From: Jacob Tanner

Subject: Electronic Fund Transfers

Comments:

Of course the banks should not be able to charge customers if they don"t have the money. I was going through a divorce and finishing up school when Bank of America charged me $600 in overdraft fees. I immediately stopped using Bank of America and opened up an account at my local credit union. How ironic now Bank of America is wanting a bailout from the taxpayers. I wish I would have had a bailout during my hard times. I urge you to create legislation that will help consumers by stopping banks from ripping people off with overdraft fees.

Sep 16, 2008 -- Remove overdraft authorization from your bank account
Many banks have software systems designed to throw you into overdraft so they can score big on fees. Here"s how it works: Let"s say you have a debit card. You use it and your transaction is approved even if you don"t actually have the money in your account. That"s when you"ll get hit with an overdraft fee -- even though the transaction goes through!
PIRG now reports that half of all overdraft fees come from debit cards in this way. But there is a solution. You can tell your bank to remove the overdraw authorization on your account. Clark recommends you go in person and fill out the necessary paperwork.
Yes, you"ll have the embarrassment of having your card rejected at the coffee shop if you don"t have money in your account. But it is better that you should have to dig through your pockets for cash than pay a hefty fee later and get the transaction approved up-front.

Oct 05, 2007 -- Bank overdraft fees plaguing young adults
Sometimes it seems like young people have a huge bull"s eye on their backs for the banks. People who are between the ages of 18 and 24 are being killed with bank overdraft fees. The latest stats say they"re paying more than one billion dollars in overdraft fees every year. Clark recently heard from someone who has a teen that overdrew a debit account by $15 and that generated $80 in fees. As a parent, it"s getting more and more difficult to teach the young about money. But it must be done. When Clark was in school, you paid for things with cash. Today there"s no equivalent in a credit-crazy world. While cash is finite, plastic is infinite. A parent"s most important lesson to a son or daughter should involve a pen and a check register -- showing them how to take debit transactions seriously. Banks are only too happy to approve transactions that will result in overdrawn accounts and high fees.
There"s a bill in Congressthat"s trying to make it so that a bank must contact you for approval before they overdraw your account. The banks, predictably, are incensed about this because they may lose profit. Clark loves it when people have more info to make smart (or dumb) choices. What happened to ethics and morality in the banking world? Why do bankers get up in the morning and try to figure out how to rip off fellow Americans? If a bank approves an overdrawn transaction that generates fees, how is that moral or ethical?? It"s not. The bill will probably be killed because the bankers are so strong giving dirty money to politicians. So teach your children well and you"ll save them from losing money in the school of hard knocks. 11 comments | Permalink

Aug 27, 2007 -- Why debit cards are such a rip-off
Clark despises debit cards -- or what he calls "piece of trash fake Visa and fake Mastercards." The banks love debit cards because they make huge profits on

them. Most of us have had the experience of making a purchase with a debit card and being asked if we want to do it as debit or credit. If you go for credit, the merchant will pay $1.50 in processing fees. If you opt for debit, the merchant may only pay 17 or 18 cents. So the merchants are always battling with the banks over the use of these cards. Sometimes the banks will even assess you a fee when you select the debit option for a purchase. Meanwhile, the September issue of Consumer Reports'' Money Adviserstates that your account is 17 times more likely to be hijacked if you go the credit route versus the debit option.
But the debit option has other dangers. Certain banks now allow customers to use it to cover purchases that exceed their balance. The banks are all too happy to collect interest of around 1,000 percent on overdraft charges. So ultimately, it''s your responsibility to not overdraw your account. Clark advises people to deduct your debit purchase from your account ledger right after making that purchase. It may be a hassle, but it will save you in the long run.
There are a few scenarios where consumers really have to be aware about the dangers of using of debit cards. These include paying for gas at the pump, paying your hotel bill during check-out and doing a car rental. If you use a debit card in any of these situations, you have to know that the bank will put a hold on your account for an amount that exceeds the total of the bill. So though you may only get $10 of gas, the bank may hold $100 -- and if you don''t have a lot in your account, you may start bouncing checks. Also, when you use a debit card to pay for something now that you''ll get later, you have no recourse if the merchant goes bust or your purchase never arrives in the mail. However you can dispute the charge if you use a credit card. The only time Clark thinks it might be advisable to use a debit card is if you''re someone who has been in trouble with credit cards in the past and you habitually go into debt using them. Then the benefits may outweigh the risks. 1 comment | Permalink

Jul 27, 2007 -- Banks purposely ripping you off with overdraft fees
Some bank accounts charge you a fee just to check your account. A call years ago spoke of getting hit with an overdraft fee, even though they knew they had a good balance; was this a clerical error? No, it''s a new strategy in banking that tricks people into overdrafting their accounts so that the bank can charge them. Banks used to reject transactions that they knew would cause an overdraft. Not anymore. Many banks now purposely approve transactions that they know will overdraw your account. According to Congressional hearings, banks made $17.5 billion dollars due to this! Even worse, many banks use software programs to see what will cause the most bounced checks, or give you false balance reports at ATMs so that you you''ll overdraw! Clark thinks a bank should at the very least inform you that they''re going to try to rip you off by approving transactions that will cause overdraft fees. You now need to take additional steps to monitor your account as closely as possible to avoid getting ripped off.