

From: James Pannabecker  
Subject: Electronic Fund Transfers

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Comments:

Re: Docket No. R-1343

Speaking as a concerned citizen, I think your Regulation E proposal regarding overdraft fees for ATM transactions and one-time debit card transactions is inappropriate at a time when our nation is experiencing its worst financial crisis since the Great Depression. Instead of promoting these overdrafts through disclosure, you should be prohibiting them. Disclosure will simply condone unwise practices.

Many Americans have proven they are unable to properly manage their finances. Banks are being accused of taking advantage of this inability. This is not the time to promote their codependence. This is the time to define and prohibit irresponsible behavior, including ATM and debit card overdrafts that can be easily declined, as they historically were prior to 2004, according to the beginning of your preamble (and footnote 7). It may not be mere coincidence that 2004 shortly preceded the onset of our financial crisis; I think we will discover this kind of behavior is indicative of the sort of behavior that precipitated this crisis.

According to your argument regarding legal authority under the EFT Act, you have broad authority to adopt regulations to carry out the purposes of the Act. I encourage you to prohibit this behavior, rather than expect disclosure to answer the issues it raises.

If you are unwilling to prohibit the behavior, I suggest requiring disclosure at the time of the behavior - that is, each time the consumer is about to incur an overdraft. Training people, like training dogs, sometimes requires immediate discipline. Disclosure in advance will not be effective.