



Branch Banking & Trust Co.

October 4, 2005

P.O. Box 819
Wilson, NC 27894-0819

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Docket No. R-1234 - Regulation E - Electronic Fund Transfers

Dear Ms. Johnson:

Branch Banking and Trust Company and its affiliated banks and subsidiaries of BB&T Corporation (BB&T) appreciate the opportunity to comment to the Board of Governors of the Federal Reserve System on the proposed Regulation E amendment and staff commentary revisions clarifying the disclosure obligations of automated teller machine operators with respect to fees imposed on consumers for initiating electronic fund transfers or balance inquiries at ATMs.

BB&T, with more than \$105.8 billion in assets, is the nation's ninth largest financial holding company and operates more than 1,400 financial centers in the Carolinas, Virginia, Maryland, West Virginia, Kentucky, Tennessee, Georgia, Florida, Alabama, Indiana and Washington, D.C.

BB&T is generally supportive of the proposed changes and believes they would allow ATM operators to more clearly and accurately disclose their surcharging practices to consumers.

We believe, however, that the proposed alternative notice wording, that a fee *may* be imposed for providing electronic fund transfer services or a balance inquiry, should be permitted even in instances where the ATM operator is currently imposing the fee in all cases.

Because of the time, cost and disruption involved in replacing notices at geographically dispersed ATM networks that can comprise thousands of ATM locations, it would not always be practical for operators to revise their ATM disclosure notices each time a surcharge exemption was granted or removed. For example, changes in state laws or ATM network rules can mandate that certain groups of cardholders be exempted from surcharge fees, or conversely, that no cardholders be exempt from surcharge fees. Similarly, it is not uncommon for ATM operators to enter into agreements with other operators to exempt each others' cardholders from surcharge fees. These laws, rules and

Jennifer J. Johnson, Secretary
Re: Docket No. R-1234 - Regulation E - Electronic Fund Transfers
October 4, 2005
Page Two

agreements will often apply to only some of an operator's ATM locations. Under these circumstances, and given the frequency with which fee exemption requirements can change, replacing and maintaining notices to ensure that the correct "will" or "may" wording is displayed at each ATM location would present an unreasonable burden for many ATM operators.

Given that the consumer will continue to receive an additional screen or paper notice, prior to being committed to paying any fee, which will disclose the actual fee, if any, for the specific consumer's transaction, we believe that a notice disclosing that a fee *may* be imposed is appropriate in all circumstances.

In response to the request for comment on current disclosure practices, it is our understanding that the majority of ATM operators that impose surcharges on some but not all consumers disclose in their posted notices that a fee *will* be imposed; the screen or paper notices provided to the consumer will show the fee, if any, that is actually charged for the consumer's transaction. We believe that this practice may have an adverse impact on some consumers, in that an "exempt" cardholder might decide not to use a specific ATM in order to avoid a disclosed fee, even though they would not have been subject to the fee. We see no potential adverse impact on consumers if the proposed notice wording were permitted in all circumstances, as the consumer would still receive clear disclosure, on either the ATM screen or a paper notice, of any fee to be imposed prior to completing their transaction.

Finally, in response to ATM surcharge disclosure practices at the time the Gramm-Leach-Bliley Act was passed, BB&T's existing ATM disclosures were already in compliance, primarily because of ATM network rules which had similar requirements.

Thank you for the opportunity to comment on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph S. Blount", with a long, sweeping horizontal stroke extending to the right.

Joseph S. Blount
Vice President and Payment Systems Consultant
(703) 241 3035