

**From:** "Christy A. Wilkens" <xy@moresmarter.net> on 08/04/2004 11:51:56 PM

**Subject:** Regulation DD - Overdraft/Bounce Protection Services

To whom it may concern:

I am writing in opposition to the Federal Reserve Board's proposal to regulate "bounce protection" under the Truth in Savings Act (TISA). As a form of credit with exorbitantly high interest rates and fees, overdraft loans should be regulated under the Truth in Lending Act (TILA).

It is highly dubious that the Board should admit that overdraft loans are a form of credit, then refuse to regulate them as other forms of credit are regulated, with required disclosure of APR rates. Of all the high rate lenders, it is ironic that banks offering the most expensive form of credit can avoid the need to disclose the single and most critical piece of credit information.

As a consumer, I shop around for the least expensive credit I can--whether it is a credit card or loan--and APR is one of the most useful pieces of data to make comparisons. And as a consumer, I have made the honest mistake of overdrawing my account by as little as \$2, thereby being hoodwinked into a "convenient" \$30 fee. When it happened to me, it happened without notification that the bounce had occurred, it happened without my clear consent to participate in such a program, and it happened even though my savings account held more than enough in reserve, had I but known of the error.

That your regulation proposes to defend this form of credit, with all its opacity to ordinary banking customers, is puzzling at best.

Note that I am not opposed to overdraft programs in general. I am only opposed to bounce loans that are exorbitantly expensive, that are not accompanied by APR disclosures, that are imposed without affirmative consumer consent, or that are advertised to consumers as an easy source of credit. I heartily endorse the more detailed comments submitted by the National Consumer Law Center and the Center for Responsible Lending, with their suggestions for how to disclose the APR in a meaningful manner.

Thank you for your consideration.

Sincerely,  
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