

From: "Richard Beard" <Richard.Beard@bankaf.com> on 07/30/2008 12:00:02 PM

Subject: Regulation AA

30 July 2008

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

To Ms. Jennifer Johnson:

I am writing in regards to your UDAP proposal that creates rules intended to prohibit unfair credit card and overdraft protection services. While I strongly agree that unfair credit card and overdraft systems should be curbed, these changes to Reg AA and Reg DD are damaging to banks and are not the right policy response to help customers understand the terms of their credit card and overdraft services.

As the president and CEO of Utah's largest community bank, I strongly oppose this proposal for the following reasons:

Overdraft protection is a customer-friendly, financially sound practice. Overdraft fees can already be avoided by consumers without requiring a specific advance notice and opt-out followed by repeated periodic opt-out reminders. Consumers regularly manage their accounts to avoid overdrawing them. By requiring advance notice and multiple reminders, you will be creating unnecessary and cumbersome work for banks, which will have a negative effect on efficiency and customer service.

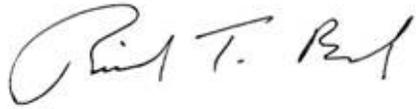
A partial opt-out covering ATMs and debit cards is neither necessary, nor feasible. The proposal for a partial opt-out of ATM and debit card transactions, while retaining coverage for checks and ACH, is not technically feasible under your processing system and could not be implemented without numerous exceptions due to processing system complexity. Additionally, it would adversely affect customers who use debit cards for recurring payments.

Consumers will be confused and frustrated. The proposal covering debit holds is far too complicated to be implemented or for consumers to understand. Besides, the problem is really one that involves merchants and the card networks, and cannot be safely resolved by putting the onus only on banks who are simply acting in a safe and sound manner to assure funds are available for authorized transactions.

Our customers appreciate overdraft protection. Overdraft protection is a welcome and needed service for the customers of Bank of American Fork and other banks across the country.

I urge you to reconsider this proposal. It is not in the best interest of consumers or banks.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard T. Beard". The signature is written in a cursive style with a large initial "R" and a distinct "B".

Richard T. Beard
President and CEO
Bank of American Fork