

From: Gregory Ruty  
Subject: Electronic Fund Transfers

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Comments:

To whom it may concern:

In regards to the proposed rule changes governing how banks handle overdraft service from ATMs and debit card transactions, I would like to add my two cents. I strongly believe that a consumer opt-in is a much fairer option as opposed to the current opt-out. This is why:

I am currently trying to opt-out of my bank's Overdraft Protection "service", but am for all intents and purposes unable to. The current opt-out rules seem to provide banks with enough loopholes that there is, effectively, no way to fully opt-out. This is my experience trying to withdraw from this service I never intentionally signed up for:

My bank (WaMu, now Chase) determines an Overdraft Limit (OD Limit), the amount a customer is able to overdraw their account. According to their policy, "we may list it on your statement, although we don't have to. ... The OD Limit isn't a line of credit. It's discretionary and we may increase, decrease or remove it at any time without notice. ... We may also choose not to pay (or authorize) a particular transaction at any time without notice." So it's not actually Overdraft Protection. It is a "service" they can remove at any time with no notification. Yet, it is impossible to opt-out of: "If we don't set an OD Limit, we will usually reject a transaction if the Available Balance in your account isn't enough to cover it. But there is no guarantee that your account won't become overdrawn ; this can happen, for example because we may still choose to pay NSF (Non-Sufficient Funds) transactions, ..."

Essentially, I can request that they don't pay NSF transactions but they still retain the option, thereby negating the opt-out option.

As a consumer, I am infuriated by this. Not only do banks process electronic transactions in a way that increases the likelihood of multiple overdrafts by approving larger transactions before smaller ones, regardless of which transaction took place first, but they then provide no way to opt-out of the resulting high-interest, punitive loan they "provide as a service."

I thank you for your time, and for considering a consumer's perspective. I look forward to any change in the rules governing banks' handling of NSF electronic transactions that might better protect consumers.

Sincerely,

Gregory Ruty