

StanleySnails@gmail.com on 07/28/2008 05:20:05 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,

I have had several issues with banks charging overdraft fees, but the most aggrogious incident happened to me a few months ago with M&T Bank. M & T Bank supposedly has a policy which allows you access to up to 100 dollars when you deposit directly into an ATM. This apparently not the case, although I was told this by one of their representatives, and had no problem with it up until this point. But to make things a little bit easier to understand I will start at the begining. It has been a few months, and I forget exactly the amounts involved, but I had around 250 dollars in my checking account. I made two withdrawls from the ATM, one for about 230 and another for 20, leaving me around 10-15 dollars in my account. The next day I deposited a check into my account for 50 dollars (according to their policy, approx 60-65 dollars available). Later that day I used my debit card at two area merchants, one purchase about 24 dollar and the other about 10, so I was still about 30 dollars shy of overdrafting. This is where things get interesting, and I feel, a bit dishonest. To recap, from the starting balance of about 250, I had used my card 4 times, no purchase or withdrawl more than the original 250 or so. Well a couple of days later I check my statement and am shocked to see that my account is about 34 dollars to the negative. They had charge me overdraft fees for the two ATM withdrawls I had made (the first transactions). Knowing that these transactions could not have possibly, on their own, put me over the limit I called the customer service line. It was explained to me that since the 2nd set of transactions had to be billed first since I had purchased actual merchandise and the vendors had to get their money, and since the 50 dollar check had not actually cleared, after posting the vendor transactions first, the atm withdrawls were now over the limit. This was frustrating since I was under the impression that I had access to the 50 dollars, but felt that it may have been my misunderstanding as well, and chalked it up to experience. Well, how irate am I the next day when I find two more overdraft fees (4 total fees, for a net charge of 128 dollars). I call the bank again, and they explain to me that the vendor charges are not actually taken out of my account, but just held, and that once they clear, then they are charged to the account. The girl then had the audacity to tell me that if I managed my finances better and kept a record of everything, maybe this wouldn't happen. Well, if I had written everything down in a ledger, in the order that everything happened, I never would

have been in the red. But since M & T does not post things in the order that they happen, I was in the negative. But back to the fees. So basically what was happening was that for the purpose of the first set of fees, the money had been taken out of my account, and then i was charged the first two overdrafts, and then for the purpose of the second set of fees the money had not yet been taken out. I mean, it has to be one way or the other, and there is no way that all 4 of the transactions, or even any two together would have put me over the limit on their own. It all came down to M & T's "creative" timeframe of how the transactions took place. It took me two calls to the customer service hotline to even find out I had to call the branch directly about the fees. The branch manager did eventually take away 2 of the fees, but I don't feel I should have been charged anything in the first place. These fees seem to target the people who can least afford them. Millionaires aren't worried about whether their grocery bill is going to cost them an extra 40 bucks. And I think the main issue is the way transactions don't clear in the order that they happen. In this day and age of lightning fast technology, there is no reason why transactions should not be credited or debited instantly in the order that they happen.

Sincerely,
James Lipka