

**Subject:** Regulation AA

**Date:** Aug 04, 2008

---

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

**Document ID:** R-1314

**Document**

**Version:** 1

**Release**

**Date:**

05/02/2008

**Name:** Deborah L Purdom

**Affiliation:**

**Category of**

**Affiliation:**

**Address:** 3674 SW Viceroy Street

**City:** Port St. Lucie

**State:** FL

**Country:** UNITED STATES

**Zip:** 34953

**PostalCode:**

---

**Comments:**

The federal government really needs to get some control over the banks because they are very greedy and unfair to those struggling to make it from paycheck to paycheck! See letter below. I am sick of banks! They are unfair and dishonest! (Please make note that first and foremost I do not remember ever signing up for an overdraft protection program at my bank.) They manipulate your money to get as many overdraft fees as they can (and call it "protection"), by deducting the highest amount first and then the lower amounts, even if the date of the highest amount is after those items already pending. For an example, you have \$1,500.00 in the bank and the following items currently pending: A check for \$320.00 car payment, you used your debit card for \$30.00 worth of gas, maybe you stopped at the grocery store and bought a few things for \$75.00. AND then your rent/mortgage payment, for \$1,200.00, that you sent out a few days early, got to the lender and back to your bank faster than you thought it was going to, and comes in before your payday deposit gets there tomorrow. (Remember the other items have already arrived at the bank and are pending, when your rent/mortgage check comes in.) The way it is currently done: \$1,500.00 (current balance) - 1,200.00 (rent/mtg payment) 300.00 (remaining balance) - 320.00 (car payment

and, WHOA, you now have an overdraft fee of \$32.00 +/-) - 20.00 (negative balance) - 30.00 (remember the \$30.00 for gas and now there is another overdraft fee of \$32.00 +/-) - 50.00 (negative balance) - 75.00 (remember the grocery store and yet ANOTHER overdraft fee of \$32.00 +/-) - 125.00 (negative balance) Total overdraft fees of \$96.00. The bank has just gotten \$96.00 in overdraft fees from you, which will make your deposit, you make the next day \$125.00 + \$96.00 (total \$221.00) less because this amount will be deducted from your deposit, right away. So now you are \$221.00 short for the next two weeks or however long between your paydays. Which makes it more likely that you will overdraft again, before your next paycheck, because you are now short a pretty large sum. (At least for some of us it is a large sum.) The way it should be done: \$1,500.00 (current balance) - 320.00 (car payment) 1,180.00 (POSITIVE balance) - 30.00 (gas for car) 1,150.00 (still a POSITIVE balance) - 75.00 (grocery store) 1,075.00 (and STILL a POSITIVE balance) - 1,200.00 (rent/mortgage payment) - 125.00 (okay, you finally have a negative balance but only ONE [1] overdraft fee of \$32.00 +/-) Total overdraft fees of \$32.00. (\$125.00 + \$32.00 = \$157.00) Difference in the two scenarios, the bank just "earned" \$64.00 off of you, in the first scenario. Can't convince me the bank is doing you a favor or is "protecting" you. And their totally lame-brained, irrelevant excuse is that the highest amount is usually the most important (like the rent or mortgage payment). I say, "So?" Is the bank saying that if they don't deduct it first it won't get paid that day? I don't think so, it doesn't matter whether they deduct it first or last, it's still going to get paid! Besides, they don't know when my rent/mortgage payment or any of my other payments are due so how can the bank determine what is the most important? The only reason they deduct the highest amounts first is so they can sock you with more overdraft fees. I had an situation like this happen to me in Jan. 2008, where they deducted a "withdrawal" I made, with a withdrawal form, for \$1200.00 on Jan. 2, 2008, prior to deducting items that were already pending, in my account, from Dec. 2007. (I did the withdrawal because a bank employee swore that I had the money in there to cover the withdrawal because some of the pending items would be clearing that night and the rest the next night, and that some of them had a hold on more than the amount actually spent. I have been told that some businesses, at times, do put holds on more of your money, than they actually need.) I still have the print-out the woman gave me showing what was pending. Anyhow, when I went back to find out why I was being charged all the overdraft fees, the employee I had spoken to originally, was on vacation. Another employee said it happened that way because "withdrawals" come out first. EXCUSE ME?!? According to Webster's Ninth New Collegiate Dictionary, definition of "Withdrawal" is: The act of taking (back) or away something/Removal

