

From: kwalls@industrybanc.com [<mailto:kwalls@industrybanc.com>]  
Sent: Monday, September 27, 2010 9:03 AM  
To: Comments  
Subject: FDIC Proposed Guidance on Overdraft Coverage

Kara Walls  
P.O. Box 66  
Industry, TX 78944-0066

September 27, 2010

Dear Comments to FDIC:

By electronic delivery to:  
[OverdraftComments@fdic.gov](mailto: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:

I strongly oppose 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. My bank has just implemented new requirements under Regulation DD (Truth in Savings) and Regulation E (Electronic Fund Transfers) at great expense and manpower. Having to rework our bank's deposit products and to accommodate a regulatory moving target does not help my bank serve its customers.

My bank does not manipulate transaction processing to generate more fees and higher revenue. My bank is accountable to its community and its success is dependent on a mutually beneficially relationship with customers. If we engaged in "price-gouging" tactics, we COULD NOT do business in our community.

If the FDIC proceeds with adoption of the proposed guidance, please consider the following:

- 1) The elimination of the requirement that banks monitor programs for excessive or chronic use (six overdrafts in a rolling twelve month period) and then contact the customer (in person or via telephone) to discuss less costly alternatives. This mandate would be extremely burdensome and operationally unworkable for my bank and would result in an excessive number of calls, causing us to either discontinue our overdraft coverage program, or to close the customer's account and return all payments. I feel that this would only be a bigger disservice to our customers and community.
- 2) To allow banks to charge a fee for returning items paid by check or ACH. Processing return items represent expense and employee attention and should not be provided free of charge. These are actually unsecured loans and the bank should not have to advance funds without being compensated for the use of funds.

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,

Kara Walls