

Subject: Regulation AA

First Name: Beth
Last Name: Melebeck
E-Mail:
Profession: Bank executive
Organization: Bank of Erath
StreetAddress1:
StreetAddress2: 1
City: Abbeville
State: LA
Country: US
Postal Code: 70510

E-mail Content:

I would like to submit our comments regarding the proposed changes to Unfair and Deceptive Acts and Practices (UDAP, Reg AA) The only unfair thing in this proposal is what the regulators are proposing the banks to be responsible for. Isn't it the consumer's responsibility to maintain their account and not write checks to cause the overdraft in the first place? The thought of partial opt-out is disastrous. If the consumer can pick and choose which items get paid and which items get returned, we have a serious concern. Imaging the law suits to follow when an innocent bookkeeper accidently pays or returns the wrong item. Suppose the house note get returned because the customer has a partial opt-out for paying items. Well now the consumer is getting evicted when they really intended for the bank to pay this item, now they want to sue the bank because the partial opt-out allows them to choose what got paid and the bank returned the item instead of paying. Wow what a disaster this proposal is opening. The comment that "assessing overdraft fees before the consumer has been provided with notice and a reasonable opportunity to opt out of the institution's overdraft service appearing to be an unfair act or practice" is completely absurd. The consumer has been given plenty of advanced notice regarding overdraft services and fees since the account was opened. The consumer knows full well that a charge will be applied if the account overdraws and any consumer claiming otherwise is playing dumb. The consumer is not suffering monetary harm by paying unknown of fees, they have full knowledge of the fees well before they write the checks. And again if the consumer would be responsible and maintain proper account register, which is the consumer's responsibility, they would know the account did not have sufficient funds and that a charge would be incurred. POS items and ATM items are pre-approved prior to the transaction taking place, which is why the holds are enforced. How do the regulators propose the banks protect themselves if we cannot place holds on these electronic authorizations? The extra work load being placed on the banking industry caused by the consumer writing the insufficient funds item if this proposal would pass would be a severe burden. It is time the regulators think about what they are proposing and the detriment they cause in the financial industry and to the consumer. This proposal would cause much more harm to the consumer by forcing all items to be returned. Make the consumer responsible for their actions!!! If they write a check without the funds available, then fees will be charged. End of story. Thank you for your time and we would appreciate your serious consideration regarding how this will affect the financial industry. Beth Melebeck Executive Vice President Bank of Erath