

Subject: Regulation AA

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Proposal: Regulation AA - Unfair or Deceptive Acts or Practices

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Comments:

The individual is hit with a double whammy by both the financial and submitting organization who both charge insufficient funds penalties. Suggest that when a check/debit card overdraft occurs that a 72hr or 3 working day hold be put in place on said overdraft. Financial org would then notify individual by E-mail/Phone or letter that they have until (date) to provide sufficient funding to cover the overdraft or they will be charged a fee. (Fee should be based on amount of overdraft, i.e., \$50 or less= \$2.00, \$51-\$100 = \$5, \$101 -and so on with the maximum charge for overdraft not to exceed \$40. The organization who submitted the check/debit card that caused the overdraft would receive notification of overdraft only if sufficient funds were not in place with-in the 72hr or 3 day time frame at which times said organization could then charge a late fee not to exceed max of \$35. Everybody suffers somewhat, but the customer, who by accident (in some cases) has to have a chance to pay before being sent to the overdraft poorhouse. Many organizations that accept checks, credit cards and debit cards have checks in their systems that allow refusal of sale if there are shortages of funds in the customers account. Please note that if an individual is a habitual submitter of insufficient

funds etc., said banking or credit authority should immediatly revoke privileges and charge or pursue legal recourse against that person. Basically, just give the customer a chance before it's socked to them which only tends to make it worse for all.