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Comments:

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Comments:

This proposal should include prohibitions on banks ordering the payment of checks and debit payments. Presently, many, if not most, of the banks in this country use computer programs to pay the highest check or debit first and then pay the remaining in descending dollar amounts. Ostensibly, this is to ensure that the large items are paid since they often are the more important charges, such as mortgage payments, loan payments, tuition, etc. However, this is a benefit, if at all, to customers of the bank only if the bank intends to dishonor checks that overdraw the account. If the bank intends to pay all of items, then all this process does is to maximize the overdraft charges that a bank imposes to the detriment of the customer. For instance, if a bank has a \$35 overdraft charge and a customer with a balance of \$500 and the bank receives items in the amounts of \$490, \$15, \$14, \$15, and \$35, the bank can maximize its fees by paying the items with the highest dollar amounts being charged first. In this case, by paying the \$490 first, the bank is assured of getting four overdraft charges of \$35 each for a total of \$140. If the bank paid the items in the reverse order, it would only have one overdraft charge of \$35. It is grossly unfair to use these programs to maximize fees on customers. Banks should be required to minimize fees on customers to assist in the preservation of their customers' assets in these difficult times.