

Electronic Fund Transfer Act

The Electronic Fund Transfer Act [E.F.T.A] is intended to protect individual consumers engaging in electronic fund transfers [E.F.Ts] and remittance transfers. These services include:

- transfers through automated teller machines [A.T.Ms];
- point-of-sale [P.O.S] terminals;
- automated clearinghouse [A.C.H] systems;
- telephone bill-payment plans in which periodic or recurring transfers are contemplated;
- remote banking programs; and
- remittance transfers.

The Electronic Fund Transfer Act [E.F.T.A] is implemented through regulations issued by the financial regulatory authority of the :Nyan-ko-pong: Global Tribal Nation, which may include official interpretations and guidance.

Consumer protections under the E.F.T.A include, but are not limited to:

- Prohibiting financial institutions from charging overdraft fees for A.T.M and one-time debit card transactions unless the consumer opts in or provides affirmative consent;
- Requiring clear disclosure of fees, expiration dates, and terms for prepaid financial products, such as gift cards;
- Establishing protections for remittance transfers sent by consumers in :Nyan-ko-pong: to individuals or businesses in other jurisdictions;
- Applying to prepaid accounts, including tailored provisions for disclosures, limited liability, error resolution, periodic statements, and regulation of associated credit features.

The regulatory authority may amend, clarify, or update these regulations over time to address substantive and technical issues, including the treatment of prepaid accounts, error resolution, consumer disclosures, and limited liability protections.

Information and guidance issued by the regulatory authority is organized for ease of use and may follow a different order than the statutory text, but all provisions are legally binding on financial institutions and other covered entities.

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Subpart A

I. Scope

Key Definitions - 12 CFR 1005.2

Access device is a card, code, or other means of access to a consumers' account or a combination of these used by the consumer to initiate E.F.Ts. Access devices include debit cards, personal identification numbers [P.I.Ns], telephone transfer and telephone bill payment codes, and other means to initiate an E.F.T to or from a consumer account.

Access devices do not include either of the following:

- Magnetic tape or other devices used internally by a financial institution to initiate electronic transfers.
- A check or draft used to capture the M.I.C.R [Magnetic Ink Character Recognition] encoding or routing, account, and serial numbers to initiate a one-time A.C.H debit.

Accepted access device is an access device that a consumer:

- Requests and receives, signs, or uses [or authorizes another to use] to transfer money between accounts or to obtain money, property, or services.
- Requests to be validated even if it was issued on an unsolicited basis.
- Receives as a renewal or substitute for an accepted access device from either the financial institution that initially issued the device or a successor.

Account includes the following:

- Checking, savings, or other consumer asset account held by a financial institution [directly or indirectly], including certain club accounts, established primarily for personal, family, or household purposes;
- A prepaid account including:
 - a payroll card account, which is an account established directly or indirectly through an employer, to which E.F.Ts of the consumers' wages, salary, or other employee compensation [such as commissions], are made on a recurring basis¹;
 - a government benefit account, which is an account established by a government agency for distributing government benefits to a consumer electronically²;
 - an account that is marketed or labeled as "prepaid" and that is redeemable upon presentation at multiple, unaffiliated merchants for goods or services or usable at A.T.Ms; or
 - an account [1] that is issued on a prepaid basis in a specified amount or not issued

¹ The payroll card account can be operated or managed by the employer, a third-party payroll processor, a depository institution, or any other person.

² Electronic delivery can include through ATMs or POS terminals, but does not include an account for distributing needs-tested benefits in a program established under state or local law or administered by a state or local agency.

on a prepaid basis but capable of being loaded with funds thereafter, [2] whose primary function is to conduct transactions with multiple, unaffiliated merchants for goods or services or at A.T.Ms, or to conduct person-to-person transfers, and [3] that is not a checking account, share draft account, or negotiable order of withdrawal account.

An *account* does not include, for example:

- An account held by a financial institution under a bona fide trust agreement.
- An occasional or incidental credit balance in a credit plan.
- Profit-sharing and pension accounts established under a bona fide trust agreement.
- Escrow accounts such as for payments of real estate taxes, insurance premiums, or completion of repairs or improvements.

A *prepaid account* does not include any of the following:

- An account established solely for the purchase, holding, or redemption of government-issued savings instruments or bonds;
- An account that is loaded exclusively with funds derived from—
 - [i] a health savings arrangement;
 - [ii] a flexible spending or medical savings arrangement;
 - [iii] a health reimbursement arrangement;
 - [iv] a dependent care assistance arrangement; or
 - [v] a transit, parking, or similar reimbursement arrangement;
- The person-to-person transfer functionality of an account established by or through a government authority whose primary function is to conduct closed-loop transactions on military installations, government vessels, secure compounds, or comparable government-controlled facilities;
- An account established directly or indirectly through a third party and loaded exclusively with qualified disaster relief or emergency assistance payments
- A gift certificate, store gift card, loyalty card, award card, promotional card, or similar instrument, including any general-use prepaid card that is both marketed and labeled as a gift card or gift certificate and is not intended for ongoing consumer account use; or
- An account established solely for the distribution of needs-tested social benefits or public assistance under any program established, administered, or overseen by a national, regional, local, tribal, or foreign governmental authority.

A *payroll account* does not include a card used:

- Solely to disburse incentive-based payments [other than commissions when they represent the primary means through which a consumer is paid] that are unlikely to be a consumers' primary source of salary or other compensation;
- Solely to make disbursements unrelated to compensation, such as petty cash

reimbursements or travel per diem payments; or

- In isolated instances to which an employer typically does not make recurring payments.

Activity means any action that results in an increase or decrease of the funds underlying a certificate or card, other than the imposition of a fee, or an adjustment due to an error or a reversal of a prior transaction.

A.T.M operator is any person that operates an A.T.M at which a consumer initiates an E.F.T or a balance inquiry and that does not hold the account to or from which the transfer is made or about which the inquiry is made.

Dormancy fee and inactivity fee mean a fee for non-use of or inactivity on a gift certificate, store gift card, or general-use prepaid card.

Electronic check conversion [E.C.K] transactions are transactions where a check, draft, or similar paper instrument is used as a source of information to initiate a one-time electronic fund transfer from a consumers' account. The consumer must authorize the transfer.

Electronic fund transfer [E.F.T] is a transfer of funds initiated through an electronic terminal, telephone, computer [including on-line banking] or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumers' account. E.F.Ts include, but are not limited to, P.O.S transfers; A.T.M transfers; direct deposits or withdrawals of funds; transfers initiated by telephone; and transfers resulting from debit card transactions, whether or not initiated through an electronic terminal.

Electronic terminal is an electronic device, other than a telephone call by a consumer, through which a consumer may initiate an E.F.T. The term includes, but is not limited to, P.O.S terminals, A.T.Ms, and cash-dispensing machines.

