

From: Philadelphia Financial, Jordan N. Hymowitz

Subject: Electronic Fund Transfers

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Comments:

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Proposal: Regulation E - Electronic Fund Transfers

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Dear sirs: I am a hedge fund manager following the banking industry for 15 years. During this time I have watched how an increasing percentage of bank earnings are derived from "fees" verses net interest income. An increasing percentage of these fees are garnered from low income consumers who often are not consulted on these fees and are not aware they are being charged them. The effective interest rates on deposit service fees are over 1000%. It's the magnitude of these fees that give "cover" to the payday lenders, pawn shops, and other specialty lenders that consumers frequent for a "better deal." I have no problem with companies having high margin products. Where I take great umbrage is that many of these fees are charged without consumers awareness or consent. Requiring consumers to "opt-in" to overdraft fee programs is a very fair and reasonable solution to this issue. A better option would be to have hese fees fall under TILA and Reg Z where they would be classified as usurious. I strongly encourage you to pass enact the "opt-in" proposal.