

From: Mark Williamson [mark@wtsb.com]  
Sent: Tuesday, September 21, 2010 12:36 PM  
To: Overdraft Comments  
Subject: FIL - OD Protection guidance comment

I am Mark Williamson, CEO of West Texas State Bank in Snyder, Texas. Our bank has assets of \$125,000,000.00 and we serve the city of Snyder and the surrounding rural areas of Scurry County. We also have a small branch located in Rowena, Texas in Runnels County. Our consumer customer base is primarily comprised of blue collar workers and farmers. Our local economy is based in Agriculture, Oil production and wind energy. We enjoy a good reputation in the community and we have always relied on that reputation to retain and even grow our customer base. There are three other formidable competitors in this community that operate under those same principles, therefore customer retention and growth can be a challenge at times. Nevertheless, we are not aware of any image or reputation risks associated with our overdraft protection program.

Please be advised that I have read the IBAT response to this FIL guidance and am in total agreement with the content of that letter. Therefore, it is not necessary for me to restate their talking points. The IBAT letter correctly states our position, especially regarding the data processing challenges associated with "order of processing" issues.

It is my perception that the 6 transactions on a rolling 12 month period is unusually low in that most of our customers who habitually OD could have that many transactions on any given day. If it becomes incumbent on banks to contact these customers for some sort of counseling, we will have to choose between two alternatives. 1. Call those customers so frequently that the advice will become commonplace and they will pay no attention to what we say, or; 2. Just simply return their checks without any further regard for the banking relationship or the convenience of that customer. Given a choice, I believe the customer would choose the 1st alternative almost every time.

Finally, we should remember that of all the fees assessed by any bank, the per check fee for overdrafts is the ONLY one that is totally within the control of the customer. The customer chooses to pay that fee every time they sign a check drawn against insufficient funds. With monthly statements, on line banking, telephone banking and the ability to call the bank to check a balance, the customer should never NOT know their balance. Thus, when they write a check knowing it will overdraw their account, the customer is choosing to pay the fee. Of course there are times when the bank makes a mistake and the customer is not at fault. In these instances, fees are cheerfully refunded. Other than that, the OD fee is discretionary and as such, represents the choice of the customer.

Thank you for providing this forum for comment.

Mark Williamson - CEO  
West Texas State Bank  
Downtown Snyder, Texas