



ICUL SERVICE CORPORATION
HELPING CREDIT UNIONS COMPETE

A part of the Illinois Credit Union System

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ATM/DEBIT ANNOUNCEMENT – 2 – 3/19/10

LSC would like to remind Credit Unions of changes to Regulation DD - Truth In Savings and Regulation E - Overdraft. This update provides insight into the affected aspects of card management on your Debit Card Processor's system to help our credit unions comply with the upcoming changes.

If you do not send a positive balance file on your debit card program, please disregard this announcement.

If you are currently sending a balance information on your debit card program, it is imperative for compliance to make sure the balance value correctly reflects the inclusion or exclusion of overdraft protection funds in compliance with Regulation DD and Regulation E.

LSC worked with your debit card processor to turn off the current Combined Balance Processing and replaced this functionality with Overdraft Protection Functionality. Overdraft Protection works when individual balances are maintained on an Issuer BIN. This allows the credit union to establish an overdraft account that can be tied to the cardholders' DDA/checking account for overdraft protection purposes. This product functionality is tied to ATM withdrawals, PIN-based POS and signature transactions. Overdraft protection is not available on transactions initiated to the savings account. Overdraft also does not apply to balance inquiries, transfers or deposits.

Overdraft functionality uses available funds according to the overdraft value that has been set up at the BIN level to respond to the requested transaction. It is up to the credit union to determine what internal account represents the overdraft funds. For instance, some overdraft accounts may be considered a loan internally, while some may be secured by a savings account. When a transaction is posted, it is up to the issuer to determine internally where the funds are pulled from and to ensure that proper disclosure has been made if fees to access the overdraft funds are assessed.

FIS supports different transmission files, the data transmission options can vary depending on the file type.

The OLD FIS Specs which combines all balances into one.

The Option 1 Positive Balance File (PBF) supports the following available fund types:

- Checking Available
- Savings Available
- Credit Available

The Option 1 Maintenance File supports the following available fund types:

- Checking Available
- Savings Available
- Credit Available

The Option 2 Cardholder Maintenance File supports the following available fund types:

- DDA Amount Available
- Savings Amount Available
- Credit Amount Available

The Option 3 Maintenance File supports the transmission of the following

- Credit Available
- Credit Limit
- DDA Account Balance
- DDA Overdraft Balance
- SAV Account Balance
- SAV Overdraft Balance

LSC will work with you to review the transmission file type utilized by the credit union in order to determine any necessary changes, please contact the Compliance Team to assist you in determining what file type your credit union utilizes.

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