

From: American State Bank of Erskine, Michelle Johnson

Subject: Electronic Fund Transfers

Comments:

Regulation E

I must be interpreting this rule incorrectly.

Our ATM/Debit card provider does NOT allow us to return or decline any ATM or Debit transactions that may be overdrawn. I find it hard to believe that any Financial Institution could return to the originating ATM holder, an entry for ATM cash that has already been withdrawn. Research should be conducted with ATM/Debit card processors to determine whether there could ever be an option to return an overdrawn item. Speaking as a Financial Institution, if we were to start receiving debit entries back for cash withdrawn on our ATM, I am sure we would never allow non-customers to have access to our ATM. How would we ever track down and re-cover the cash from a non-customer?

If we allow a customer to opt-out, we could not offer an account with similar features. We would have to prohibit the use of an ATM or Debit card.

Offering an option to Opt-in, guaranteed, we would not hear back from 80% of our customers. Existing accounts that offer this card would have to have their card "killed" if they did not respond with their "opt-in". It would be confusing and aggravating to customers to suddenly have an ATM/Debit card that does not work. Once they contact the FI and are notified that they need to sign an "opt-in", the FI would incur the time and expense to re-issue a new card.

As far as disclosing this information on each month's statements...unless the regulation implementation date was several years off, it could be a substantial financial loss to any FI that already has a large supply of statements on hand. We order about a two year supply at a time for a cost break. If we had to toss out any statements that did not contain the disclosure language, it would be costly. We hear from consumers that they are overwhelmed with information and they don't want to read it. Wouldn't a one time disclosure at account opening be sufficient? The consumer could make a decision at that time. Also, a one time disclosure to all existing accountholders may get them to actually read it.

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