

August 1st, 2008

BY ELECTRONIC DELIVERY

Jennifer J. Johnson
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Board of Governors of the
Federal Reserve System
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Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW,
Washington DC 20552

RE: Proposed Rulemaking on Overdraft Fees

Ladies and Gentlemen:

Thank you for this opportunity to comment on the Proposed Rulemaking associated with the imposition of Overdraft Fees. We are responding for and on behalf of First National of Nebraska, a financial services holding company based in Omaha, Nebraska, with banking operations nationwide and banking locations in Nebraska, Colorado, Kansas, Iowa, South Dakota and Georgia¹.

We do not support the proposed changes and would make the following simple points in support of this position:

- Overdraft fees can be avoided by consumers without requiring specific advance notice and opt-out followed by repeated periodic opt-out reminders. The addition of such notices only adds costs to a process that is already subject to extreme cost containment. Customers generally manage their accounts without overdrawing them under the current regulatory regime, and the proposed disclosures and restrictions will make this management more complicated than necessary. Overdraft protection is offered and accepted by customers in a reasonable fashion without this proposal.
- The proposals for a partial opt-out of ATM and debit card transactions, while retaining coverage for checks and ACH, is not feasible and will lead to more, not less, consumer confusion. It specifically will adversely effect the growing number of customers who use their debit cards to support recurring payment activity.
- The proposal relating to debit holds is far too complicated for reasonable implementation and creates a level of complexity which will be very difficult for consumers to understand. The proposal is one that attempts to resolve a

¹ First National Bank of Omaha; First National Bank, Fort Collins, CO; First National Bank, North Platte, NE; First National Bank of Columbus; First National Bank of Kansas; Castle Bank, NA; InfiBank, NA; Platte Valley State Bank & Trust; Fremont National Bank & Trust; First National Bank, South Dakota.

problem by involving only one participant in a multi-participant transaction environment.

In implementing overdraft programs, we followed the 2005 InterAgency Guidelines, to suggest that by following these best practices and guidelines, that we are now acting unfairly is troubling.

Additionally, within your proposals, you include the concept of permitting consumers the right to set the order in which payments would be honored as well as setting a specific industry standard is unrealistic given the complexity of the current business process.

We appreciate the opportunity to comment in this process and look forward to assessing any amendments to the Proposal as they are released.

Sincerely

Nick Baxter

Nicholas W. Baxter
Senior Vice President

CC: Mark Sutko, President, Platte Valley State Bank & Trust
Board of Directors, Federal Reserve Bank of Kansas City
Michael Bazata, N.B.E, Office of the Comptroller of the Currency.