

Subject: Regulation AA

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Aside from dismantling the Federal Reserve system completely, which would be the greatest benefit to the banking system, here are some suggestions which would help Americans struggling with credit card debt without sacrificing the personal responsibility that is necessary for every individual to maintain in regards to their personal finances:

1) The transaction-stacking scheme. Prevent the practice of transaction stacking, in which banks purposely reorder transactions and organize them from the largest to the smallest in order to maximize potential overdraft fees. Here is an example of this ridiculously deceptive and very lucrative practice which major banks now employ: Let us say that an account holder has run 6 transactions through an account which currently has an available balance of \$157.48: McDonald's \$7.82 Wal-Mart \$26.87 Jose's Adult Bookstore \$68.82 Starbucks \$4.55 Newegg.com \$72.55 Overdraft XXX playground.com \$90.13 Overdraft If a bank charged a \$35 overdraft fee on this account for each transaction over the available balance AS IS, the customer would be charged \$70. However, using the bank's money-stealing transaction policy, the transactions would be reordered to post in this order the next day (the first transaction listed

is the first to post and be subtracted from the available balance: XXX playground.com \$90.13 Newegg.com \$72.55 Overdraft Jose's Adult Bookstore \$68.82 Overdraft Wal-Mart \$26.87 Overdraft McDonald's \$7.82 Overdraft Starbucks \$4.55 Overdraft Under this scheme, the customer's overdraft charges would be more than doubled to \$175! The more transactions occur, the worse the situation becomes, as hundreds of dollars are sucked up and add to the negative available balance. Since most customers balance their checkbooks by the order the transaction is conducted, not the size, they are completely caught by surprise when hundreds of dollars in overdraft fees are added to their accounts when it was only overdrawn by some small amount. Terrible! 2) The daily overdraft fee racket. On top of this, banks will charge a daily overdraft fee of \$6-\$8 per day if the account remains overdrawn, starting from the day it overdraws. In the above example, if the customer does not realize they are overdrawn until 2 days later, and can not come up with the money, the bank will charge overdraft fees on the 3rd day, but not only for that day, but for the previous 2 days as well! So instead of \$8, the fee would be \$24 and \$8 every day thereafter. Some people do not balance their checkbooks every single day, and most are unaware of the transaction-stacking trick, so they would have no idea. How is one to suddenly come up with hundreds of dollars to correct an overdraft, particularly if they are so strapped for cash that they must scrutinize their account every day just to make sure they don't overdraw? Banks that employ these practices are leeches which give our free accounts to suck their customers dry. I once had a bank manager tell me personally that banks were not permitted by law to mess with the order of transactions. Surprise! They all do it. 3) Daily overdraft racket part deux! On top of this, I received a notice from my bank which now indicates that if they are charging a daily overdraft fee on an account, they will continue to charge this fee on days the bank isn't even open! In order words, if the bank is closed on a Saturday or Sunday, a customer can literally DO NOTHING to correct an overdraft even if they have money in hand to deposit, and the bank will STILL charge a daily overdraft fee! How can they charge a fee when a bank isn't even open to allow a customer to correct an overdraft?! This is theft, pure and simple. 4) Bounce-proof transactions? Yep. It's now virtually impossible for a customer using a debit card to NOT be able to make a purchase using it. Banks will purposely allow a customer to overdraw their account using a debit-card. They claim that they are unable to ever truly know the available balance in an account due to the methods retailers use to process credit cards, and because some bank cards have credit card logos on them. This is a brazen lie that banks use in order to maximize the possibility of an overdraft and generate more fees. However, a bank will still allow a customer's account to be overdrawn by several hundred dollars instead of

refusing to put a hold on the transaction. In some cases, the customer can make a deposit to bring the account to a positive balance again, but at some point, the "free" overdraft will be exceeded and overdraft fees will be unavoidable. This nonsense is just another way banks encourage customers to spend endlessly in order to generate fees.

5) The returned check fee scam. Why in the blue hell should I be required to pay a returned check fee if someone writes a bad check to me? The answer I was given by one bank manager was that I am the only person with whom the bank has a business relationship. That is, they can't charge the other customer a fee because they don't have an account at their bank. No way! They have the customer's account number and routing number of their bank! All they have to do is notify the bank upon which the check is being drawn that funds were not available and collect an additional fee, which the fraudulent check-writer's bank then assesses to them for writing a bad check. This ridiculous excuse is really just a smokescreen for "it's easier to stick our own customers with a fee than it is to find the real culprit.) Not to mention that this same bank manager even told me that it costs them next to nothing if this check is bad, and I am already being penalized because I have been assured that this money is there, only to find out it is not, but the bank is going to charge their own customer a fee anyway. What a rip-off! A customer should never be penalized for something someone else does. After all, they're using MY money already.

