

From: Marian Veld, Kalamazoo, MI
Subject: Electronic Fund Transfers

Comments:

Board of Governors of Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Dear Federal Reserve Board Director:

Many banks are now allowing debits to be processed when they know there is insufficient funds in the account to cover it. These debits should be refused. A small debit, oftentimes less than \$5 can cause many other checks and debits to also be NSF, many times amounting to several hundred dollars in fees. This has happened to me more than once. One time, I went to the store on the night before my husband's birthday, after bank hours, knowing that my paycheck would be direct deposited the next day, but wanting to buy his birthday present so I could give it to him in the morning. I intended to write a check. Unbeknownst to me, the store had switched over to electronic checks and the debit showed up on my account immediately. By the time my check was deposited less than 12 hours later, my entire check was gone due to bank fees.

Another time, I had an electronic bill payment authorized, but realized the week before the payment that I wouldn't have enough money to cover it. So I cancelled the electronic payment (online) and scheduled another payment for a week later. My bank sent the original payment (silly me, I forgot to print out proof that I cancelled the payment and my bank claimed I did not.) Then they also refused to allow me to cancel the second payment. That time I ended up with over \$800 in fees before I was able to finally get the account into the black. Since I only work 12 hours per week, that kind of fees is really impossible for me to recover from. Now I am pretty much dependent on payday loans to get by from paycheck to paycheck. I hate using those loans, but I can't get out of the cycle. I feel that the bank stole my money.

I don't think banks should be allowed to accept debits when they know there isn't enough money to cover them. I think they should refuse them. Maybe some customers want this service, but I doubt it. Payday loans end up being way cheaper than this service. Anyway, if some customers do want this service, it should be their choice, not the bank's.

I support the proposed requirement that would require financial institutions to obtain consumers' affirmative consent (or opt-in) before any overdraft fees or charges may be imposed on consumers' accounts.

Banks should get explicit permission before enrolling customers in the most expensive overdraft system, automatically covering overdrafts and charging high fees, and should be stopped from using unfair practices to increase their overdraft fees.

Sincerely,

Marian Veld
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