

From: A M <wa2til@hotmail.com> on 09/07/2008 01:45:02 PM

Subject: Regulation AA

I recently started a small business and was very impressed with all the "free" services that local banks were willing to offer me until I took the time to my own research. In a classic Orwellian Doublespeak, free only means free to signup, and any minor usage of that service would trigger a cascade of penalties (aka convenience fees.) At the bank where I opened my account (US Bank) they called me at home because they noticed I had both a business checking account as well as a personal savings account at the bank so they could offer me free overdraft protection. Of course the overdraft protection turned out to be a new line of credit with a horrible interest rate for a minimum of two billing periods, convenience fees for each transaction, and some overall fee for activating this service. Indeed it could be the two dollar coffee that triggers forty dollars of fees. Since they only notify me of this service on my regular billing statement, I would probably be paying for them for one and a half months before being aware they had been activated, and then it would take two billing periods with no due balance to eliminate the fees. They're willing to offer me this great deal because I have several hundred dollars in a savings account earning less than one-half percent or less then twenty percent of the fed overnight rate they can get for loaning my savings out.

The current mortgage and banking crisis shows that government deregulation doesn't work. I support your efforts to strengthen consumer banking laws.