6) The hidden electronic transactions. In the digital age, we now have access to our accounts virtually all hours of the day and night. This has been a great convenience in our busy lives but also opened us up to even more abuse by banks and credit card companies. Consider the typical bank's website and customer account information section. It will show a ledger balance, available balance and a live record of all transactions against that account, both pending and posted. Unfortunately, on most banking websites, they will show you the amounts of pending transactions, but not the party drawing on the account. However, one can call and tellers can tell a customer who made the charge to the account. There is absolutely no reason why the website can not tell us the same thing except that banks don't want us to see this information until it is too late. In situations where we might suspect a transaction is suspect, speed is often of the essence to prevent identity theft or fraud. The bank has this information, they simply choose not to share it with their customers.

7) The disappearing transaction. Ahhh yes, one of my favorites. This occurs when a pending transaction appears on the account ledger for several days, then suddenly disappears one day, and reappears in the posted column the next! Supposedly this happens because when a debit card is used, the bank puts a hold on the account for the prescribed amount until the "paperwork" is sent to confirm the transaction. Then, the bank contacts the target bank and requests the

money. Sometimes this "approval paperwork" takes a few days, but the bank only keeps the hold for 3 to 5 days. If the paperwork is not received in that time, the hold disappears and the money reappears back in the available balance of the customer's account. Suddenly, the next day, the posted transaction appears in the posted column! Clearly, a person who is not monitoring every single transaction every single day might become confused as to why a transaction disappeared, especially since it is pending and they CAN'T TELL WHO IT'S FROM! See issue #6. Such a person might think they have made a mistake and they actually have more money than they do, but BAM! Overdraft city. Just another example of these snakes using every trick in the book to steal money from their customers. 8) Pending check transaction grouping. Another trick with pending transactions is to lump all pending check transactions into one transaction so that a customer can't tell which checks are being cashed. Let us suppose that a customer has written checks in the amounts of \$21.50, \$100, \$140, \$10, \$40, \$98.50, \$20 and \$20. In the pending transactions list of the customer's account on the bank's website, there will be an entry like this: Pending check transactions \$140 The customer can not tell if this is 1 \$140 check, 2 checks totaling \$140 (\$100 + \$40), or 3 checks totaling \$140 (\$98.50 + \$21.50 + \$20). This is especially important if the account is close to overdrawing because the customer might believe they will only be charged 1 overdraft fee, but in fact could be charged many more. There is no way a bank can not know how many transactions there are, especially since they are all entered separately when they are cashed and requested separately from different banks. No, it's just another sleazy trick to separate the customer from their money. 9) Use of credit score for non-credit purposes. Since when do I need good credit to get a checking account? Apparently since now. Some banks and credit unions are checking credit scores just so a customer can get a checking account. It's not as if a bank isn't going to charge a person with good credit an overdraft fee or NSF charge. They will pay the same exorbitant fees as everyone else, so why should my credit matter if I'm not borrowing any money? Apparently, banks believe that people with good credit are less likely to overdraw their accounts and cost them money. If that is so, why WOULDN'T they want customers with poor credit? After all, they're going to be able charge them out the wazoo when they overdraw their accounts. After all, it costs a bank next to nothing for an overdraft but they'll charge the customer \$35 for every NSF transaction. 10) Banker's hours. What is it with banks anyway? They hate their customers so much that they don't even want to talk to them either? My bank is open from 9:30am to 4:30pm Monday through Friday. They are open Saturdays from 9:30am-12pm. I work from 9am to 5pm so if I need to go to the bank (say, to prevent an overdraft?!), I have to leave work to do so. I can't

stop in on my way to or from work because they are not open! I get to make a special trip to my special bank and take my special time when I am supposed to be working. Either that, or I can get up early one of my only days to sleep in (and catch up on rest which I need from all the stress banks cause me during the week) to go to the bank.

Thankfully, some banks are open outside of business hours at least 1 day a week. However, considering that it's now possible to conduct business 24 hours a day and transactions are moved from posted to pending overnight, fees are assessed, and merchants are now open 24/7 online, doesn't it make sense for banks to be more accomodating with their services? How about being open until 6pm or open at 8am so that normal people can actually go there without having to make a special trip and waste that precious nectar that is gasoline! There you go, 10 reasons why banks suck and should not be allowed to take advantage of their customers. Next time I will give you 10 reasons why the Federal Reserve sucks and should be abolished. Thanks to the Fed, we have a dollar crisis and we're bailing out every company in sight, which I'm sure we'll end up paying for in taxes. Thanks Fed! Go do something useful with yourself.