

From: markus678@yahoo.com on 06/18/2008 08:00:21 PM

Subject: Regulation AA

Charter One Bank, now Citizens Bank charged me over \$700 in less than 3 days for an overdraft of only \$50 due to the order in which my transactions were posted. I am a heavy user of the debit MasterCard linked to my checking account. The bank encouraged its use with points awarded for every dollar spent using the card, redeemable later for gift cards and merchandise. Everything was paid for with that debit card, from gas, to lunch, to \$2 for batteries, to birthday cards. Well each swipe ended up costing me \$39 because they "processed" the largest debit first.

This was the start of a domino effect of overdrafts which was compounded by the \$39 overdraft fee for every debit, even the \$2 one for batteries. I had to take a cash advance from my credit card to bring my checking balance back to positive to stop this cycle of fees.

If I did not have the credit card to take a cash advance, I would have never gotten out of debt with Charter One Bank, because every four days of being overdrawn also incurred a \$39 fee.

I asked them why did they approve my debit card charges if there was no money to cover the transaction. Their response was "if you don't have it, we will loan it to you". I was told I could even go to the ATM to withdraw \$20 right now, even though I was overdrawn. Of course, that \$20 withdrawal would incur another \$39 overdraft fee.

This is a sly way of skirting the truth-in-lending laws of disclosing the cost of borrowing before loaning the funds.

You know it. I know it. The banks know it. And millions of others know it the hard way when they fail to understand the nuances of bank transaction processing, debit card authorization holds, and the later settlement of those authorizations when the debits are posted to the account.

Sincerely,
Mark Madden
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