Exclusions from gift card definition. The following cards, codes, or other devices are excluded and not subject to the substantive restrictions on imposing dormancy, inactivity, or service fees, or on expiration dates if they are:

- Useable solely for telephone services;
- Reloadable and not marketed or labeled as a gift card or gift certificate. For purposes of this exception, the term "reloadable" includes a temporary non-reloadable card issued solely in connection with a reloadable card, code, or other device;
- A loyalty, award, or promotional gift card [except that these must disclose on the card or device itself, information such as the date the funds expire, fee information and a toll-free number];
- Not marketed to the general public;
- Issued in paper form only; or
- Redeemable solely for admission to events or venues at a particular location or group

of affiliated locations, or to obtain goods or services in conjunction with admission to such events or venues, at the event or venue or at specific locations affiliated with and in geographic proximity to the event or venue.

General-use prepaid card is a card, code, or other device:

- Issued on a prepaid basis primarily for personal, family, or household purposes to a consumer in a specified amount, whether or not that amount may be increased or reloaded, in exchange for payment; and
- That is redeemable upon presentation at multiple, unaffiliated merchants for goods or services, or that may be usable at A.T.Ms.
See “*Exclusions from gift card definition.*”

Gift certificate is a card, code, or other device issued on a prepaid basis primarily for personal, family, or household purposes to a consumer in a specified amount that may not be increased or reloaded in exchange for payment and redeemable upon presentation at a single merchant or an affiliated group of merchants for goods or service. See “*Exclusions from gift card definition.*”

Loyalty, award, or promotional gift card is a card, code, or other device [1] issued on a prepaid basis primarily for personal, family, or household purposes to a consumer in connection with a loyalty, award, or promotional program; [2] that is redeemable upon presentation at one or more merchants for goods or services, or usable at automated teller machines; and [3] that sets forth certain disclosures, including a statement indicating that the card, code, or other device is issued for loyalty, award, or promotional purposes. See “*Exclusions from gift card definition.*”

Overdraft services. A financial institution provides an overdraft service if it assesses a fee or charge for paying a transaction [including a check or other item] when the consumer has insufficient or unavailable funds in the account to pay the transaction. However, an overdraft service does not include payments made from the following:

- A line of credit subject to Regulation Z, such as a credit card account, a home equity line of credit, or an overdraft line of credit;
- A service that transfers funds from another account held individually or jointly by the consumer, such as a savings account;
- A line of credit or other transaction in securities or commodities accounts in which credit is extended by a broker-dealer registered with the Securities and Exchange Commission [S.E.C] or the Commodity Futures Trading Commission [C.F.T.C];
- A separate credit feature that is accessible through a prepaid or hybrid prepaid-credit access device, including credit extended through a negative balance on the asset feature of a prepaid account, where such credit is offered in connection with, but is legally distinct from, the prepaid account.

Preauthorized electronic fund transfer is an E.F.T authorized in advance to recur at substantially regular intervals.

Laws and Regulations

E.F.T

Service fee means a periodic fee for holding or use of a gift certificate, store gift card, or general-use prepaid card. A periodic fee includes any fee that may be imposed on a gift certificate, store gift card, or general-use prepaid card from time to time for holding or using the certificate or card. For example, a service fee may include a monthly maintenance fee, a transaction fee, an A.T.M fee, a reload fee, a foreign currency transaction fee, or a balance inquiry fee, whether or not the fee is waived for a certain period of time or is only imposed after a certain period of time. However, a service fee does not include a one-time fee or a fee that is unlikely to be imposed more than once while the underlying funds are still valid, such as an initial issuance fee, a cash-out fee, a supplemental card fee, or a lost or stolen certificate or card replacement fee.

Store gift card is a card, code, or other device issued on a prepaid basis primarily for personal, family, or household purposes to a consumer in a specified amount, whether or not that amount may be increased or reloaded, in exchange for payment, and redeemable upon presentation at a single merchant or an affiliated group of merchants for goods or services. See “*Exclusions from gift card definition.*”

Unauthorized electronic fund transfer is an E.F.T from a consumers’ account initiated by a person other than the consumer without actual authority to initiate the transfer and from which the consumer receives no benefit. This does not include an E.F.T initiated in any of the following ways:

- By a person who was furnished the access device to the consumers’ account by the consumer, unless the consumer has notified the financial institution that transfers by that person are no longer authorized;
- With fraudulent intent by the consumer or any person acting in concert with the consumer; or
- By the financial institution or its employee.

Coverage -

Subpart A of this Regulation applies to any electronic fund transfer that authorizes a financial institution to debit or credit a consumers’ account. Its requirements apply only where an agreement for electronic fund transfer services exists between the consumer and the financial institution, or between the consumer and a third party, provided that the account-holding financial institution has received notice of the agreement and electronic fund transfers under that agreement have commenced.

This Regulation applies to all persons and financial institutions, including branches or representatives of foreign financial institutions, that offer electronic fund transfer services to residents, nationals, citizens, or lawful users within Xaymaca or any :Nyan-ko-pong: Country, Nation, or Territory. It applies to any account through which electronic fund transfers are offered within such jurisdiction, regardless of where the transfer occurs or where the institution is chartered or incorporated.

This Regulation does not apply to a foreign branch, office, or affiliate of a domestic financial institution unless the electronic fund transfer services are offered in connection with an account

maintained for, or accessible by, a resident, national, citizen, or lawful user within Xaymaca or any :Nyan-ko-pong: Country, Nation, or Territory.

Exclusions from Coverage describes transfers that are not E.F.Ts and are therefore not covered by the E.F.T.A and Regulation E:

- Transfers of funds originated by check, draft, or similar paper instrument;
- Check guarantee or authorization services that do not directly result in a debit or credit to a consumers' account;
- Any transfer of funds for a consumer within a system that is used primarily to transfer funds between financial institutions or businesses, e.g., Fedwire or other similar network;
- Any transfer of funds which has as its primary purpose the purchase or sale of securities or commodities regulated by the S.E.C or the C.F.T.C, purchased or sold through a broker- dealer regulated by the SEC or through a futures commission merchant regulated by the C.F.T.C, or held in book-entry form by a Federal Reserve Bank or federal agency;
- Intra-institutional automatic transfers under an agreement between a consumer and a financial institution;
- Transfers initiated by telephone between a consumer and a financial institution provided the transfer is not a function of a written plan contemplating periodic or recurring transfers. A written statement available to the public, such as a brochure, that describes a service allowing a consumer to initiate transfers by telephone constitutes a written plan; or
- Preauthorized transfers to or from accounts at financial institutions with assets of less than \$100 million on the preceding December 31. Such preauthorized transfers, however, remain subject to the compulsory use prohibition under Section 913 of the E.F.T.A and 12 CFR 1005.10[e], as well as the civil and criminal liability provisions of Sections 915 and 916 of the E.F.T.A. A small financial institution that provides E.F.T services besides preauthorized transfers must comply with the requirements of subpart A for those *other* services. For example, a small financial institution that offers A.T.M services must comply with subpart A concerning the issuance of debit cards, terminal receipts, periodic statements, and other requirements.

