AMERICAN HERITAGE BANK

Celebrating 100 Years 1905-2005

July 28, 2008

Ms. Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th St. and Constitution Avenue NW.
Washington, DC 20551

Re: FRB Docket No. R-1314; OTS Docket No. OTS-2008-004;
Unfair or Deceptive Acts or Practices; 73 Federal Register 28904;
May 19, 2008

Dear Ms. Johnson:

American Heritage Bank appreciates the opportunity to comment on the proposed rulemaking covering overdrafts and overdraft protection programs. As a community bank servicing customers around Tulsa and in rural areas of Oklahoma, we have a number of concerns.

The proposal for a partial opt-out of ATM and debit card transactions, while retaining coverage for checks and ACH, would present a considerable technological challenge for our bank. The complexity of the processing system that would be required to comply is not feasible.

The proposal covering debit holds is far too complicated to be implemented or for consumers to understand. Besides, the problem is really one that involves merchants and the card networks and cannot be solved by putting the onus only on banks who are simply acting in a safe and sound manner to assure funds are available for authorized transactions.

Regarding the proposal to let individual customers choose alternative item payment processing order, the result would be a micro-managing disaster. Today, different types of items are presented for processing at different times so that no single rule (such as low to high or high to low) is practical.

We maintain a high level of customer service and feel that the majority of our customers handle their accounts without any problem and expect and appreciate an overdraft program that gives them the cushion to allow payment of an item that, through error or oversight, causes their account to go into the negative. Overdraft fees can be avoided by consumers without requiring a specific advance notice and opt-out followed by repeated periodic opt-out reminders.

Post Office Box 1408 / Sapulpa, Oklahoma 74067 / Telephone: [illegible] / Fax: [illegible]

American Heritage Bank has always been conscientious about fairness to our customers and observes the 2005 Interagency guidance and best practices regarding overdraft programs. We feel that additional burdensome rules and requirements would have a negative impact on the industry and its ability to meet the needs of the customer.

Sincerely,

William L. Berry
Chairman of the Board

WLB/cb