

**From:** Jim Ford [Jim.Ford@premierwestbank.com]

**Sent:** Monday, September 20, 2010 10:25 AM

**To:** overdraftcomments@fdic.org

**Cc:** [Name]

**Subject:** Regarding Overdraft Payment Supervisory Guidance as outlined in FDIC FIL -47-2010 FDIC Comments Section

Like most community banks, PremierWest bank strives to follow customer friendly guidelines and always goes the extra mile to insure that our customers do not face imprudent risks. While we embrace and already carefully follow overdraft guidelines, we have particular concern about being required to adhere to specific action steps to monitor our overdraft program for “excessive or chronic customer use”; i.e. a specific requirement to take meaningful action if a customer utilizes overdraft protection 6 times during a rolling 12 month period. We give our customers plenty of opportunity to decide if overdraft protection is for them or not. In fact, we directly communicated the new Federal Reserve requirements to our customer base five times this year. The proposed program however, places an excessive burden on financial institutions to monitor the behavior of customers who are otherwise fully informed of the ramifications of overdrawing their accounts.

We also stress that any overdraft guidance should be interagency, and should be delayed to allow time to let the latest rules take effect. The new Regulation E rule provides for strong consumer protections that require customers to consent specifically to participate in debit card overdraft programs. Regulators should not mandate hard and fast caps on a service that the customers have affirmatively and specifically chosen with full knowledge of the costs and their experience with it. Our bank does communicate with excessive users to suggest options or confirm their continued preference for their overdraft program choice. However, we are opposed to regulatory imposition of arbitrary caps on overdraft transactions.

Respectfully submitted,

James M. Ford  
President & CEO  
PremierWest Bank

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