

From: Anonymous
Subject: Electronic Fund Transfers

Comments:

As a college student, I've had the "misfortune" of being hit with predatory overdraft fees. On one particular occasion, a single charge (for pizza) sent me into a negative balance. My bank (Bank of America-or so they claim) proceeded to reorder the sequence of the prior half dozen pending charges (ranging from coffee to a notebook), such that the pizza was paid off first (as it was the largest charge). This of course led to several hundred dollars in overdraft fees being levied against the other charges. I'm not sure why I was charged \$35 for a .99 cent notebook. That is a % 3,500 interest rate. There is no doubt in my mind that I would have paid less if I had banked with a local loan shark.

The rationale for this system is that the largest charges tend to be more important. If we were to for a moment accept this ludicrous claim, the system would still be illogical as the largest charge would still go through. Take for example, if I had \$100 in my account, and bought a \$200 textbook. The textbook would still go through, and I would only be charged a single \$35 fee. Normally that would be the end of that. I would wait for an injection of funds, and I would happily pay off the negative balance, and the overdraft fee. But to alter the chronological sequence of prior transactions for such the textbook is paid off first, and the coffee I bought several days ago is ludicrous if not criminal. I would much rather have my last charge rejected.

In conclusion, I believe the courtesy overdraft protection is nothing but predatory.