

From: Cooper-Atkins , Gary Clayton

Subject: Electronic Fund Transfers

Comments:

In the early 90's I worked for Midwest Payment System, a division of 5/3rd bank in Cincinnati. For overdrafts, they use to take the lowest to highest dollar amount before overdrawing an account. After I left the company, they implemented the largest to smallest sequence because it made them more money. When people overdraw their account, they want the most bills paid knowing that whatever is not paid is going to be overdrawn, and thus they are going to get hit with large fines. The way the banks have it now, one bill gets paid, and 5 don't, thus hitting a customer with \$150 worth of fees instead of \$30. One thing to think about is banks normally allow the check or debit to go through, thus paying for it anyway, so there is not any ground to stand on when they say customers want the largest paid first. At least that has been my experience.

I don't have a problem with banks charging for overdrafts, but skewing it in their favor, majorly, is wrong. And it can turn into a viscous cycle because if you are slapped with large overdraft charges, then you have that much less to pay for things out of your check and won't be able to pay for those bills coming up, thus wracking up more bills.

Gary Clayton
Cooper-Atkins