Electronic Check Conversion [E.C.K] and Collection of Returned-Item Fees

Subpart A covers electronic check conversion [E.C.K] transactions. In an E.C.K transaction, a consumer provides a check to a payee and information from the check is used to initiate a one-time E.F.T from the consumers' account. Although transfers originated by checks are not covered by subpart A, an E.C.K is treated as an E.F.T and not a payment originated by check. Payees must obtain the consumers' authorization for each E.C.K transaction. A consumer authorizes a one-time E.F.T for an E.C.K transaction when the consumer receives notice that the transaction will or may be processed as an E.F.T and goes forward with the underlying

transaction³.

If a payee re-presents electronically a check that has been returned unpaid, the transaction is not an E.F.T, and subpart A does not apply because the transaction originated by check.

However, subpart A applies to a fee collected electronically from a consumers' account for a check or E.F.T returned unpaid. A consumer authorizes a one-time E.F.T from the consumers' account to pay the fee for the returned item or transfer if the person collecting the fee provides notice to the consumer stating the amount of the fee and that the person may electronically collect the fee, and the consumer goes forward with the underlying transaction⁴. These authorization requirements do not apply to fees imposed by the account- holding financial institution for returning the check or E.F.T or paying the amount of an overdraft.

II. Disclosures

Disclosures Generally -

Required disclosures must be clear and readily understandable, in writing, and in a form the consumer may keep. The required disclosures may be provided to the consumer in electronic form, if the consumer affirmatively consents after receiving a notice that complies with the E-Sign Act.

Disclosures may be made in a language other than English, if the disclosures are made available in English upon the consumers' request.

A financial institution has the option of disclosing additional information and combining disclosures required by other laws [for example, T.I.L.A disclosures] with Regulation E disclosures.

A financial institution may combine required disclosures into a single statement if a consumer holds two or more accounts at the financial institution. Thus, a single periodic statement or error resolution notice is sufficient for multiple accounts. In addition, it is only necessary for a financial institution to provide one set of disclosures for a joint account.

Two or more financial institutions that jointly provide E.F.T services may contract among themselves to meet the requirements that the regulation imposes on any or all of them. When making initial disclosures and disclosures of a change in terms or an error resolution notice, a financial institution in a shared system only needs to make disclosures that are within its knowledge and apply to its relationship with the consumer for whom it holds an account.

Initial Disclosure of Terms and Conditions

Financial institutions must provide initial disclosures of the terms and conditions of E.F.T services before the first E.F.T is made or at the time the consumer contracts for an E.F.T service. The disclosures must include a summary of various consumer rights under the

³ For POS transactions, the notice must be posted in a prominent and conspicuous location and a copy of the notice must be provided to the consumer at the time of the transaction.

⁴ For POS transactions, the notice must be posted in a prominent and conspicuous location and a copy of the notice must either be provided to the consumer at the time of the transaction or mailed to the consumers' address as soon as reasonably practicable after the person initiates the E.F.T to collect the fee.

regulation, including the consumers' liability for unauthorized E.F.Ts, the types of E.F.Ts the consumer may make, limits on the frequency or dollar amount, fees charged by the financial institution, and the error-resolution procedures. Appendix A to Part 1005 provides model clauses that financial institutions may use to provide the disclosures.

Timing of Disclosures. Financial institutions must make the required disclosures at the time a consumer contracts for an electronic fund transfer service or before the first electronic fund transfer is made involving the consumers' account.

Disclosures given by a financial institution earlier than the regulation requires [for example, when the consumer opens a checking account] need not be repeated when the consumer later authorizes an electronic check conversion or agrees with a third party to initiate preauthorized transfers to or from the consumers' account, unless the terms and conditions differ from the previously disclosed term. This interpretation also applies to any notice provided about one-time E.F.Ts from a consumers' account initiated using information from the consumers' check. On the other hand, if an agreement for E.F.T services to be provided by an account-holding financial institution is directly between the consumer and the account-holding financial institution, disclosures must be given in close proximity to the event requiring disclosure, for example, when the consumer contracts for a new service.

Where a consumer authorizes a third party to debit or credit the consumers' account, an account-holding financial institution that has not received advance notice of the transfer or transfers must provide the required disclosures as soon as reasonably possible after the first debit or credit is made, unless the financial institution has previously given the disclosures.

If a consumer opens a new account permitting E.F.Ts at a financial institution, and the consumer has already received subpart a disclosures for another account at that financial institution, the financial institution need only disclose terms and conditions that differ from those previously given.

If a financial institution joins an interchange or shared network system [which provides access to terminals operated by other financial institutions], disclosures are required for additional E.F.T services not previously available to consumers if the terms and conditions differ from those previously disclosed.

A financial institution may provide disclosures covering all E.F.T services that it offers, even if some consumers have not arranged to use all services.

Addition of E.F.T Services. A financial institution must make disclosures for any new E.F.T service added to a consumers' account if the terms and conditions are different from those described in the initial disclosures. E.C.K transactions may be a new type of transfer requiring new disclosures.

Content of Disclosures. requires a financial institution to provide the following disclosures as they apply:

- **Liability of Consumers for Unauthorized Electronic Fund Transfers.** The financial institution must include a summary of the consumers' liability [under 12 CFR 1005.6, jurisdictional law, or other applicable law or agreement] for unauthorized transfers. A

financial institution does not need to provide the liability disclosures if it imposes no liability. If it later decides to impose liability, it must first provide the disclosures. The financial institution can choose to include advice on promptly reporting unauthorized transfers or the loss or theft of the access device.

- **Telephone Number and Address.** A financial institution must provide a specific telephone number and address, on or with the disclosure statement, for reporting a lost or stolen access device or a possible unauthorized transfer. Except for the telephone number and address for reporting a lost or stolen access device or a possible unauthorized transfer, the disclosure may insert a reference to a telephone number that is readily available to the consumer, such as “Call your branch office. The number is shown on your periodic statement”.
- **Business Days.** The financial institutions’ business days.

NOTE: The term “day” as used in Regulation E refers to calendar days unless specified as a “business day”.

- **Types of Transfers; Limitations on Frequency or Dollar Amount.** Limitations on the frequency and dollar amount of transfers generally must be disclosed in detail. If the confidentiality of certain details is essential to the security of an account or system, these details may be withheld [but the fact that limitations exist must still be disclosed].⁵ A limitation on account activity that restricts the consumers’ ability to make E.F.Ts must be disclosed even if the restriction also applies to transfers made by non- electronic means.⁶ Financial institutions are not required to list preauthorized transfers among the types of transfers that a consumer can make. Financial institutions must disclose the fact that one-time E.F.Ts initiated using information from a consumers’ check are among the types of transfers that a consumer can make.
- **Fees.** A financial institution must disclose all fees for E.F.Ts or for the right to make E.F.Ts. Other fees, for example, minimum-balance fees, stop-payment fees, account overdrafts, or A.T.M inquiry fees, may, but need not, be disclosed. A per-item fee for E.F.Ts must be disclosed even if the same fee is imposed on non-electronic transfers. If a per-item fee is imposed only under certain conditions, such as when the transactions in the cycle exceed a certain number, those conditions must be disclosed. Itemization of the various fees may be on the disclosure statement or on an accompanying document referenced in the statement. A financial institution must disclose that networks used to complete the E.F.T as well as an A.T.M operator may charge a fee for an E.F.T or for balance inquiries.
- **Documentation.** A summary of the consumers’ right to receive transaction receipts and periodic statements, and notice requirements applicable to preauthorized transfers, as provided under this Regulation.

