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Subject: Electronic Fund Transfers

Comments:

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Proposal: Regulation E - Electronic Fund Transfers
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Comments:

I would like to submit a comment on the proposed changes to Regulation E. I respectfully suggest that the amendment to Reg E requiring that banks give consumers a choice to opt-in before any overdraft fees or charges may be imposed would potentially be very expensive for banks. Banks would have to develop software to allow their systems to differentiate between overdrafts caused by ATM and debit card use as opposed to check overdrafts. In our bank, for example, if a customer uses their ATM or debit card and inadvertently overdraws the account, we would consider whether it was their first time, which may mean they didn't realize there would be an overdraft charge, and we would refund the charge. If the customer checks their account balance on an ATM, the balance they are quoted does not include any overdraft privilege, so they should know that the withdrawal will overdraw their account. All customers are given the option to opt-out of overdraft programs and they receive information about the program at the time they open the account as well as periodically throughout the year. At the time when community banks are struggling to compete and to increase earnings and decrease expenses, it seems counterproductive to impose more regulations that increase their need to pay for more software and consulting services. Thank you for your consideration of our comments.