

From: Rio Grande Federal Credit Union, Valarie Neumeier
Subject: Reg E - Electronic Fund Transfer

Comments:

Docket No. R-1343

Clarification on the Reg E as of February 22

Please clarify if a Financial Institution does not have the practice paying 'one time debit transactions or ATM transactions' if the funds are not in the account at the time of the transaction, why would they not be able to charge a fee should the account not have the funds when the item clears. Are we making a law where the individual has no responsibility of keeping track of their transactions?

I totally understand the disclosure to the consumer on the guidelines of how institutions determine what they will approve when there are no funds in the account, what a lot of people did not understand is institutions would cushion the amount for more dollars than was actually in the account .. citing benefiting the consumer from embarrassment ect. I totally get, if it is in place, get an opt-in.

That said.. This institution only approves transactions based upon the balance of the account at the time of the transaction, so when the new rule goes into effect if they come in and pull money out before the transaction clears we will not be able to charge a fee. So to fix my fee income..I adopt an overdraft program which I would say at least 70 to 75% of our members will opt in, because I am going to pay up to \$100.00 more than their balance in the account, now you will get a fee but you will have the \$\$'s available, no problem right because they are already used to the fee, now they will just have \$100.00 more to go deeper into the hole with more fees to follow on that \$100.00. We will be taking our members far more negative than they ever have been and we will still have our fee income. Does this make sense??????

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