

From: The Bank of Tescott, Nancy L Cone
Proposal: 1419 (RIN 7100-AD76) - Reg E - Electronic Fund Transfer
Subject: Reg E - EFT

Comments:

Date: Jun 23, 2011

Proposal: Regulation E; Electronic Fund Transfers
Document ID: R-1419
Document Version: 1
Release Date: 05/12/2011
Name: Nancy L Cone
Affiliation: The Bank of Tescott

Comments:

Docket No. \$-1419 RIN 7100-AD76 To whom it may concern: I would like to thank the Federal Reserve for allowing me to comment on the proposed change to Regulation E, which implements the Electronic Fund Transfer Act. First of all I am the Compliance Officer for a small community bank. Our asset size is 283 million and we have four offices. We serve a mostly rural community. I believe that no doubt that there is a need to help consumers with remittance transfers to foreign countries with some businesses. But the Federal Regulated Financial Institutions have regulations that we are required to follow and we tell the customer what we are going to charge them and we never hold funds before transmitting them. This law needs to be targeted to those who are abusing the consumer not to the Federally Regulated Financial Institutions. First of all when a customer comes in the bank to make a wire they tell us how much they want to send and they are told from the start what fees we will charge. As soon as all the information is gathered that is needed to send the wire we then send the wire off. As a small community bank we have first of all no idea if or who might charge the customer fees along the way. In fact we don't even know which path the wire will take. All we know is our correspondent bank name and the name of the foreign bank it is going to. We have no access to the exchange rates either. During my thirty years in banking I have never known a time when we sent a foreign wire and had any idea when the money would be available for the receiver. While the wire is in the United States it falls under the U.S. rules but once it leaves the U.S. then it is under foreign countries rules and regulations. I have known wires going to foreign countries to take weeks and weeks and other times it never got to the receiver. But as the sending bank we had no way of helping once it left the U.S. We as a community bank can give a receipt to the customer if they come in and can tell them the amount of the wire and our fees but we sure can't tell them what other financial institutions will charge or if there will be any taxes. We also can't tell them when the funds will be available to pick up. As for the error resolution part I agree that if we charge a wrong fee or don't disclose the fee then we should give the customer back the fee but once the wire is sent it is very hard to get the money back or to even trace where the funds went. If they have the right to recall a wire then we would be forced to hold the wire during the recall time and that also does not help the customer. We work hard at making the customer whole when it is our fault but once it is out of the bank if we are held accountable for other banks including

foreign banks then this would be another reasons for community banks to not offer foreign wires or ACH. As a result, if this law passes as is community banks in our area will be forced to stop providing wires or ACH origination to foreign counties. This will harm the very customers that this law was intended to help because they will have to go to non Federally Regulated Financial Institutions to do foreign wires and they are the ones who have been harming the customer and without regulators to watch them they will continue to harm them. Rural small community banks want to help their customers and work very hard to follow the regulations so when a regulation is passed that they can not be compliant with then that forces them to not offer that product or service. Thank you again for allowing me to make a comment. Sincerely, Compliance Officer of Midwestern Community Bank