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**Proposal:** Regulation AA - Unfair or Deceptive Acts or Practices

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**Comments:**

Our comments relate to proposed changes for Overdraft Services in Reg. AA Unfair Acts or Practices. 1. The proposed right to opt out as described is not needed. Customers will have received a disclosure on the overdraft service at account opening. The institution, if prudent, is not going to turn the service on until observing customer activity for 2 or three months. If the customer wants to opt out, they already have ample time to do so. If after the service is turned on, and an overdraft with associated fee occurs, the customer doesn't like owing the bank money, they can ask to have the service turned off. They would then be choosing to owe the merchant instead, along with the merchant's fee and embarrassment of dealing with the merchant over the bounced check, and possible of check writing privileges at the merchant location. Allowing the customer to opt out of some types of transactions only would make the service too cumbersome for the bank and its computer system. The overdraft service is designed to address items as they are presented against the account for payment, in the order in which the customer authorized the payments. 2. The proposal to prohibit an overdraft fee due to a debit card hold should be eliminated. The status transaction from the visa/mastercard merchant guarantees the merchant to receive payment. The bank

must settle for the transaction in a couple of days when the item is received and posted to the customer account. The bank cannot return the mastercard/visa transaction as NSF. If the customer account then receives checks/drafts/ACH debits for posting that reduce the account balance below the "held amount" for the debit card statuses, then a fee should be properly assessed. The customer is the one spending the money. The bank is doing the customer a service by allowing a negative balance for a short while. I don't know about other banks, but we do not guess at the amount of gasoline purchased after a status at a "pay at the pump" facility. The status comes in for a transaction of \$1.00, and we place a debit card hold of \$1.00. Proposals affecting Reg. DD Truth in Savings 1. The requirement to require all banks to disclose the overdraft and NSF fees on the monthly statement may be a mute point. I expect nearly all shops considered themselves to be advertisers and thus already discloses the fees as directed earlier. 2. The same logic applies to the disclosure of the account balance versus the available balance. We have changed our ATM receipts, as directed earlier, to reflect the account balance. The printing of available balance has been eliminated. The available balance would include additions for overdraft limit and subtractions check holds, debit card status holds, management holds, etc. Thank you for allowing us to comment.