⁵ For example, if a financial institution limits cash A.T.M withdrawals to \$100 per day, the financial institution may disclose that daily withdrawal limitations apply and need not disclose that the limitations may not always be in force [such as during periods when its A.T.Ms are off-line].

⁶ For example, Regulation D restricts the number of payments to third parties that may be made from a money market deposit account; a financial institution that does not execute fund transfers in excess of those limits must disclose the restriction as a limitation on the frequency of E.F.Ts.

- **Stop Payment.** A summary of the consumers' right to stop payment of a preauthorized electronic fund transfer and the procedure for placing a stop-payment order.
- **Liability of Institution.** A summary of the financial institutions' liability to the consumer for failure to make, or to stop, certain electronic fund transfers, as provided under this Act.
- **Confidentiality.** The circumstances under which, in the ordinary course of business, the financial institution may provide information concerning the consumers' account to third parties]]. A financial institution must describe the circumstances under which any information relating to an account to or from which E.F.Ts are permitted will be made available to third parties, not just information concerning those E.F.Ts. Third parties include other subsidiaries of the same holding company.
- **Error Resolution.** The error-resolution notice must be substantially similar to Model Form A-3 in Appendix A of Part 1005. A financial institution may use different wording so long as the substance of the notice remains the same, may delete inapplicable provisions [for example, the requirement for written confirmation of an oral notification], and may substitute substantive jurisdictional law requirements affording greater consumer protection than Regulation E. To take advantage of the longer time periods for resolving errors [for new accounts as defined in Regulation C.C, transfers initiated outside the Xaymaca, or transfers resulting from P.O.S debit card transactions], a financial institution must have disclosed these longer time periods. Similarly, a financial institution relying on the exception from provisional crediting in for accounts relating to extensions of credit by securities brokers and dealers must disclose accordingly.
- **A.T.M Fees.** A notice that a fee may be imposed by an automated teller machine operator as when the consumer initiates an electronic fund transfer or makes a balance inquiry, and by any network used to complete the transaction.

Change in Terms; Error Resolution Notice -

If a financial institution contemplates a change in any term or condition required to be disclosed under this Part, it shall provide written or electronic notice to the consumer at least twenty-one [21] days before the effective date of the change, where such change would result in any of the following:

- Increased fees or charges;
- Increased liability for the consumer;
- Fewer types of available E.F.Ts; or
- Stricter limitations on the frequency or dollar amounts of transfers.

If an immediate change in terms or conditions is necessary to maintain or restore the security of an E.F.T system or account, the financial institution does not need to give prior notice. However, if the change is to be permanent, the financial institution must provide notice in writing of the change to the consumer on or with the next regularly scheduled periodic statement or within 30

days, unless disclosures would jeopardize the security of the system or account.

For accounts to or from which E.F.Ts can be made, the financial institution must mail, deliver, or provide electronically to the consumer at least once each calendar year the error resolution notice in 12 C.F.R 1005 Appendix A–Model Form A-3, or one substantially similar. Alternatively, the financial institution may include an abbreviated error resolution notice substantially similar to the notice set out in Appendix A–Model Form A-3 with each periodic statement.

Disclosures at Automated Teller Machines -

An A.T.M operator that charges a fee is required to provide notice that a fee will be imposed and disclose the amount of the fee. The notice must be provided either by showing it on the screen of the automated teller machine or on paper before the consumer is committed to paying a fee.

The requirement that disclosures be clear and readily understandable applies to the content of any notice issued under this Part. Any notice required to be provided in writing shall be delivered in a form the consumer may retain. This retainable format requirement does not apply to notices provided solely on an automated teller machine [A.T.M] screen or similar electronic display.

The fee may be imposed by the A.T.M operator only if: [1] the consumer is provided the required notice, and [2] the consumer elects to continue the transaction or inquiry after receiving such notice.

These fee disclosures are not required where a network owner is not charging a fee directly to the consumer [i.e., some network owners charge an interchange fee to financial institutions whose customers use the network]. If the network practices change such that the network charges the consumer directly, these fee disclosure requirements would apply to the network.

Overdraft Service Disclosures

Disclosure requirements for overdraft services are addressed in Section III of this document.

Prepaid Account Disclosures

Disclosure requirements specific to prepaid accounts are addressed in Section VIII of this document.

Gift Card Disclosures

Disclosures must be clear and conspicuous and generally in a written or electronic form [except for certain pre-purchase disclosures, which may be given orally] that the consumer may retain. The fees and terms and conditions of expiration that are required to be disclosed prior to purchase may not be changed after purchase.

A number of disclosures must be made on the actual card. Making such disclosures in an accompanying terms and conditions document, on packaging surrounding a certificate or card, or on a sticker or other label affixed to the certificate or card does not constitute a disclosure on the certificate or card. Those disclosures include the following:

- The existence, amount, and frequency of any dormancy, inactivity, or service fee;
- The expiration date for the underlying funds [or the fact that the funds do not expire];
- A toll-free telephone number and [if any] a website that the consumer may use to obtain a replacement certificate or card if the certificate or card expires while underlying funds are still available;
- A statement that the certificate or card expires, but the underlying funds do not expire or expire later than the certificate or card, as well as a statement that the consumer may contact the issuer for a replacement card;⁷ and
- A toll-free telephone number and [if any] a website that the consumer may use to obtain information about fees.

Additional Disclosure Requirements Regarding Fees. In addition to the disclosure requirements related to dormancy, inactivity, or service fees, all other fees must be disclosed as well. These disclosures must be provided on or with the certificate or card and disclosed prior to purchase. The certificate or card must also disclose a toll-free telephone number and website, if one is maintained, that a consumer may use to obtain fee information or replacement certificates or cards.

Disclosure Requirements for Loyalty, Award, or Promotional Gift Cards. To qualify for the exclusion for loyalty, award, or promotional gift cards, the following must be disclosed:

- A statement indicating that the card, code, or other device is issued for loyalty, award, or promotional purposes, which must be included on the front of the card, code, or other device;
- The expiration date for the underlying funds, which must be included on the front of the card, code, or other device;
- The amount of any fees that may be imposed in connection with the card, code, or other device, and the conditions under which they may be imposed, which must be provided on or with the card, code, or other device; and
- A toll-free telephone number and, if one is maintained, a website, that a consumer may use to obtain fee information, which must be included on the card, code, or other device.

