

From: Herschel M Rothman, Knickerbocker, NY  
Subject: Electronic Fund Transfers

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Comments:

Mar 10, 2009

Federal Reserve Board Email comments

Dear Email comments,

I opened my checking account in September 1969 -- at First National City Bank, which has changed its name to CitiBank. Overdraft protection started as a draw against savings. Later, they added the credit line, which I used as little as possible, and paid off as quickly as possible, but the flexibility was wonderful -- and the transactions were free.

Just a few months ago, CitiBank started charging \$10 per overdraft transfer, and it is cheaper to let to pay interest -- on the overdraft balance, on my credit cards -- than to risk being overdrawn. I am able to pay more than the minimum, but I feel cornered.

\*A\*B\*U\*S\*E\* \*S\*T\*O\*R\*Y\*: My youngest went off to college in Boston -- we live in NYC. Sovereign Bank, which recently took over the local Independent Community Bank, has branches here and in Boston, so we opened a Student checking account. This would let her access her account away and at home, and let us deposit funds locally for her.

This was her first account; she did NOT know to check her balance frequently. She used an ATM, and overdrew the account without warning. She was charged \$35 for the overdraft, and \$5 per day for being overdrawn for several more days. Normal deposits to her account did not cover these charges, so she remained overdrawn, and the charges accumulated further. WITHOUT NOTIFICATION UNTIL THE STATEMENT CAME, IN HER NAME, TO THE HOME -- NOT THE COLLEGE.

This was an unannounced change in policy on checking accounts at that [physical] bank. We have had an account at that branch for more than 20 years, through three names - South Brooklyn, Independence Community, and now Sovereign.

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

Sincerely,

Mr. Herschel M Rothman  
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