

By electronic delivery

July 28, 2008

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

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

To Whom It May Concern:

I appreciate the opportunity to comment on the proposed UDAP regulations relating to overdraft protection programs. I am the Chairman of First State Bank in Scottsbluff, Nebraska. The bank is regulated by the FDIC.

Our overdraft protection program is an accommodation provided for our customers. There is no contract between the customer and the bank to pay overdrafts. Our bank has developed a safe and sound program that pays overdrafts based on the bank's exercise of risk-based discretion.

Many of our customers are pleased with the overdraft protection program. They perceive the service to be a value and recognize that the fee is the known price to pay for the accommodation.

Customers can avoid overdraft fees, and it is not unfair for the bank to assess the fee without a specific advance notice. When a customer opens an account, he or she receives a disclosure that outlines these fees as well as any maintenance fees and NSF fees. The customer knows in advance what the costs are for overdrawing an account without a formal opt-out notice.

Many of our customers regularly manage their accounts without overdrawing them. The overdraft fees provide an incentive for the customer to do so and a user charge when they inadvertently fail. Customers know that they can avoid the fee by wisely managing their accounts. When we accommodate them by paying an overdraft, customers are saved from paying merchant fees for refused items and avoid being identified as unreliable payors by local merchants. Customers who overdraw their accounts periodically are aware of the consequences of their conduct. They do not need repeated notice that they can opt-out of a convenience that they are choosing to accept. We reach out to customers and are always available to work with those who would benefit from alternatives to manage their account.

The proposal for a partial opt-out of ATM and debit card transactions, while retaining coverage for checks and ACH, is technically feasible under our processing system, but it would be difficult for customers to understand. It adds an unnecessary level of complexity. Furthermore, I don't see the need for this type of partial opt-out for most customers. Most customers want their point-of-sale and ATM withdrawals accepted and would rather have check or ACH transactions refused first. Customers often find it embarrassing when a transaction is refused at the point-of-sale.

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We have administered our overdraft protection program in accordance with the 2005 interagency guidance and best practices. Why should the proposed regulations now render our program unfair?

You have asked for comment on whether the agencies should consider requiring banks to pay smaller dollar items before larger dollar items for the purposes of assessing overdraft fees. I object to any regulatory requirement on the processing order. Order of recognition varies across the banking industry to take advantage of system efficiencies. Imposing this type of regulation would be a micro-managing disaster. Currently, different types of items are presented for processing at different times. No single rule for processing is practical. Furthermore, allowing individual customers to opt-in to an alternative clearing process order would add unnecessary complexity to the process and would be impossible to manage.

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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Marvin Hefti

Chairman

First State Bank

P.O. Box 1267

Scottsbluff, NE 69363-1267

mhefti@fsbcentral.com

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Sincerely,



Lisa Lockwood
Vice President of
Loan Administration and Compliance
First State Bank
P.O. Box 1267
Scottsbluff, NE 69363-1267
llockwood@fsbcentral.com

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Sincerely



Richard L. Wells
Senior Vice President
Branch Manager
First State Bank
P. O. Box 280
Gering, NE 69341-0280
rwells@fsbcentral.com

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Sincerely,



Brad Bode

Call Officer

First State Bank

P. O. Box 1267

Scottsbluff, NE 69363-1267

bbode@fshcentral.com

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Sincerely,



Holly O'Rourke

Loan Officer

First State Bank

P.O. Box 1267

Scottsbluff, NE 69363-1267

horourke@fsbcentral.com

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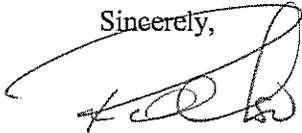
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Sincerely,

A handwritten signature in black ink, appearing to read 'R. Olson', written over a horizontal line.

Randall A. Olson
Vice President
First State Bank
P.O. Box 1267
Scottsbluff, NE 69363-1267
rolson@fsbcentral.com

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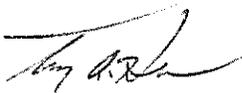
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Assistant Vice President
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therman@fsbcentral.com

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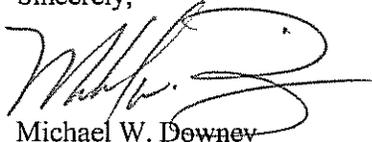
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Our overdraft protection program is a sound program that is successful because customers want the service and recognize that it provides real value. Providing overdraft accommodation is not injurious to customers. It is a benefit provided by the bank, and customers can avoid the fees by exercising normal care.

I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael W. Downey", with a stylized flourish extending to the right.

Michael W. Downey

President

First State Bank

P.O. Box 1267

Scottsbluff, NE 69363-1267

mdowney@fsbcentral.com

By electronic delivery

July 28, 2008

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

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

To Whom It May Concern:

I appreciate the opportunity to comment on the proposed UDAP regulations relating to overdraft protection programs. I am a Assistant Vice President and Loan Officer of First State Bank in Scottsbluff, Nebraska. The bank is regulated by the FDIC.

Our overdraft protection program is an accommodation provided for our customers. There is no contract between the customer and the bank to pay overdrafts. Our bank has developed a safe and sound program that pays overdrafts based on the bank's exercise of risk-based discretion.

Many of our customers are pleased with the overdraft protection program. They perceive the service to be a value and recognize that the fee is the known price to pay for the accommodation.

Customers can avoid overdraft fees, and it is not unfair for the bank to assess the fee without a specific advance notice. When a customer opens an account, he or she receives a disclosure that outlines these fees as well as any maintenance fees and NSF fees. The customer knows in advance what the costs are for overdrawing an account without a formal opt-out notice.

