

From: Edward Alexander Jr
Subject: Electronic Fund Transfers

Comments:

I belong to a credit union where I have a Debit card that I use for transactions. The direct deposit of my paycheck from my Federal Gov't employer usually deposits into my account first thing on a Monday. For whatever reason, it did not this particular day. Since my funds are credited and usually available on Mondays, I have regularly scheduled bill-pay transactions on my account that are scheduled to be paid on Mondays.

Well on this particular Monday, the transactions went through, but because my paycheck's funds didn't become available, my regularly scheduled transactions were debited from my account and left my account very close to a zero balance. Since I expected the funds those funds to have been available, I also went and did my normal weekly shopping and errand running that Monday using my debit card.

Since the debit card transactions went through, I did not know that my additional transactions had caused my account to be overdrawn so I started to rack up several \$35 charges. At the time I did not know about overdraft protection. I was not asked if I wanted to participate and I did not receive any prior notice that my bank account was overdrawn. Well a few days later, I received a few letters in the mail from my credit union saying that I had overdrawn my account and had been charged \$35 per transaction. In all, I had several hundred dollars of overdraft charges. When I checked my balance on Tuesday, I noticed my paycheck's funds had finally become available, but the fees had taken a severe dent out of my account.

When I approached the credit union about this, they had no sympathy and told me that this was a courtesy and if I did not want overdraft protection, I would have to opt-out by going into a branch and signing a form. I argued that this was a courtesy that I didn't want and that since I didn't go into the branch to opt-in, I didn't feel I was liable for any of the overdraft fees this time around. However, the credit union did not agree and I ended up having to pay the fees since the debits were put through and paid even though I technically didn't have the funds available in my account.

I was also given the option of linking a credit union-sponsored credit card line to my debit card checking account for overdraft protection. This way, if my account became overdrawn, the charges would still be paid, but the actual transactions would be debited from my credit card and the credit union would charge me a percentage of the transaction as the fee for the privilege of having this courtesy. In this economy, I didn't want another credit card, especially since I was still getting charged a fee for the courtesy.

The last option was to link my checking account to my savings account so that if there is any money in my savings, my savings account would be debited, but since it's a unintended transfer, I'd have to pay a \$10 per transaction fee. When I asked why the fee was so expensive considering it was just a trigger in a computer program that required no human intervention, the credit union's response was that it was a courtesy that I was paying for the privilege of having and it was cheaper than the overdraft protection provided by the bank with no account linkages (\$35 per overdraft transaction).

I don't believe that overdraft protection is a courtesy. I think that this is a

way for banks and credit unions to make money on unsuspecting consumers. I think that overdraft protection should be an opt-in privilege, not a opt-out courtesy that you have to pay big fees for per transaction.

You can imagine my surprise when I looked at my statement and saw that the credit union charged me a \$35 overdraft protection fee for a \$1.50 soda that I bought at convenience store. That was the most expensive Coke I've ever had.

Please protect the consumer by stopping the banks from robbing us blind. Something needs to be done about this... More disclosure, a single overdraft protection fee monthly (if the balance is corrected in a 24 hour period), and opt-in only acceptance of the service.

If anyone has any questions, please feel free to contact me.

Thank you,
- Ed Alexander