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Comments:

We have offered an overdraft protection program for 7 years and appreciate the opportunity to comment on proposed amendments to Reg AA. We have always provided the opportunity for our customers to opt out of this program and found it very rare that customers have chosen to do so. Generally our customers appreciate the fact that we pay their overdrafts and spare them the embarrassment of returned checks and additional costs imposed by others as a result of returned checks. While most of the general population properly maintain their accounts and seldom overdraw their accounts, a small percentage of the population are not as disciplined and rely on our overdraft program. It is rare that we receive a complaint about the program and while the consumers often regret being charged a fee for the service, they appreciate the fact that we pay the check. We provide a new customer or an existing customer the opportunity to opt out of the program at any time. We explain the program up front when an account is established. The proposal of giving the customer some period of time to opt out after a period of time is confusing and vague. A detailed opt out notice allowing some period to opt out after proper notice would create uncertainty as to when the program would be

instituted for the customer. What is a reasonable period? These type notices tend to be very detailed with required legal verbiage that is confusing, difficult to understand and generally ignored. I see little benefit from this disclosure and more confusion than benefit. Providing optout notices each statement period also presents a burdensome and ineffective approach. We so seldom have a customer opt out that I question what this will accomplish. Perhaps an annual, plain language opt out notice would be a compromise. When I say plain language, I'm talking about something simple and straight forward, something we seldom see with prescribed regulatory notices which tend to simply be ignored. Partial opt out is a technological mess. Systems won't support a partial optout in the near term and an expensive long term burden. This approach would be very confusing to the customer and would most likely result in returned items, overdraft fees and significant confusion as to what would be approved and what would be denied. Full opt out is certainly acceptable and widely available. Partial opt out would be confusing, expensive and provide little benefit. Debit holds are another issue. We treat holds as if the funds are unavailable. We have no control over pre-authorization amounts and don't have the technology to comply with this proposal. We can't control the time period for debit holds and can't retroactively adjust for overdraft fees that would result if the proposal related to this area was implemented. Thank you for the opportunity to comment.