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The proposal would prohibit banks from assessing overdraft fees if the overdraft is caused solely

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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Joni Richards
Assistant Vice President
Loan Officer
First State Bank
P. O. Box 1267
Scottsbluff, NE 69363-1267
jrichards@fsbcentral.com

By electronic delivery

July 28, 2008

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Secretary
Board of Governors of the Federal Reserve System
20th St. and Constitution Avenue, NW
Washington, DC 20551
regs.comments@federalreserve.gov

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Kayla Cape
Loan Officer
First State Bank
P. O. Box 280
Gering, NE 69341-0280
kcape@fsbcentral.com

By electronic delivery

July 28, 2008

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

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

To Whom It May Concern:

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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Helen Douglass
Assistant Cashier
First State Bank
P. O. Box 1267
Scottsbluff, NE 69363-1267
hdouglass@fsbcentral.com

By electronic delivery

July 28, 2008

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

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 Federal Register 28904; May 19, 2008

To Whom It May Concern:

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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Tori D. Smith
Director of Marketing Officer
First State Bank
P. O. Box 1267
Scottsbluff, NE 69363-1267
tsmith@fsbcentral.com

By electronic delivery

July 28, 2008

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

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Richard L. Tuggle
Senior Vice President
Chief Operating Officer
First State Bank
P.O. Box 1267
Scottsbluff, NE 69363-1267
rtuggle@fsbcentral.com

By electronic delivery

July 28, 2008

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

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Crystal Nielsen
Chief Financial Officer
First State Bank
P.O. Box 1267
Scottsbluff, NE 69363-1267
cnielsen@fsbcentral.com

By electronic delivery

July 28, 2008

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



Paula Schlaepfer
Assistant Vice President
Operations
First State Bank
P.O. Box 1267
Scottsbluff, NE 69363-1267
pschlaepfer@fsbcentral.com

By electronic delivery

July 28, 2008

Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th St. and Constitution Avenue, NW
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Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

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You have asked for comment on whether the agencies should consider requiring banks to pay smaller dollar items before larger dollar items for the purposes of assessing overdraft fees. I object to any regulatory requirement on the processing order. Order of recognition varies across the banking industry to take advantage of system efficiencies. Imposing this type of regulation would be a micro-managing disaster. Currently, different types of items are presented for processing at different times. No single rule for processing is practical. Furthermore, allowing individual customers to opt-in to an alternative clearing process order would add unnecessary complexity to the process and would be impossible to manage.

Our overdraft protection program is a sound program that is successful because customers want the service and recognize that it provides real value. Providing overdraft accommodation is not injurious to customers. It is a benefit provided by the bank, and customers can avoid the fees by exercising normal care.

I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,

A handwritten signature in cursive script that reads "Cheryl Hinojosa".

Cheryl Hinojosa
Assistant Vice President
Data Processing Manager
First State Bank
P.O. Box 1267
Scottsbluff, NE 69363-1267
chinojosa@fsbcentral.com

By electronic delivery

July 28, 2008

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

Re: FRB Docket No. R-1314; Unfair or Deceptive Acts or Practices; 73 *Federal Register* 28904; May 19, 2008

To Whom It May Concern:

I appreciate the opportunity to comment on the proposed UDAP regulations relating to overdraft protection programs. I am the Operations Officer at First State Bank in Scottsbluff, Nebraska. The bank is regulated by the FDIC.

Our overdraft protection program is an accommodation provided for our customers. There is no contract between the customer and the bank to pay overdrafts. Our bank has developed a safe and sound program that pays overdrafts based on the bank's exercise of risk-based discretion.

Many of our customers are pleased with the overdraft protection program. They perceive the service to be a value and recognize that the fee is the known price to pay for the accommodation.

Customers can avoid overdraft fees, and it is not unfair for the bank to assess the fee without a specific advance notice. When a customer opens an account, he or she receives a disclosure that outlines these fees as well as any maintenance fees and NSF fees. The customer knows in advance what the costs are for overdrawing an account without a formal opt-out notice.

Many of our customers regularly manage their accounts without overdrawing them. The overdraft fees provide an incentive for the customer to do so and a user charge when they inadvertently fail. Customers know that they can avoid the fee by wisely managing their accounts. When we accommodate them by paying an overdraft, customers are saved from paying merchant fees for refused items and avoid being identified as unreliable payors by local merchants. Customers who overdraw their accounts periodically are aware of the consequences of their conduct. They do not need repeated notice that they can opt-out of a convenience that they are choosing to accept. We reach out to customers and are always available to work with those who would benefit from alternatives to manage their account.

The proposal for a partial opt-out of ATM and debit card transactions, while retaining coverage for checks and ACH, is technically feasible under our processing system, but it would be difficult for customers to understand. It adds an unnecessary level of complexity. Furthermore, I don't see the need for this type of partial opt-out for most customers. Most customers want their point-of-sale and ATM withdrawals accepted and would rather have check or ACH transactions refused first. Customers often find it embarrassing when a transaction is refused at the point-of-sale.

The proposal would prohibit banks from assessing overdraft fees if the overdraft is caused solely

July 28, 2008

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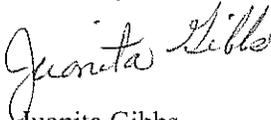
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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Juanita Gibbs

Operations Officer

First State Bank

P. O. Box 1267

Scottsbluff, NE 69363-1267

ngibbs@fsbcentral.com

By electronic delivery

July 28, 2008

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Board of Governors of the Federal Reserve System
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I appreciate the opportunity to submit comments on the proposed regulations.

Sincerely,



Kathy M. Herron
Executive Assistant Officer
First State Bank
P. O. Box 1267
Scottsbluff, NE 69363-1267
kherron@fsbcentral.com