

From: Pacific Marine Credit Union, Sonia C. Donald
Subject: Reg E - Electronic Fund Transfer

Comments:

In response to the Federal Reserves "Request for Comment to Regulation E - Clarification," we offer the following:

Please let me first state, that our credit union is in favor of regulatory mandates that protect credit union members/consumers from predatory practices that fail to adequately and clearly disclose terms, conditions and fees associated with the use of an ATM/Debit card, one-time debit card transactions, or any other service or product for that matter. However, at what point in the process of protecting our members/consumers, is the Federal Reserve going to acknowledge the member's responsibility for properly managing the use of their ATM/Debit card?

We have provided clear and adequate disclosures, and educated our members on the proper use of an ATM/Debit card. We've disclosed our fees and what the consequences are for mis-management of an ATM/Debit card. Why then, are we precluded from continuing to assess an overdraft fee, when it is evident that the member has acted in an irresponsible manner? Why, in order to assess such a fee, are we being relegated to securing the members affirmative consent, and then having to follow up with a confirmation of their consent? How is this fee any different from charging an NSF fee when a member writes a check against insufficient funds?

Granted, in the case of a pre-approved transaction such as a hotel stay, car rental or gasoline purchase (wherein there is a delay in the processing of that item), there could be "some" room for error on the part of the member, as to the amount of available funds in their account. However, does a pre-approval somehow inflict a member with selective amnesia? Does a member suddenly forget the fact that they stayed in a hotel, rented the car or pumped that tank of gas? Do they draw a blank, to the fact that they chose to pay for that hotel, car rental or gasoline with funds from their checking account, via the use of their ATM/Debit Card?

What kind of message does this kind of regulatory mandate send to consumers as to their financial responsibility? And just wait until those less than ethical consumers learn about one more way to "scam" the financial industry.

Respectfully,

Sonia C. Donald, CUCE
Dir. Audit and Compliance
Pacific Marine Credit Union