from a place of deposit or investment. And a "Debit" is defined as: An entry on the left-hand side of an account constituting an addition to an expense or asset account OR a deduction from a revenue, net worth or liability account. So therefore ANYTIME you take money out of a bank account, by any means, it is a withdrawal. Doesn't matter if it was a check, debit card or withdrawal slip, it was still "removed/deducted/WITHDRAWN" from your account. Don't get me wrong, I have no problems with paying an overdraft fee, IF it were actually my fault. But for the banks to manipulate the accounting so they benefit the most, is just plain wrong and dishonest! I do believe that an accountant would get fired and have all sorts of legal suits against them, for doing something like that. I also had a situation, with my bank, in May and April 2008. I am from Port St. Lucie, FL and had gone to St. Augustine, FL for my oldest daughters wedding, on Sat. May 29. I was running short of cash but figured I could make it there and get money from my youngest daughter (who was maid of honor at her sister's wedding) to get gas to come back home. Turns out she didn't have any to give me since she only had enough to get back home and to work the rest of the week herself and everyone else had already left (this was the Sun. after). I figured that I had enough gas to get to my friend's house in Dunnellon, FL, who was "dog sitting" for us and then hopefully get money from her to get home and to work the next day where I planned on getting an advance on my pay to get gas for the rest of the week to get back and forth to work. Got lost going back and was running real low on gas and got very worried that I wouldn't make it to my friends house. Decided I would try my debit card, to get gas because I had read somewhere that it was often honored even though there was little or no money in the account. It worked and I breathed a sigh of relief. However, by the time I got an advance on my pay, there were so many overdraft fees it would have eaten the advance completely up and I still needed gas for the week. The same would have happened to my paycheck by the time I got it that following Friday. I could not afford to deposit my paycheck and have most of or all of it gone, since I had other bills to pay. (So I cashed it at the bank it was written on and deposited in my business account to pay bills online, get gas, groceries, etc. I did that several times.) Then the bank started adding \$5.00 a day for "extended overdraft fees" (whatever the heck that is. An overdraft is an overdraft, no matter how long it is.). Apparently they do that after 40 days and is just another way for them to make more money. I finally talked to them and they informed me that they couldn't refund any of the fees (they didn't even care why the overdraft had happened) since they had already refunded me \$500.00 and some odd dollars since I had opened my account with them Dec. 31, 2004. (That is less than I make in a two week period, even with a 10% pay cut as of March 2008, and less hours because there is no business to fill 40 hours a

week. I work for a real estate title insurance company.) The overdraft fees ran up to over \$1,139.72. They then transferred the \$1.89 I had in my business account, the \$1.01 I had in my business savings account and the \$.36 I had in my personal saving account to my personal checking account, deducted all the overdraft fees and closed all 4 accounts on May 8, 2008 (the business checking account had never been overdrawn). In the meantime I knew my IRS rebate was going to be coming in via direct deposit and tried to work something out with them. No go, they told me to contact the IRS. On May 16, (the date it was supposed to arrive) the \$600.00 was shown as being deposited in my closed account. It disappeared from the online view for the weekend and then they showed it on Monday, May 19, as being added in (Force Post Credit US Treasury 220 Tax Refund 080516) and then being subtracted as Force Post Debit C/O recovery, even though they showed my balance as -0-. I had no access to my account, could not transfer the rebate anywhere, could not withdraw the rebate (the account was closed) but THEY could take it?!? What the heck is that?!?!?!?! It was NOT their money to decide where it should go! The account was closed, the deposit should have been returned to the IRS! When I asked the manager, Janice, at my local branch, how the heck they could do that, she replied, "We can do that if you owe us money." Sorry, but anybody else would have to have a court order to "garnish" my wages/income (except for the IRS, child support and such, however I don't believe they can take your whole wages/income. I do think they have to allow you something to live on). I do not believe that is legal, and if it is, it should not be! I have even agreed to sign a promissary note to pay what I owed, but that didn't seem to matter. I think the main problem is that the corporate office, the branches and the accounting offices don't know what each other are doing. Very poor communication in this day of computers, cell phones, etc.! On top of that I just received a notice from a collection agency (TRS Recovery Services, Inc.) that says I owe \$1,136.82 to BankAtlantic for overdraft fees, that the account was closed on May 22, 2008 (when the bank had already closed my account on May 8, 2008 and "seized" my IRS rebate on May 19, 2008). Why is it that banks feel that they have a right to manipulate and take YOUR money, just because you have opened an account with them? They act like they have more rights to your money, then you do, just because they are "holding" it for you.