

Subject: Regulation AA

Date: Aug 10, 2008

Proposal: Regulation AA - Unfair or Deceptive Acts or Practices

Document ID: R-1314

Document

Version: 1

Release
Date: 05/02/2008

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Comments:

There is no need for a new law to be passed to stop overdraft bank fees. These fees are already illegal under Regulation Z of the truth in lending act. What is needed is for this law to be enforced. In addition to that there, could be more disclosure requirements in order to warn or inform the consumer of the consequences of their actions. The disclosure that is given upon opening a new account is not enough. 1. The consumer accounts should automatically be opened without any form of overdraft fees and should give an NSF message when the consumer tries to make a transaction that would result in an overdraft. Thereby giving the customer the choice to REQUEST overdraft services if they so desire. At which point, full disclosure should occur both verbally and in writing with requirement the of a signature. 2. Places that accept debit cards should be required to post these debits in real time (this is 2008). There is no excuse for 2 and 3 day delays. 3. Even after the consumer has chosen to accept these overdraft services, upon using atm's and debit purchases, there should be full disclosure to the consumer of how much he is going over his balance and how much would be assessed in initial fees as well as resulting fees of being overdrawn for more than the specified days. And finally

account closing fees. 4. The interest rate on the amount borrowed (as according to regulation Z) should be disclosed to the client in the form of a percentage so as to allow the client to compare other rates for this short term "loan". 5. Items for payment should not be posted in the order that would be financially preferential to the bank but in the order that they are received. 6. Finally, an overdraft fee should NEVER be charged as a result of a branch transaction. The teller should be responsible for informing the client that the account does not have sufficient funds and suggesting other alternatives. These tricks and illegal practices that the banks are practicing are shaking consumer confidence. The many issues affecting this changing economy are enough to cause insecurity without the deep mistrust of banks that is now starting to develop among America's middle class and working poor. If we don't change something quick many of these Americans will be keeping money in their mattress. Dear Federal Reserve Board, This may be long and tedious, but then, my ordeal has been equally long and tedious. I hope that someone in your office can find the time read this account because it perfectly outlines how consumers can get seriously injured by these illegal banking practices. So far, I estimate the damage at about \$600 in fees for less than \$50 total over the balances. But that's nothing, the real damage begins with the over \$1000 (or more) in check cashing fees as a result of not having an account, and ruined credit for me, perfect credit damaged for my husband. Why do people pay these? The shame. Most of them poor, or working poor people middle to lower income, living paycheck to paycheck. They may not understand the legalese, may not be good in accounting and balancing and somehow think it is their fault. These tricks and unfair, as well as illegal practices that the banks are practicing are shaking consumer confidence. The many issues affecting this changing economy are enough without the deep mistrust of banks that is starting to develop among America's middle class and working poor. If we don't change something quick many of these Americans will be keeping money in their mattresses. My account: PNC Bank At first I didn't understand how the charges worked. I initially used my card at the gas station. Wondering what I had in my account I tried to take out a small amount of money assuming that if I didn't have that amount I would be denied. I was given the money and also decided to make a tiny purchase at the drug store. The gas station apparently doesn't debit your card immediately and in fact took a few days to show up. At which point, the small transactions hit along with other transactions (larger ones were taken out first of course!) and caused an overdraft. At the end, I think I racked up \$250 in overdraft and its fees. As a result, I have not had a bank account for over a year. Finances have been difficult and I never had the spare money to pay this. That amount may seem small to some, but in this economy, and with sporadic employment, I often

had to choose between things like medicine or food or rent. I was unable to pay PNC and really not very willing to pay more than the actual amount I went over which was probably about \$40. This being because the rest were illegal fees being charged. It unfortunately, has been sitting on my credit report and I have paid probably about \$1000 total in check cashing fees since. BB&T My husband made two errors on two accounts at the same time. The first was a withdrawl that was 50 cents over, the other was a little over a dollar. This was due to a miscalculation of fees. The ATM machine stated that a fee of \$2.50 cents would be charged since it was a not a BBT machine. Fine. He calculated that amount with the withdrawl. He did not know, however, that this fee did NOT include BBT's own foreign ATM charge of \$1.50. BBT had already forgiven one overdraft where he tried to withdraw money and assumed he had it since it was given to them. Apparently, the policy is to waive only ONE PER YEAR. They charged: Two \$35 overdraft fees fees for negative balance for more than 7 days twice, I believe I believe the extra \$30 fee was for the closing of the accounts It ended up being over \$200 in fees for a \$2 worth of overdraft mistakes. Rediculous. We paid it to save his credit but are taking them to court. Paying this was a hardship for us but since his credit was unblemished we paid his before addressing mine. At this point, we asked them to PLEASE turn off the overdraft and just stop the transaction when there is not enough funds. Apparently, they did not do it. A couple of months later my husband walks into the branch and asks to withdraw money from one of the accounts. The other was empty (we were afraid to have money going in there after the last time). He asks to withdraw the last bit of money in the other account of \$7. My husband is a LEP (limited english speaker) so maybe the teller did not understand him. But they removed the \$7 from his almost empty account. Now he owes the same fees all over again!!!! And I would think the teller would make him aware that the account did not have the funds. SO, OVERDRAFT IS EVEN CHARGED WHEN WITHDRAW FROM THE BRANCH. Thanks for investigating, I am looking forward to change on this matter.