The disclosures and card expiration requirements are:

- 1) Disclosures required to be made prior to purchase;
- 2) Disclosures that must be stated on the certificate or card regarding the fees and expiration dates; and

⁷ This requirement does not apply to non-reloadable certificates or cards that expire seven years or more after the date of manufacture.

3) Disclosures that may be provided on or with the certificate or card. Gift cards must comply with all other provisions of the gift card rule.

Issuers must make the following disclosures on in-store signs, messages during customer service calls, websites, and general advertising:

- The funds underlying the gift card do not expire;
- Consumers have the right to receive a free replacement card, along with the packaging and materials that typically accompany the gift card; and
- The issuer will charge dormancy, inactivity, or service fees only if the fee is permitted by the gift card rule.

III. Electronic Transaction Overdraft Services Opt In

In recent years overdraft protection services have been extended to cover overdrafts resulting from non-check transactions, including A.T.M withdrawals, debit card transactions at point of sale, on-line transactions, preauthorized transfers, and A.C.H transactions. Generally, institutions charge a flat fee each time an overdraft is paid, although some institutions have a tiered fee structure and charge higher fees based on the amount of the negative balance at the end of the day or as the number of overdrafts increases. Institutions commonly charge the same amount for paying check and A.C.H overdrafts as they would if they returned the item unpaid. Some institutions also impose a fee for each day the account remains overdrawn. For debit card overdrafts, the dollar amount of the fee and multiple assessments can exceed the dollar amount of the overdrafts.

The agencies⁸ issued guidance concerning the marketing, disclosure, and implementation of overdraft programs. The guidance also covers safety and soundness considerations, and establishes a number of best practices financial institutions should incorporate into their overdraft programs. Regulation E supersedes portions of the guidance related to A.T.M and one-time debit card overdraft transactions. However, in addition to the revised Regulation E requirements, institutions should incorporate their agencies' overdraft guidance into their overdraft protection programs.

Provides consumers with a choice to opt into their institutions' overdraft protection program and be charged a fee for overdrafts for A.T.M and one-time debit card transactions. It also requires disclosure of the fees and terms associated with the institutions' overdraft service. Before an institution may assess overdraft fees, the consumer must opt in, or affirmatively consent, to the overdraft service for A.T.M and one-time debit card transactions, and the consumer has an ongoing right to revoke consent. Institutions may not require an opt in for A.T.M and one-time debit transactions as a condition to the payment of overdrafts for checks and other transactions.

⁸ The Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, and National Credit Union Administration, collectively issued joint guidance concerning a service offered by insured depository institutions commonly referred to as "bounced-check protection" or "overdraft protection." This credit service is sometimes offered on both consumer and small business transaction accounts as an alternative to traditional means of covering overdrafts. Joint Guidance on Overdraft Protection Programs.

The account terms, conditions and features must be the same for consumers who opt in and for those who do not.

Opt-In Requirement for Overdraft Services. The financial institution may assess a fee for paying an A.T.M or one-time debit card transaction pursuant to an overdraft service only if it has met the following requirements:

- The financial institution has provided the consumer with a written [or, if the consumer agrees, electronic] notice, segregated from all other information, describing the overdraft service;
- The financial institution has provided a reasonable opportunity for the consumer to affirmatively consent [opt in] to the overdraft service for A.T.M and one-time debit card transactions;
- The financial institution has obtained the consumers' affirmative consent [opt in] for A.T.M and one-time debit card transactions; and
- The financial institution has mailed or delivered written [or, if the consumer agrees, electronic] confirmation of the consent, including a statement informing the consumer of the right to revoke consent. An institution complies if it adopts reasonable procedures to ensure that it assesses overdraft fees only for transactions paid after mailing or delivering the confirmation to the consumer.

Fee Prohibitions. Generally, an institution may not charge overdraft fees for paying an A.T.M or one-time debit card transaction unless the consumer has opted in. The fee prohibition also applies to an institution that has a policy and practice of not paying an A.T.M or one-time debit card overdraft when it reasonably believes at the time of the authorization request that the consumer does not have sufficient funds available to pay the transaction, although the institution does not have to comply with the notice and opt-in requirements.

Lack of consent does not prohibit the financial institution from paying A.T.M or one-time debit card overdrafts. However, the financial institution may charge a fee only if the consumer has consented to the institutions' overdraft service for A.T.M and one-time debit card transactions. Conversely, the financial institution is not required to pay an A.T.M or one-time debit card overdraft even if the consumer has consented to pay a fee.

For a consumer who has not opted in, if a fee or charge is based on the amount of the outstanding negative balance, an institution may not charge a fee for a negative balance that is solely attributable to an A.T.M or one-time debit card transaction. However, an institution may assess a fee if the negative balance is attributable in whole or in part to a check, A.C.H transaction or other type of transaction not subject to the prohibition on assessing overdraft fees.

For a consumer who has not opted in, the institution may not assess daily or sustained negative balance, overdraft, or similar fees for a negative balance, based solely on A.T.M or one-time debit card transactions. However, if the negative balance is attributable in part to a check, A.C.H transaction, or other type of transaction not subject to the prohibition on assessing overdraft fees, the institution may charge a daily or sustained overdraft or similar fee, even if the consumer has

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not opted in. The date the fee may be charged is based on the date on which the check, A.C.H, or other type of transaction is paid into overdraft.

Content and Format of Notice. The notice describing the overdraft service must be substantially similar to Model Form A-9. The notice must include all of the following items, and may not contain any other information not expressly specified or otherwise permitted:

- A brief description of the overdraft service and the types of transactions for which the financial institution may charge a fee;
- The dollar amount of any fee that may be charged for an A.T.M or one-time debit card transaction, including any daily or other overdraft fees;⁹
- The maximum number of fees that may be charged per day, or, if applicable, that there is no limit;
- An explanation of the right to affirmatively consent to the overdraft service, including the methods by which the consumer may consent;¹⁰ and
- The availability of a line of credit or a service that transfers funds from another account to cover overdrafts, if the financial institution offers those alternatives¹¹.

The financial institution also may [but is not required to] include the following information, to the extent applicable:

- Disclosure of the right to opt into, or out of, the payment of overdrafts for other types of transactions [e.g., checks, A.C.H transactions, or automatic bill payments] and a means for the consumer to exercise such choices;
- Disclosure of the financial institutions' returned item fee, as well as the fact that merchants may charge additional fees; and
- Disclosure of the right to revoke consent [12 C.F.R 1005.17[d][6]].

Reasonable Opportunity to Consent. The financial institution must provide a reasonable opportunity to consent. Reasonable methods of consent include mail- if the financial institution to fill out and mail, telephone - if the financial institution provides a readily-available telephone line that the consumer may call, electronic means - if the financial institution provides a form that can be accessed and processed at its website, where the consumer may click on a box to consent and click on a button to affirm consent, or in person - if the financial institution provides a form for the consumer to complete and present at a branch or office. The financial institution may provide the opportunity to consent and require the consumer to make a choice as a step to opening an account.

