



July 15, 2008

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Re: Regulation DD – Truth in Savings - Overdraft Service
FRB Docket No. R-1315

Dear Ms. Johnson:

Johnson Financial Group, Inc. is a \$5.2-billion financial holding company headquartered in Racine, Wisconsin, operating through several affiliated companies primarily in the states of Wisconsin and Arizona. Our product/service lines include banking, trust, and investment services (Johnson Bank), an insurance agency (Johnson Insurance Services, LLC), and branded brokerage and credit card services (with joint marketing partners).

Johnson Financial Group recognizes the efforts of the Federal Reserve Bank for its work in attempting to facilitate consumer protection initiatives, in particular when providing oversight to activities that result in consumers paying excessive fees for services for which they did not contract. While such efforts have the goal of advancing the ability of consumers to understand overdraft practices and fees, we believe the proposal has a number of elements that will create an excessive undue compliance burden on community-sized banks which ***are not at the root of the problem.***

We believe that the current provisions of Regulation DD implemented in 2005, already adequately and appropriately address the issues raised in this proposal. Account holders should not be required to pay fees for services that are not clearly disclosed to them. In addition, the timing of the notice of the activity results in repetitive fees being assessed for a single overdraft.

In addition, this proposal does not make the distinction between banks that provide automated/advertised services and banks that handle overdrafts in a traditional manner (account-by-account decision making). As a result, this proposal places a significant financial burden on banks that do not have a formal overdraft program by requiring

repetitive disclosures and maintenance of records documenting whether or not consumers choose to opt-out of an overdraft program.

We understand the Board's concern that overdraft fees should not be used by institutions as a revenue stream. It is important to remember however, that overdraft fees are meant as a deterrent. It should be noted that consumers have access to checking account balances 24/7 through various channels. A 2007 survey conducted by the American Bankers Association with Ipsos-Reid research showed that 80 percent of consumers paid no overdraft fees in the previous year, and – of those that did – 88 percent said they were glad the bank covered their payments. This proposal would impose additional regulatory burdens on all banks while overdraft fees only affect approximately 20 percent of consumers.

We believe that the guidance issued in 2005 adequately addresses the issues surrounding overdrafts and should remain in effect unchanged. However, should the Federal Reserve proceed with adoption of the changes, we have the following comments on the proposal.

Methods to Opt-Out

Comment is requested as to whether institutions should be required to provide a form with a check-off box that consumers may mail in to opt-out of an institution's payment of overdrafts. It then goes on to ask whether consumers should also be allowed to opt-out electronically, provided that the consumer has agreed to the electronic delivery of information.

It is our belief that due to the importance of efficiently receiving and then implementing a consumer request to opt-out of an overdraft program, the rules should allow banks to establish a single process for receipt of these notices. We believe that the rule should provide for the option of requiring a consumer to send a written notice containing specific content to a prescribed address. While this seems restrictive in nature, it coincides with the requirements of Regulation P (Privacy Notices) for requirements of notice from the consumer.

Frequency of Notice

Comment is also requested on the content requirements of the opt-out notice, the burden it imposes on institutions, and benefits to consumers of providing all of the proposed content in each notice, including the information about alternatives to overdraft services.

We believe that a notice provided at the time of enrollment is sufficient. The cost of paper and postage for multiple notices will impose a burden on banks. When the initial notice is provided and explained to consumers, subsequent notices with the same information will not add value for

consumers. Again, as with our experience with Privacy Notices, continuing notice requirements add no value to the process and, some argue, detract from the process as consumers become immune to the volume of notices received.

Time Frame to Implement

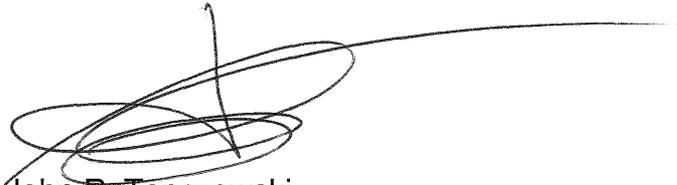
Finally, while the proposal did not request comment on the time frame to implement the changes, we believe that a time frame must be established that is sufficient for banks to fully implement the changes. In particular for community banks, a sufficient amount of time must be provided to create operational processes and new computer programming in order to facilitate elements of this rule for what is, in effect, a new requirement.

Summary

We oppose this rule in its entirety. For banks that do not utilize automated overdraft processes, the proposal creates a completely new set of requirements in an attempt to address a problem that we don't perceive exists.

Thank you for the opportunity to comment on this proposal.

Sincerely,



John R. Topczewski
Vice President/Corporate Compliance

JRT/bab

c: Richard Hansen, President and CEO, Johnson Financial Group, Inc.
Kurt Bauer, President and CEO, Wisconsin Bankers Association