

ATM/DEBIT ANNOUNCEMENT – 1 – 3/16/10

On January 1, 2010 changes to Regulation DD - Truth In Savings became effective and the new Regulation E – overdraft requirements are effective July 1, 2010. These changes cover how balance information is disclosed to a member through automated systems, (ATM, mobile device, VRU, web page) as well as the ability to charge overdraft fees under certain scenarios.

There are a number of operating scenarios we may need to address:

- Balances and limits used for authorizing ATM and Debit transactions
- Balances displayed on ATM receipts and other automated systems
- Files and online transaction specifications
- Posting file specifications
- Overdraft transactions and charging of overdraft fees
- Member opt-in for overdraft services
- Statements displaying overdraft and other fees charged

To ensure compliance by July 1, 2010, the LSC-TIS Compliance Team will work with you and your data processor to review the necessary changes. LSC has worked with our legal department and our forms supplier to develop a compliant opt-in for overdraft services document, which will be supplied to you in a later bulletin. This should be used with a marketing letter to your members promoting the overdraft service that the member has always had, the benefits to the member, (peace of mind, reduced NSF items and fees, confidence that the transaction will be authorized, etc), and the need to have the member renew their overdraft selections noted on the opt-in form.

For credit unions that send a Positive Balance File (PBF), this may require format changes to the PBF. Specifically, a change will be required if the file is set-up to send combined balances, such as including the share draft and share balance together or if the PBF includes any available funds from a line of credit loan or other overdraft service (courtesy pay) in the available balance. In addition, balances displayed on receipts at an ATM will be verified, so as to contain only the balance of the account specifically requested or the transaction is being performed against.

For credit unions that are Velocity or limits only, this may require a change in posting file format, overdraft posting routines, as well as balances displayed on receipts.

For credit unions that are Online, this may require format changes to your Online Messaging Format. In addition, a change may be required if you include the checking and saving balance in one total or if the Online Messaging includes available funds from a line of credit loan or other overdraft services (courtesy pay) in the available balance.

LSC will work with you and your Data Processor to ensure that the format and data being sent to the card processor separates the checking account balance, the saving account balance, and the line of credit loan balance into 3 separate records. This may mean that the card processor will only authorize certain withdrawal or transfer transactions from the savings balance and not the combined balances. LSC will work closely with the credit union to determine what impact, if any, this might have on your membership.

Please contact your representative at your Data Processor to verify whom LSC should contact in the event there is a need for a format change. Please return the enclosed form to LSC via TISCompliance@ilcusys.org or fax to 630-983-4285. Once we receive this form, we will then coordinate with your card processor and data processor to complete the necessary changes.

Please direct any additional questions to our Compliance Team at TISCompliance@ilcusys.org.

ICUL Service Corporation

ATM/Debit Processing

Credit Union Name _____

CU Contact Name: _____

CU Contact Phone #: _____

CU Contact Email: _____

CU Data Processor: _____

DP Platform: _____

CU DP Contact Name: _____

CU DP Contact Phone #: _____

CU DP Contact Email: _____

_____ Yes, please work directly with my Data Processor to ensure our balance file or online messaging is in compliant.

_____ Yes, please work with me and I will work with my Data Processor to ensure our balance file or online messaging is in compliant.

_____ No, do not work with my Data Processor or me to ensure our balance file or online messaging is in compliant.

Authorized Signature _____

Print Name of Authorized Signer _____

Date _____

Please return this form to TISCompliance@ilcusys.org or 630-983-4285.