

From: Jeanne Heinemann , Alabaster, AL

Subject: Electronic Fund Transfers

Comments:

Dear Sir/Madam:

Many years ago I worked in banking. At that time it was courtesy to call a customer for an overdraft to make sure the customer was not a victim of check forgery or alteration or simply unaware of a checkbook error. Customers were encouraged to keep only a few hundred dollars in their checking accounts and deposit the rest in savings accounts. Banks offered customers Christmas club accounts which gave no interest, only convenience. The lack of interest was excused by the maintenance costs of the account with such small increments being deposited. One bank in the area where I then lived was scorned by the other banks because of its extraordinarily high bank charges and constant remodeling of its banks. This scorned bank, for whom I worked a few years, marketed its high fees by offering savings on its checking accounts which appealed to the high elderly population in South Florida. Senior citizens withdrew money from savings accounts to place it in checking accounts to gain flexibility since savings accounts were limited to one withdrawal per quarter.

While it is the consumers' responsibility to learn how to manage money, banks can teach sound business decisions or unsound decisions. Years ago banks offered classes to high schoolers in check writing and balancing accounts. Now banks are posting checks in reverse order to gain additional overdraft fees.

Overdraft fees were designed to punish individuals for sloppy bookkeeping practices. Recurrent overdrafts resulting in a bad credit history once resulted in closing one's account, thus protecting the bank from kiting and fraud which were prosecuted. Later, overdraft protection was offered by banks to save customer embarrassment since the banks could no longer call. Our country has had years of technology given to consumers without common sense education being given with it. When I opened my first account at 18, the bank taught me how to enter items in a register and balance my statement. "Call us if you have questions." Now customers are given overdraft accounts, debit and credit cards, and online banking without instructions as to how these items interplay. I know computer programmers who think that "touchtone dialing" will give them an accurate balance because they don't use the account that often.

The above is a background of why I understand both the banking system's dilemma as well as the customer's confusion. As a 53 year old mother of three adult children, I am concerned with our country's policies. We need a gradual phasing in of common sense policies to avoid massive bank account closures and more customer anger and confusion. If a customer has repeated overdrafts, perhaps the customer should be called in to the bank and asked if he/she needs help balancing his/her account or ask if the customer needs to apply for a loan. If the customer does not qualify for a loan, credit counseling can be recommended. Perhaps banks can offer short banking classes for the consumer to be taken as a beginner before opening an account, as an intermediate after establishing an account, and as an advanced student when ready to invest.

What we do not need is another program to drag Americans into poverty. Our politicians look after local and pork barrel interest. Please let someone be the voice of reason in this country. The Beatle's sang, "Let there be peace on earth and let it begin with me." I offer that we can use that line in America to say, "Let there be reason in America and let it begin with me".

Most sincerely,

Jeanne Heinemann
Alabaster, AL 35007