

07/28/2008 11:45:05 PM

Subject: Regulation AA

Board of Governors of Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Federal Reserve Board Director,

Over a year ago, Regions Bank began the duplicitous bookkeeping method of posting debits immediately, while ignoring deposits for as long as three or more days. Regions and other banks are getting by with this ruse due to vague legalese of terminology. Regions has a feature which we were unaware of called "Overdraft Limit," which allows them to approve of up to \$500 in charges if the account is overdrawn. There are laws to protect consumers from exorbitant interest rates, which is why Regions refers to their charges as fees rather than interest. The penalties Regions and other banks have been charging customers far exceed the 17 percent legal usury limit allowed in Arkansas.

This sham hit close to home last week while we were out of town. Opting for safety while traveling, we used our Regions debit/credit card rather than carrying cash. Cash would have been safer. While checking our balance online, I noticed that the bank had extracted a penalty on our account of \$99.00 for insufficient funds. But we had a positive balance. According to my own records and even Regions online ledger, there was money in our checking account prior to the \$99.00 NSF. Nevertheless, I withdrew some money from other accounts and deposited more than enough to cover the penalty the bank had absconded with. Money still continued to pour out of the account in penalties even after we stopped using our card.

Calling Regions Bank in Nashville was a waste of time and cellular use. Desperate to stop the flow of money being funneled from our checking, we were liquidating assets as fast as possible, pulling cash from credit cards and retirement selling stock. In the time span of five days, the tally of bogus penalties deducted from my account amounted to \$554.00! Did the bank return any of the money? Probably because there was not an overdraft in the first place, they returned the initial \$99.00 penalty but retained the subsequent fees incurred by the initial false NSF charge. But they still owe us \$450. There was never a legitimate overdraft amount, according to the Regions online service to which we subscribe. We received the NSF notices in the mail on July 25, 2008, two weeks after the first overcharge. We should have received the notices within a few days, or they could have called or emailed us.

In February, Regions withdrew a sum of money from our account, a debit belonging to another Regions customer. The bank officer said this type of error happens quite often, but would have gone unnoticed by customers who do not bank online. They removed the

incorrect charge, but only reluctantly returned the resulting overdrafts.

I wish I could say that these were isolated incidents, but they are not. If you are using a Regions Visa debit/credit card, you should discontinue using the card immediately. That is the advice I received from the employees at the Nashville branch and also the Little Rock bank. Regions bank officers also stated that their online banking register is unreliable. I can say from personal experience, as well as stories from friends and relatives, that your bank account is not secure. If someone decides to extract money from your checking account, Regions will not stand behind you. Legislation is being considered to put a halt to the excessive fees banks are imposing on consumers.

Betty Pearson, Nashville AR 71852

Sincerely,
Betty Pearson