

From: Michael Leibowitz, Haverford, PA

Subject: Electronic Fund Transfers

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Comments:

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Proposal: Regulation E - Electronic Fund Transfers

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Comment On Regulation E - Electronic Fund Transfers (R-1343). I am writing to comment on proposed action regarding overdraft fees charged for credit and debit cards and specifically on the issues of whether consumers should be automatically enrolled in overdraft protection programs and what maximum fees should be permitted. While payment for overdraft protection is usually referred to as a "fee", it is really a loan with a unreasonably massive interest rate. Furthermore, credit card processors sometimes pick the order in which they process transactions so that larger transactions are processed first and multiple smaller transactions are processed later to increase the number of overdraft fees charged. These deceptive practices are expensive, immoral, and disproportionately hurt poor and working class families that can least afford to pay these fees. These practices undermine public confidence in credit card companies and the financial institutions that promote and provide credit and debit cards. Most importantly, by allowing such abusive practices to go on, the authority of the Fed and of the government agencies and actors responsible for regulating credit cards and lenders is undermined. I hope that the Fed will act to put an end to automatic enrollment in these programs, require credit and debit cards to identify the "fees" as interest, and ensure that the "fees" charged are reasonable and fair. Thank you for your consideration regarding this matter. Michael Leibowitz Haverford, PA