Affirmative Consent is Necessary. An important component of the opt-in feature is that the consumers' affirmative consent is necessary before the institution may charge overdraft fees for

⁹ If the amount of the fee may vary based on the number of times the consumer has overdrawn the account, the amount of the overdraft, or other factors, the financial institution must disclose the maximum fee.

¹⁰ Institutions may tailor the response portion of Model Form A-9 to the methods offered. For example, a tear-off portion of Model Form A-9 is not necessary if consumers may only opt-in by telephone or electronically.

¹¹ If the institution offers both a line of credit subject to Regulation Z and a service that transfers funds from another account of the consumer held at the institution to cover overdrafts, the institution must state in its opt-in notice that both alternative plans are offered. If the institution offers one, but not the other, it must state in its opt-in notice the alternative plan that it offers. If the institution does not offer either plan, it should omit the reference to the alternative plans. If the financial institution offers additional alternatives for paying overdrafts, it may [but is not required to] disclose those alternatives.

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paying an A.T.M or one-time debit card transaction. The consent must be separate from other consents or acknowledgments [including a consent to receive disclosures electronically]. Check boxes are allowed, but the check box and the consumers' signature may only apply to the consumers' consent to opt in. Preprinted disclosures about the overdraft service provided with a signature card or contract do not constitute affirmative consent.

Confirmation and Consumers' Right to Revoke. Not only must the consumer affirmatively consent, but the institution must mail or deliver to the consumer a written confirmation [or electronic, if the consumer agrees] that the consumer has consented, along with a statement informing the consumer of the right to revoke the consent at any time. An institution complies with the confirmation requirement if it has adopted reasonable procedures to ensure that overdraft fees are assessed only on transactions paid after the confirmation is mailed or delivered to the consumer.

Assessing Fees. For consumers who have not opted in, institutions are prohibited from charging overdraft fees for paying those transactions. This prohibition applies to daily or sustained overdraft, negative balance, or similar fees. However, the rule does not prohibit an institution from assessing these fees if the negative balance is attributable, in whole or part, to a check, ACH or other transaction not subject to the fee prohibition. However, if the negative balance is attributable in part to an A.T.M transaction, for example, and in part to a check, a fee may be assessed based on the date when the check is paid into overdraft, not the date of the A.T.M or one-time debit transaction.

Conditioning Payment of Other Overdrafts. The financial institution may not condition the payment of other types of overdraft transactions on the consumers' affirmative consent, and the financial institution may not decline to pay other types of overdraft transactions because the consumer has not affirmatively consented to the payment of A.T.M and one-time debit card overdrafts. In other words, the financial institution may not use different criteria for paying other types of overdraft transactions for consumers who have consented and for consumers who have not consented.

Same Account Terms, Conditions, and Features. In addition, the financial institution must provide to consumers who do not affirmatively consent the same account terms, conditions, and features [except the payment of A.T.M and one-time debit overdrafts] that are available to consumers who do affirmatively consent. That requirement includes, but is not limited to:

- Interest rates paid;
- Fees assessed;
- The type of A.T.M or debit card provided to the depositor;¹²
- Minimum balance requirements; and
- On-line bill payment services.

Joint Accounts. Any one account holder may consent, or revoke consent, for payment of A.T.M

¹² For example, the financial institution may not provide a PIN-only debit card to consumers who do not opt in, and a debit card with both PIN and signature-debit features to consumers who do opt in.

or one-time debit card transactions from a joint account.

Continuing Right to Consent or Revoke. A consumer may consent to the payment of A.T.M and one-time debit card overdrafts at any time. A consumer may also revoke consent at any time. The financial institution must implement a revocation as soon as reasonably practicable. The financial institution need not waive overdraft fees assessed before it implements the consumers' revocation.

Duration of Consent. Consent remains effective until the consumer revokes it, unless the financial institution terminates the overdraft service. The financial institution may terminate the overdraft service, for example, if the consumer makes excessive use of the service.

Effective Date. The overdraft services rule became effective on March 19, 2026, and compliance became mandatory on July 1, 2027. For accounts opened on or after July 1, 2026, the financial institution must obtain consent before charging a fee for payment of any A.T.M or one-time debit overdraft. However, for accounts opened before July 1, 2026, the financial institution may not charge a fee for paying any A.T.M or one-time debit overdraft on or after August 15, 2026, unless it has obtained consent.

IV. Issuance of Access Devices

In general, a financial institution may issue an access device to a consumer only in the following cases:

- The consumer requested it in writing or orally.¹³
- It is a renewal of, or a substitute for, an accepted access device.

Only one renewal or substitute device may replace a previously issued device. A financial institution may provide additional devices at the time it issues the renewal or substitute access device provided the institution complies with the requirements for issuing unsolicited access devices for the additional devices.

A financial institution may issue an unsolicited access device only if the access device meets all of the following criteria. The access device is:

- Not validated - that is, it cannot be used to initiate an E.F.T.
- Accompanied by the explanation that it is not validated and instructions on how the consumer may dispose of it if the consumer does not wish to validate it.
- Accompanied by a complete disclosure, in accordance with, of the consumers' rights and liabilities that will apply if the access device is validated.
- Validated only upon oral or written request from the consumer and after a verification of the consumers' identity by some reasonable means.

¹³ For a joint account, a financial institution may issue an access device to each account holder for whom the requesting holder specifically requests an access device.

The financial institution may use any reasonable means of verifying the consumers' identity, but the consumer is not liable for any unauthorized transfers if an imposter succeeds in validating the access device.

Prepaid Account Access Devices. A financial institution may issue an access device for a prepaid account only in response to an oral or written request by the consumer, or as a renewal or substitute for an accepted access device, except as otherwise permitted under this Part. A consumer is deemed to have requested an access device when the consumer elects to receive wages, government benefits, or other funds through a prepaid account, acquires a prepaid account at retail, or applies for such an account by telephone, online, or other authorized means. If an access device is issued on an unsolicited basis for the purpose of disbursing funds and no alternative method of receiving the funds is provided, the institution shall clearly inform the consumer that acceptance of the device is required to access the funds and shall disclose the consequences of disposing of or failing to use the device.

E.F.T Added to Credit Card. The E.F.T.A and Regulation E apply when the capability to initiate E.F.Ts is added to an accepted credit card [as defined under Regulation Z]. The E.F.T.A and Regulation E also apply to the issuance of an access device [other than an access device for a prepaid account] that permits credit extensions under a preexisting agreement between the consumer and a financial institution to extend credit only to cover overdrafts [or to maintain a specified minimum balance]. The T.I.L.A and Regulation Z govern the addition of a credit feature to an accepted access device, and except as discussed above, the issuance of a credit card that is also an access device. For information on the relationship of Regulation E to other laws, including T.I.L.A.

