

**From:** K M <kmikrot@hotmail.com> on 06/26/2008 12:40:01 PM

**Subject:** Regulation DD

I'd like to submit my opinion of the proposed rules for overdraft fees (Docket No. R-1315). I understand that the proposed rules ask banks to require customers to opt-out of the overdraft protection services that result in customers being charged late fees for overdrafts. I believe the programs should not be a negative election--they should require that customers opt in to the program, and supply easy-to-read disclosure materials for customers.

I believe another step should be taken in this legislation to prevent lenders from manipulating the withdrawals so as to maximize the amount of overdrafts that they can charge. For example, many banks have a policy that if you are overdrawn on any given day, they will withdraw the largest transaction first, regardless of the time of the transaction. This policy exists for no other reason than to make money for the bank. This means that if I have \$50 in my account, and I perform four transactions that day in the amounts of \$5 (at 6 am), \$10 (at noon), \$25 at 3 pm and \$50 (at 8 pm) the bank will withdraw the \$50 and charge me \$35 for each of the three smaller transactions that occurred earlier in the day. It seems fair that a bank would remove the transactions in order of the purchase. It seems like good customer service to remove the smaller transactions first to avoid charging a customer \$105 in overdraft fees on purchases of 40. It seems neither fair nor good customer service to pick and choose which transaction you want to take first so as to make a profit off of overdraft fees. Even if I were to take my receipts to the bank to show them the times of the transactions, they would refuse to waive the overdrafts on the three earlier transactions.

I think this legislation is a great step into controlling some of the predatory practices of banks, please consider my suggestions above.

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