

"John Herndon" <jherndon@fnbba.com> on 07/25/2008 10:10:09 AM

Subject: Regulation AA

Gentlemen:

I am opposed to the proposals being considered on Overdraft Fees. This is another attempt to over regulate our industry. Why don't you go into banks and talk to customers who use and like the product, rather than re-acting to a few who can't manage their accounts properly and are dissatisfied? Our bank has been offering this product since August of 2001. It has been well received by our customers. To my knowledge, we have had zero complaints as to how this product helps the customer. We currently have 3,896 accounts (out of 7,891 total checking accounts) using this product.

First of all, this is a product the customer chooses. We do not force a customer to accept this product. We show the customer the product and they sign a disclosure with us acknowledging they either choose it or not. At any time in the future a customer may opt out or opt in. The customer controls if this feature works or not by how they handle their accounts. Any attempt under the proposal to add opt out features for just certain types of payments would be ludicrous. It would become a nightmare for us to do something like that. The cost associated with changing banking systems would have to be enormous and of no cost benefit. Those of you who try to make these changes need to get into the real world of operating a bank and dealing with people.

The attempt to do any kind of partial opt out is onerous.

As to point of sale transactions being able to be turned down, this is already difficult now due to merchants getting authorization one to two days in advance and thus us being liable to pay this transaction, yet the customer has other non point of sale transactions process on their account prior to the POS transaction hitting and often are insufficient, yet we have to pay that POS transaction. This proposal could turn into losses for the bank, or the service would have to be discontinued to our customer, thus depriving them of what is now a usable and viable product.

This is just a poor proposal that is not needed. I urge you to stop before you cause additional costs and uncertainties in the banking world.

John Herndon
First National Bank & Trust Company
P.O. Box 70
Broken Arrow, OK 74013-0070
918-251-5371 x231