



Page 2 of 2

Finding solutions. Creating relationships.
August 4, 2008

Ms. Jennifer J. Johnson Secretary
Board of Governors of the Federal Reserve
System 20 and C Streets NW
Washington D.C. 20051

RE: Docket Number R -1314
Proposed Rules to Overdraft Practices

Thank you for this opportunity to comment on the above referenced proposal for changes to Overdraft Practices.

It has been our experience that customers understand, and accept, the costs associated with an overdraft. These customers also are well aware of the costs associated with NSF checks being returned to the merchant - including the real possibility of being subjected to civil/criminal prosecution for violating hot check laws. In reality, there are some customers who demonstrate an inability to manage a checking account - with or without overdraft protection.

The proposed rules include a "partial opt-out" requirement for point of sale and ATM transactions. Imposing this requirement will result in costly technology upgrades as well as add complexity for the consumers' understanding of overdraft programs. Imposing such a rule will have the effect of generating additional paper item overdrafts for customers who are intent on abusing overdraft programs and result in removing "overdraft embarrassment protection" for consumers who infrequently overdraw their account.

The payment system in the United states has become increasingly complicated as the transaction of customers have become more complicated, as technology has become more sophisticated and as consumer have become more savvy and demanding with regard to the way their finances are handled. Establishing rigid rules determining when and in what order payments are applied to accounts is impractical and perhaps impossible in this kind of market.

The issue of debit holds is a complex and complicated process. Granted, a customer may be confused concerning how a debit hold can result in an overdraft situation. However, the bank should not be placed in the position of accepting the risk for the debit hold amount without having the opportunity to manage and price this risk.

Thank you for the opportunity to comment. We are adamantly opposed to the proposed regulations.

Sincerely,

Robert E. Mickey
President
816-850-5516
bmickey@fandcbank.com