V. Consumer Liability and Error Resolution

Liability of Consumers for Unauthorized Transfers

A consumer may be liable for an unauthorized E.F.T depending on when the consumer notifies the financial institution and whether an access device was used to conduct the transaction. Under the E.F.T.A, there is no bright-line time limit within which consumers must report unauthorized E.F.Ts.

The extent of the consumers' liability is determined solely by the consumers' promptness in notifying the financial institution. Other factors **may not** be used as a basis to hold consumers liable, expressly prohibits the following factors as the basis for imposing greater liability than is permissible: the consumer was negligent [e.g., wrote a P.I.N on an A.T.M card]; an agreement between the consumer and the financial institution provides for greater liability; or the consumer is liable for a greater amount under jurisdictional law.

A consumer may only be held liable for an unauthorized transaction, if:

- The financial institution has provided all of the following written disclosures to the consumer:
 - A summary of the consumers' liability for unauthorized E.F.Ts.
 - The telephone number and address for reporting that an unauthorized E.F.T has

been or may be made.

- The financial institutions' business days.
- Any access device used to initiate the E.F.T was an accepted access device.
- The financial institution has provided a means to identify the consumer to whom the access device was issued.

For prepaid accounts that are not payroll card accounts or government benefit accounts, a financial institution is not required to comply with the liability limits and error resolution requirements in for any prepaid account for which it has not successfully completed its consumer identification and verification process, provided certain disclosures are given.

Allows, but does not require, the financial institution to provide a separate means to identify each consumer of a multiple-user account.

The limitations on the amount of consumer liability for unauthorized E.F.Ts, the time limits within which consumers must report unauthorized E.F.Ts, and the liability for failing to adhere to those time limits, are listed in the chart below. The financial institution may impose less consumer liability based on jurisdictional law or the deposit agreement.

Consumer Liability for Unauthorized Transfers

Event	Timing of Consumer Notice to Financial Institution	Maximum liability
Loss or theft of access device ¹⁴	Within two business days after learning of loss or theft	Lesser of \$50, OR total amount of unauthorized transfers that occur before notice to the financial institution.
Loss or theft of access device	More than two business days after learning of loss or theft up to 60 days after transmittal of statement showing first unauthorized transfer made with access device.	Lesser of \$500, OR the sum of: (a) \$50 or the total amount of unauthorized transfers occurring in the first two business days, whichever is less; AND (b) The amount of unauthorized transfers occurring after two business days and before notice to the financial institution. ¹⁵

¹⁴ Includes a PIN if used without a card in a telephone transaction, for example.

¹⁵ Provided the financial institution demonstrates that these transfers would not have occurred had notice been given within the two-business-day period.

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Loss or theft of access device	More than 60 days after transmittal of statement showing first unauthorized transfer made with access device.	For transfers occurring within the 60-day period, the lesser of \$500, OR the sum of (a) Lesser of \$50 or the amount of unauthorized transfers in first two business days; AND (b) The amount of unauthorized transfers occurring after two business days. For transfers occurring after the 60-day period, unlimited liability [until the financial institution is notified]. ¹⁶
Unauthorized transfer[s] not involving loss or theft of an access device	Within 60 days after transmittal of the periodic statement on which the unauthorized transfer first appears.	No liability.
Unauthorized transfer[s] not involving loss or theft of an access device	More than 60 days after transmittal of the periodic statement on which the unauthorized transfer first appears.	Unlimited liability for unauthorized transfers occurring 60 days after the periodic statement and before notice to the financial institution.

Knowledge of Loss or Theft. The fact that a consumer has received a periodic statement reflecting an unauthorized transaction is a factor, but not conclusive evidence, in determining whether the consumer had knowledge of a loss or theft of the access device.

Timing of Notice. If a consumers' delay in notifying a financial institution was due to extenuating circumstances, such as extended travel or hospitalization, the time periods for notification specified above must be extended to a reasonable time.

Notice to the Financial Institution. A consumer gives notice to a financial institution about unauthorized use when the consumer takes reasonable steps to provide the financial institution with the pertinent information, whether or not a particular employee actually receives the information. Even if the consumer is unable to provide the account number or the card number, the notice effectively limits the consumers' liability if the consumer sufficiently identifies the account in question, for example, by giving the name on the account and the type of account. At the consumers' option, notice may be given in person, by telephone, or in writing. Notice in writing is considered given at the time the consumer mails the notice or delivers the notice for transmission by any other usual means to the financial institution. Notice may also be considered given when the financial institution becomes aware of circumstances leading to the reasonable belief that an unauthorized transfer has been or may be made.

Procedures for Resolving Errors

This section defines the term *error* and describes the steps the consumer must take when asserting an error in order to receive the protection of the E.F.T.A, and the procedures that a financial institution must follow to resolve an alleged error under this section.

An *error* includes any of the following:

- An unauthorized E.F.T.

¹⁶ Provided the financial institution demonstrates that these transfers would not have occurred had notice been given within the 60-day period.

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- An incorrect E.F.T to or from the consumers' account.
- The omission from a periodic statement of an E.F.T to or from the consumers' account that should have been included.
- A computational or bookkeeping error made by the financial institution relating to an E.F.T.
- The consumers' receipt of an incorrect amount of money from an electronic terminal.
- An E.F.T not identified in accordance with the requirements.
- A consumers' request for any documentation required for additional information or clarification concerning an E.F.T.

The term *error* does not include:

- A routine inquiry about the balance in the consumers' account or a request for duplicate copies of documentation or other information that is made only for tax or other record-keeping purposes.
- The fact that a financial institution does not make a terminal receipt available for a transfer of \$15 or less.

A financial institution must comply with the error resolution procedures with respect to any oral or written notice of error from the consumer that:

- The financial institution receives not later than 60 days after sending a periodic statement or other documentation first reflecting the alleged error.
- Enables the financial institution to identify the consumers' name and account number.
- Indicates why the consumer believes the error exists and, to the extent possible, the type, date, and amount of the error.

A financial institution may require a consumer to give written confirmation of an error within 10 business days of giving oral notice. The financial institution must provide the address where confirmation must be sent.

Error Resolution Procedures. After receiving a notice of error, the financial institution must do all of the following:

- Promptly investigate the oral or written allegation of error.
- Complete its investigation within 10 business days.
- Report the results of its investigation within three business days after completing its investigation.
- Correct the error within one business day after determining that an error has occurred.

The financial institution may take up to 45 days to complete its investigation provided it:

- Provisionally credits the funds [including interest, where applicable] to the consumers' account within the 10 business-day period.
- Advises the consumer within two business days of the provisional crediting.
- Gives the consumer full use of the funds during the investigation.

A financial institution need not provisionally credit the account to take up to 45 days to complete its investigation if the consumer fails to provide the required written confirmation of an oral notice of error within 10 business days, or if the notice of error involves an account subject to the margin requirements or other aspects of Regulation T [Securities Credit by Brokers and Dealers].

