the accompanying charge is processed, whichever comes first. Banks should process debits chronologically, rather than holding them back until a large amount would result in fees. And banks should never allow debit transactions to be approved if the account is overdrawn, at least not without the customer's strict instructions to allow this to happen.

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,

James Boehm  
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