

From: Amy Wooden, Bethesda, MD  
Subject: Electronic Fund Transfers

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Comments:

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

Dear Federal Reserve Board Director:

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.

In August, 2008, my bank -- Chevy Chase Bank -- started holding checks I deposited to my account for two days without prior notice (I had been a customer for 7-8 years, at that point). Several items were returned marked "uncollected funds" rather than "insufficient funds". No fees were charged for any of the items on either end, but it was a blamed nuisance for everyone involved. When I called Customer Service, I was told no change in the "hold policy" had happened. It took two months before I finally found someone who could tell me that the bank had, in fact, change its policy. By then, of course, they had begun charging fees for "uncollected funds."

As a result of the items returned in August, the bank increased the hold period of all deposited checks to as much as 10 days. Since I deposit checks at least once and sometimes 2-3 times per week (I'm a consultant), trying to keep track of funds availability was very difficult. I was finally told by an Assistant Branch manager that if I just deposit the checks to a different account and transfer cash to mine, the problem will go away. It has.

The whole irony in all this, is that I've never had a deposited item returned for any reason. There is absolutely no reason to hold deposited items on my account. The bank arbitrarily changed its rules without notifying me, and I spent months juggling returned checks and explaining to everyone what "uncollected funds" means, as none of the businesses or my credit union had heard of that term.

As a consequence of all this, I'm searching for a new bank. Any help you can lend in cleaning up such questionable business practices will make my search easier.

Thanks,

Amy Wooden Frustrated Soon-to-be Ex-Chevy Chase Bank Customer

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Sincerely,

Amy Wooden  
Bethesda, MD 20816