



**COMMUNITY NATIONAL BANK**

**POST OFFICE BOX 130 HONDO, TEXAS 78861 (830) 426-3066 METRO 741-3066**

**TAD WOOTEN**  
*CEO, Vice Chairman*

F.D.I.C.  
550 17<sup>TH</sup> St. NW  
Washington, D.C. 20429-9990

Re: FIL-47-2010

To Whom It May Concern:

I am the C.E.O. of a \$160 million-Community Bank headquartered in Hondo, Texas. We have served this community and Medina County for the past 29 years. Our bank employs 50 people and we serve the banking needs of approximately 10,000 people in this area through four branch locations. We have offered an overdraft protection program to our customers for the past three years.

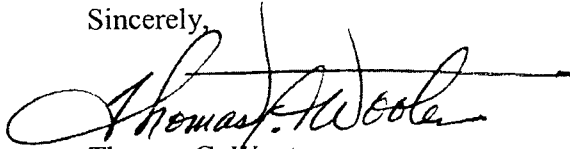
Our customers elect to do business with us because of the customer service and banking products which we provide them. If they believed that we were taking advantage of them, they would take their business elsewhere. Competition in today's marketplace is tough, and we are doing everything we can to ensure that we keep the customers we have.

I believe that the recently-enacted Reg. E. changes which require customer Opt-In to debit card coverage should be given time to work. It is premature at this time to add to the regulatory burden for overdraft programs. Further, the six overdraft limit in a rolling 12-month period as proposed by the guidance is contrary to existing Reg. DD requirements which mandate the provision of overdraft information to customers on a year-to-date basis. Additionally, this limit as proposed is both arbitrary, unworkable, and will disadvantage many of our customers who have chosen to use this service. How will many customers be disadvantaged? Because if the arbitrary 6-O.D. limit is exceeded, the banker will choose to return the customer's check, rather than take the risk of paying the check into overdraft status without any compensation for the risk taken. When that occurs, the customer will be forced to pay a returned check fee to the merchant to whom the check was given which is typically higher than the bank overdraft fee would have been, and the customer may also face additional check collection fees, and the possibility of legal action, not to mention being humiliated by the process.

The proposed 6-O.D. limit is ridiculously out of line with the expectations of our customers. Many of our customers depend upon this service being available to them. They choose to use the service. Those who abuse the service are already counseled, (in writing) and given a second chance to use it responsibly. If they fail the second chance program, they are no longer allowed to use the service. Additionally, the proposal that banks would be required to contact customers who exceed the proposed limit by phone or in person for counseling is unworkable; we do not have the manpower to do this.

In conclusion, the F.D.I.C. should not presume to know what is best for my customers! The guidance as proposed is arbitrary, unworkable, and will have the effect of actually harming our customers if enacted as proposed. Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in cursive script that reads "Thomas C. Wooten". The signature is written in black ink and is positioned above the typed name.

Thomas C. Wooten  
C.E.O.

A thick, black horizontal bar used to redact a line of text.A thick, black horizontal bar used to redact a line of text.

