

From: Chad Feigenbutz
Subject: Electronic Fund Transfers

Comments:

Board of Governors of Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Federal Reserve Board Director:

I support the proposed requirement that would require financial institutions to obtain consumers' affirmative consent (or opt-in) before any overdraft fees or charges may be imposed on consumers' accounts.

Banks should get explicit permission before enrolling customers in the most expensive overdraft system, automatically covering overdrafts and charging high fees, and should be stopped from using unfair practices to increase their overdraft fees.

I have a very personal connection to the issue of gotcha bank fees. Five years ago when I was in Graduate School, I was working on a project in an e-business course that simulated a shopping cart (I'm a computer programmer). In order to make the cart work, I needed to add a payment method, I chose an add-on through PayPal. This add-on required me to add my own PayPal account that had a valid bank account associated with it. When I was demonstrating the application during my presentation in class, I would make purchases of 1 cent. Little did I know that my bank account had been overdrawn the previous day by a double charge through JC Whitney auto parts - they have since changed their policy. So for each of the transactions I simulated through the shopping cart, I was charged a \$36 overdraft fee. Looking at my bank account the next day, I had accumulated well over \$600 in overdraft fees with my bank, BB&T. The bank ended up refunding less than \$100 of the fees. Why couldn't they have just rejected the transactions in the first place? I believe this is an unfair practice and the consumer should therefore be able to choose to opt-in/out. Thank you.

Sincerely,
Chad Feigenbutz