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Comments:

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Comments:

This comment is on the proposed changes to Regulation E and the opt-in language that will be required under the new rules. In my twenty-five years in banking, I have served at only one bank. It is a community bank that has grown from a one-office location to a twenty-office operation. I have learned that people know and understand fair when they see it and they let you know when they do not. The vast majority of our customers see our ODP program as a benefit. They tell us so. They signed an agreement when they opened the account that if they overdrafted, a fee of \$20 would be charged to their account. Where I question forcing the customer to "opt-in" is that it will deny customers the privilege until they take the effort. In reality, most customers normally do not overdraw their account. They do not expect to, so their motivation to take the effort will be little. The customer that overdrafts regularly and deliberately will opt-in. they know and understand the costs. The customer that normally manages their account and overdrafts very seldom will have their items returned, be charged a fee from the bank, and a fee from the merchant. Actually, they will be penalized for normally handling their account well. When we were making the decision to offer ODP we visited a small bank in southern Ohio that had been offering it. They Vice President that we spoke with told the story about when they were going thru the decision process. They had a bank employee sit in the window of one of their offices and watch the "pay-day check cashing service that was in the same shopping center. They decided that they should offer the service when they not only saw their customers going in, but their employees too. Before ODP each branch would have an employee look "work the overdrafts". They would decide who they were going to pay checks on and who they were not. It was sometimes arbitrary and was certainly influenced by socio-economics. ODP being offered to everyone took that away. It is not based on the anything other than how long the account has been opened, over 30 days. Before adding this burden, you need to review the benefits and speak to the customers. If your experience is like mine, you will find that they want to have the bank pay the overdrafted item and pay the fee