

From: Northstar Bank of Texas, Greg Studer
Subject: Electronic Fund Transfers

Comments:

Our bank offers an Overdraft Program our customers and it is very well received.

We currently allow customers to "opt out" of our program. We explain the program at account opening and the decision is then made by the customer. The "opt-out" method works best for the customer and the bank. The partial "opt-out" provision as proposed is not workable.

Based on feedback from our customers, allowing Debit Card and ATM transactions to automatically draw against the ODP line is a positive service. With the steady increase in electronic transactions, this seems to be the sensible approach to access the line. We do not have the technology to make this an option by customer. It is a bank-wide feature. It would be unfair to our customers to eliminate access to their line via electronic transactions.

Also, it is not feasible or cost justified to acquire the technology to support the concept of two-hour safe harbor that allows the assessment of an OD fee caused by debit holds that were placed on an account within two hours of the transaction.

We support the idea of increasing disclosure to customers. We feel our customers are now well informed, however, would support any reasonable means to ensure the customer is fully informed of the product.

We strongly encourage the Fed to work with bankers as well as consumer groups to find a meaningful solution that will not force the proposed unnecessary changes in this product that it is not longer workable.

Thank you for your consideration.

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