

From: Mira Tanna, Saint Louis, MO

Subject: Electronic Fund Transfers

Comments:

Mira Tanna
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Federal Reserve Board

Dear Federal Reserve Board:

I have personally experienced this problem. I had an overdraft due to a problem with my company's direct deposit. I had a number of transactions that were covered by the bank balance, and then one transaction that was not covered by the balance, before I was aware that there had been a problem with my direct deposit. Even though the final transaction was the only one which should have caused an overdraft, because it was the largest transaction, it was paid out first, thereby causing a host of overdrafts and a large number of \$25 overdraft fees. I had to take time off work to go into the bank and have all of these overdrafts voided. Had I not been paying attention to my account, I would have had hundreds of dollars taken out of the account because of the bank's unfair practices of charging the largest transaction first.

While I was at the bank, I was informed that I could enroll in their overdraft protection plan and that there were no fees for participating in it because it would be linked to a \$1000 revolving credit limit. I concurred. When I had an issue with my bank balance being low, I knew that I could have put more money in the account, but because my paycheck was coming soon, I elected to let it go into overdraft and charge it to my revolving credit limit. Instead, I received more overdraft fees and again, had to take time out of my work day to sort it all out.

Please make sure that there are strong consumer protections as you consider the issue of bank overdrafts.

Thank you.

Sincerely,

Mira Tanna