

CI and IBF 06.27.19.

COMMENTS ON OVERDRAFT RULE ARE DUE BY JULY 1.

by

Dennis J. Wall.

I left the following Comments on the overdraft rule earlier today. Comments are due by July 1. The overdraft rule is being examined by the Consumer Financial Protection Bureau because the CFPB is required to review the rule by the Regulatory Flexibility Act. Reviews and revisions of rules by the CFPB since 2017 have not been favorable to consumer financial protection. If you want to leave Comments on the overdraft rule that advance consumer financial protection, your time grows short. Go to www.regulations.gov, input "overdraft rule," and click on "Comment Now!" Comments do not have to be as long or as complicated as books or articles. They can be short and to the point, which if I had it to do over again, I would make my own Comments even shorter and even more to the point.

Here are the Comments I left on the overdraft rule earlier today:

I would like to leave these comments on improving and strengthening the overdraft rule.

First, as I understand the present situation, banks may charge fees without getting a customer's prior approval whenever the customer overspends her or his account by using a paper check. As it is currently written, the overdraft rule applies to most electronic transactions. Paper checks may not be as prevalent as they once were, but prevalence of electronic transactions is no excuse for this inequity. (This would be true in any case, but today it is especially true because electronic transactions are required by the very banks who benefit from the rule's failure to regulate transactions involving paper checks.) This is unfair and unequal. The overdraft rule should now be updated and strengthened by extending its application to the customer's use of a paper check.

Further, I understand that some banks still reorder debit transactions so that one tiny shortage in the customer's account becomes an automatic

trigger of overdrafts and fees charged by the banks. The banks that indulge themselves in this practice and that continue to inflict it upon their customers apparently rely on disclosure to their customers of what they do, usually in small inconspicuous type in a disclosure document. Disclosure is no excuse for predatory practices. Customers often have little or no choice of banking options in their communities. This practice of reordering debit transactions, usually by processing them from the highest amount to the lowest amount, must be barred completely. The overdraft rule should be updated and strengthened accordingly, with a complete prohibition on any practice of reordering debit transactions that has the result of charging the customer with overdraft and any other associated charges.

Thank you for your consideration.

Dennis Wall

Please Read the Disclaimer. ©2019 Dennis J. Wall. All Rights Reserved.