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Comments:

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Proposal: Regulation E - Electronic Fund Transfer
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Comments:

Docket No. R-1343 The language of the model opt in and opt out notices is confusing and misleading. Institutions that have authorizations done by a third party based on preset parameters can not be certain ATM or debit card transactions approved will not overdraw a consumer's account. Due to processing time lags, institutions that base authorizations on account balances cannot be sure the funds will still be in a customer's account when the actual transaction posts. The language states "We do not authorize and pay overdrafts for the following types of transactions unless you ask us : ATM transactions Everyday debit card transactions." In many cases this is not true. Debit card transactions cannot be returned. If authorization was given, either based on a set limit or the customer's balance the item has to be paid even if it overdraws the customers account. I believe this will be a source of confusion to a customer who thinks he has been told an ATM or debit card item will not be paid if it would overdraw their account, but then they see the item paid, resulting in an overdraft. While an overdraft fee may not be charged if the customer doesn't opt in, an overdraft can still result.