



# RESCINDED

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Office of Thrift Supervision

Department of the Treasury

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December 18, 2009

**MEMORANDUM FOR: CHIEF EXECUTIVE OFFICERS**

**FROM:** Montrice Godard Yakimov *Montrice Godard Yakimov*  
Managing Director, Compliance and Consumer Protection

**SUBJECT:** Amended Truth in Savings Rules and Revised Examination Procedures

The Office of Thrift Supervision is revising the procedures used to examine for compliance with the Truth in Savings Act and Regulation DD.<sup>1</sup> If adopted, these procedural revisions will implement amendments to Regulation DD finalized by the Federal Reserve Board (FRB) in December 2008. As amended, Regulation DD will require institutions to expand periodic statement disclosures and, in some cases, adjust the way information is provided to consumers at automated teller machines (ATMs). These changes will go into effect on January 1, 2010.

## **Regulation DD Amendments that Have Prompted Changes to Examination Procedures**

### **Disclosure Requirements Regarding Overdraft Services**

Institutions that promote overdraft protection are currently required to disclose information about the cost of these services on periodic statements provided to their customers.<sup>2</sup> However, beginning in January 2010, all institutions that provide periodic statements will be required to disclose more detailed fee information to their customers, whether they promote overdraft protection or not. Specifically, institutions will be required to disclose on periodic statements a total dollar amount for all fees or charges imposed on the account for paying overdrafts. Institutions will be required to disclose separate totals for the statement period and for the calendar year-to-date. The total dollar amount includes per-item fees as well as interest charges, daily or other periodic fees, or fees charged for maintaining an account in overdraft status, whether the overdraft is by check or by other means. It also includes fees charged when there are insufficient funds because previously deposited funds are subject to a hold or are uncollected. However, institutions are not required to disclose fees charged for overdraft lines of credit or fees charged to transfer funds from another account of the consumer to avoid an overdraft.

The disclosures discussed above must be included on periodic statements provided for the first statement period that begins after January 1, 2010. For example, if a consumer's statement

<sup>1</sup> The revised examination procedures were developed on an interagency basis. They reflect a risk-focused approach to comprehensive examinations.

<sup>2</sup> See 12 C.F.R. Section 230.11.

period typically closes on the 15th of each month, an institution must provide these disclosures on subsequent periodic statements for that consumer beginning with the statement that reflects the period from January 16, 2010 to February 15, 2010.

**Disclosure of account balances.**

When the amendments to Regulation DD take effect on January 1, 2010, an institution that discloses balance information to a consumer through an automated system such as an ATM machine, may not include in the balance additional amounts that the institution may provide to cover an item when there are insufficient or unavailable funds in the consumer's account. This restriction applies whether overdraft protection is provided under a service provided where the institution covers overdrafts on a discretionary basis, through a line of credit, or through an arrangement to transfer funds from another account of the consumer. When the amendments to Regulation DD take effect, an institution may, at its option, disclose additional account balances that include such funds provided through overdraft protection programs, provided the institution prominently states that any such balance includes such additional amounts and, if applicable, that additional amounts are not available for all transactions.

Please direct questions to Ekita Mitchell, Consumer Regulations Analyst, at 202-906-6451 or [ekita.mitchell@ots.treas.gov](mailto:ekita.mitchell@ots.treas.gov).

[Attachment](#)