

**Helena National Bank** Our prime Interest Is You



July 29, 2008

P.O. Box 280  
Helena, AR 72342

Jennifer J. Johnson, Secretary  
Board of Governors of the Federal Reserve System  
20<sup>th</sup> Street and Constitution Avenue, NW  
Washington, DC 20551

Telephone  
870-338-6451  
Facsimile  
870-338-6306

Via fax: 202-452-3819 or 202-452-3102

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Re: Unfair or Deceptive Acts or Practices, Docket No. R-1314

hnb@hnb.com

Dear Ms. Johnson:

Helena National Bank is a small bank in a rural community.

Not everyone hereabouts is a farmer, but farming is the basis of our local economy, most of the manufacturing jobs having left our area 20 plus years ago.

I tell you this to give you some idea of our community's poor economic condition.

Many of our customers, not unlike many Americans, live from paycheck to paycheck and often suffer from "too much month at the end of the money."

Helena National Bank has always honored, on a case-by-case basis, checks resulting in overdrafts and subsequently charged a fee associated therewith. For many years we have also offered automatic transfer arrangements that help customer avoid accidental overdrafts. More recently, at additional cost to ourselves, we have given customers the ability to transfer funds by phone and/or computer (if they so choose) giving them better control of their funds and adding another method to prevent overdrafts.

We were certainly one of the last banks to adopt an Overdraft Privilege program because we hold in low esteem those Banks that charge exorbitant fees for such programs, not only for the overdrafts but for the right to participate as well. Our Overdraft Privilege program requires customers to sign up (opt-in) and only those that do so participate in the program. Those that do "opt-in" are charged nothing beyond the normal per item overdraft fee. When and if they do not timely repay the overdraft, they are given an opportunity to repay on a **scheduled repayment plan with no interest, fees or service charges**.

We are adamantly opposed to any effort to restrict or make these programs more burdensome and costly. Unnecessary new compliance costs will make the programs more expensive to administer, and too costly for consumers.

Far too often our society, including regulatory authorities, have opted to "punish the whole class" or make a new rule rather than properly deal with the scoundrels that common sense and decency would so dictate.

I implore you, "Do not add another straw."

Sincerely,

Tommie E. Shackelford, Jr.  
President