

From: mmackay@icbm.org [mailto:mmackay@icbm.org]
Sent: Monday, September 27, 2010 6:03 PM
To: Comments
Subject: FDIC Proposed Guidance on Overdraft Coverage

Marshall MacKay
401 Trappers Pass
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September 27, 2010

Comments to FDIC

Dear Comments to FDIC:

By electronic delivery to:
OverdraftComments@fdic.gov

Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429-9990

Re: Overdraft Payment Supervisory Guidance, FIL-47-2010, August 11, 2010

Dear Sir or Madame:

The Independent Community Bankers of Minnesota (ICBM) represents community bankers in over 500 communities across the state of Minnesota.

ICBM strongly opposes the FDIC's proposed guidance (FIL-47-2010) that addresses overdraft coverage programs. Simply put now is not the time to introduce further regulation targeted at overdraft coverage products.

The 230+ bank charters that are members of ICBM have just implemented new requirements under Regulation DD (Truth in Savings) and Regulation E (Electronic Fund Transfers) at great expense and manpower.

Having to rework the bank's deposit products and to accommodate a regulatory moving target does not help banks serve their customers or the needs of their community.

Further, any additional rules should be the result of an inter-agency effort to ensure consistency and fairness in its application for both banks and their customers.

Lastly, I fear that this proposal will ultimately do a great disservice to the customers, many of which appreciate the assurances that accidental overdraft coverage offers in preventing a bill being returned unpaid or a merchant-imposed fee being levied. If regulatory barriers and requirements become too burdensome, our member banks will be faced with discontinuing these services and returning all check and ACH transactions, exposing my customers to fees far greater than those imposed by my bank.

Please give serious consideration to changing the path and negative outcomes of this proposal.

I urge the FDIC to carefully consider this measure to ensure that the guidance does not impede my bank's ability to provide overdraft coverage services to my customers. If we are forced to abandon or significantly alter these services due to regulatory burden, the result could lead more consumers into becoming unbanked or relying on other products such as prepaid debit cards and check cashing services, which have higher fees and foster unsound financial practices.

Sincerely,
Marshall MacKay
651.789.3980