

MutualBank

July 21, 2008

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th St. and Constitution Avenue, NW
Washington, D.C. 20551

Re: FRB Docket No. R-1314 – Unfair or Deceptive Acts or Practices

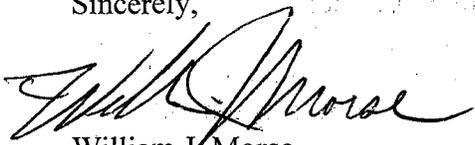
Dear Secretary Johnson:

Please record my opposition to the proposed rule concerning overdraft fees. We have had an overdraft privilege program in operation for over three years. We have found that most of our customers who have received the benefit of having overdrafts paid, whether as a result of drawing a check against insufficient funds or when presenting a debit card for a purchase or withdrawal, are grateful that the bank honored the draft or card transaction. We routinely reimburse those rare customers who object to charges for honored overdrafts and, if they indicate that they do not want us to honor such items, code their accounts so that they do not enjoy this privilege in the future. Our customers are easily able to avoid overdraft fees by managing their account or by notifying us that they do not want us to honor overdrafts.

As a community, mutually owned, bank, we are close to our customers and their needs and wants. We offer this service successfully and our customers have been most receptive to and appreciative of the service. I do not believe that a burdensome government regulatory program that will limit customer payment options is necessary or desirable from either the banks' or consumers' perspective.

The proposed partial opt-out of ATM debit card transactions would be cumbersome to administer, not technically feasible and would adversely affect our customers who use debit cards for recurring payments. Because we offer electronic banking services, customers are able to access their balances at any time and can readily check to see if they have sufficient funds to cover the transaction before they go shopping, make an online purchase or prior to an automatic recurring draft.

Sincerely,



William J. Morse
President and C.O.O.

cc: Senator Edward M. Kennedy
Senator John F. Kerry

Congressman Stephen F. Lynch
Congressman Barney Frank