However, where an error involves an unauthorized E.F.T, the financial institution must comply with the requirements of the provisions relating to unauthorized E.F.Ts before holding the consumer liable, even if the consumer does not provide a notice of error within the time limits.

When investigating a claim of error, the financial institution need only review its own records if the alleged error concerns a transfer to or from a third party, and there is no agreement between the financial institution and the third party for the type of E.F.T involved. However, the financial institution may not limit its investigation solely to the payment instructions where other information within the financial institutions' records pertaining to a particular account may help to resolve a consumers' claim.

If, after investigating the alleged error, the financial institution determines that an error has occurred, it must promptly [within one business day after such determination] correct the error, including the crediting of interest if applicable. The financial institution must provide within three business days of the completed investigation an oral or written report of the correction to the consumer and, as applicable, notify the consumer that the provisional credit has been made final.

If the financial institution determines that no error occurred or that an error occurred in a different manner or amount from that described by the consumer, the financial institution must mail or deliver a written explanation of its findings within three business days after concluding its investigation. The explanation must include a notice of the consumers' rights to request the documents upon which the financial institution relied in making its determination.

Upon debiting a provisionally credited amount, the financial institution must notify the consumer of the date and amount of the debit and of the fact that the financial institution will honor [without charge] checks, drafts, or similar paper instruments payable to third parties and preauthorized debits for five business days after transmittal of the notice. The financial institution need honor only items that it would have paid if the provisionally credited funds had not been debited. Upon request from the consumer, the financial institution must promptly mail or deliver to the consumer copies of documents upon which it relied in making its determination.

If a notice involves an error that occurred within 30 days after the first deposit to the account was made, the time periods are extended from 10 and 45 days, to 20 and 90 days, respectively. If the notice of error involves a transaction that was not initiated in a state or resulted from a point-of-

sale debit card transaction, the 45-day period is extended to 90 days.

If a financial institution has fully complied with the investigation requirements, it generally does not need to reinvestigate if a consumer later reasserts the same error. However, it must investigate a claim of error asserted by a consumer following receipt of information provided.

VI. Receipts and Periodic Statements

Documentation of Transfers

Electronic Terminal Receipts. Receipts must be made available at the time a consumer initiates an E.F.T at an electronic terminal. Financial institutions may provide

receipts only to consumers who request one. The receipt must include, as applicable:

- *Amount of the transfer* — a charge for making the transfer may be included in the amount, provided the charge is disclosed on the receipt and on a sign posted on or at the terminal.
- *Date* — the date the consumer initiates the transfer.
- *Type of transfer and type of account* — descriptions such as “withdrawal from checking” or “transfer from savings to checking” are appropriate. This is true even if the accounts are only similar in function to a checking account [such as a share draft or NOW account] or a savings account [such as a share account]. If the access device used can only access one account, the type of account may be omitted.
- *Number or code identifying the consumers’ account[s] or the access device used to initiate the transfer* — the number and code need not exceed four digits or letters.
- *Location of the terminal* — the location of the terminal where the transfer is initiated or an identification, such as a code or terminal number. If the location is disclosed, except in limited circumstances where all terminals are located in the same city or state, the receipt must include the city and state or foreign country and one of the following:
 - Street address of the terminal;
 - Generally accepted name for the location of the terminal [such as an airport, shopping center, or branch of a financial institution]; or
 - Name of the entity [if other than the financial institution providing the statement] at whose place of business the terminal is located, such as a store, and the city, state, or foreign country.

Third party — name of any third party to or from whom funds are transferred — a code may be used to identify the party if the code is explained on the receipt. This requirement does not apply if the name of the party is provided by the consumer in a manner the terminal cannot duplicate on the receipt, such as on a payment stub.

Receipts are not required for E.F.Ts of \$15 or less.

Periodic Statements. Periodic statements must be sent for each monthly cycle in which an E.F.T has occurred, and at least quarterly if no E.F.T has occurred. For each E.F.T made during the cycle, the statement must include, as applicable:

- Amount of the transfer — if a charge was imposed at an electronic terminal by the owner or operator of the terminal, that charge may be included in the amount.
- Date the transfer was posted to the account.
- Type of transfer[s] and type of account[s] to or from which funds were transferred.
- For each transfer [except deposits of cash, or a check, draft or similar paper instrument to the consumers' account] initiated at an electronic terminal, the terminal location as required for the receipt.
- Name of any third-party payee or payor.
- Account number[s].
- Total amount of any fees and charges, other than a finance charge as defined by Regulation Z, assessed during the period for making E.F.Ts, the right to make E.F.Ts, or for account maintenance.
- Balance in the account at the beginning and close of the statement period.
- Address and telephone number to be used by the consumer for inquiries or notice of errors. If the financial institution has elected to send the abbreviated error notice with every periodic statement, the address and telephone number may appear on that document.
- If the financial institution has provided a telephone number which the consumer can use to find out whether or not a preauthorized transfer has taken place, that telephone number.

Exceptions to the Periodic Statement Requirement for Certain Accounts

- **Passbook Accounts.** Where a consumers' passbook may not be accessed by an E.F.T other than preauthorized transfers to the account, a periodic statement need not be sent, provided that the financial institution updates the consumers' passbook or provides the required information on a separate document at the consumers' request. To update the passbook, the amount and date of each E.F.T made since the passbook was last presented must be listed. For other accounts that may be accessed only by preauthorized transfers to the account, the financial institution must send a periodic statement at least quarterly.
- **Transfers between Accounts.** If a transfer occurs between two accounts of the consumer at the same financial institution, the transfer need only be documented for one of the two accounts. A preauthorized transfer between two accounts of the consumer at the same financial institution is subject to the rule on preauthorized transfers and not the rule on intra-institutional transfers.

- **Documentation for Foreign-Initiated Transfers.** If an E.F.T is initiated outside the Xaymaca, the financial institution need not provide a receipt or a periodic statement reflecting

the transfer if it treats an inquiry for clarification or documentation as a notice of error.

Alternatives to Periodic Statements for Financial Institutions Offering Prepaid Accounts

Provides an alternative to providing periodic statements for prepaid accounts if financial institutions make account information available to consumers by specific means. In addition, 12 CFR 1005.18 clarifies how financial institutions that do not provide periodic statements for prepaid accounts can comply with the subpart A requirements relating to initial disclosures, the annual error resolution notice, liability limits, and error resolution procedures.

Typically, employers and third-party service providers do not meet the definition of a “financial institution” subject to the regulation because they neither [i] hold prepaid accounts [including payroll card accounts] nor [ii] issue prepaid cards and agree with consumers to provide E.F.T services in connection with prepaid accounts. However, to the extent an employer or a service provider undertakes either of these functions, it would be deemed a “financial institution” under the regulation.

A government agency is deemed to be a “financial institution” subject to the regulation if it directly or indirectly issues an access device to a consumer for use in initiating an E.F.T of government benefits from an account, other than needs-tested benefits in a program established under state or local law or administered by a state or local agency.

Alternative to Periodic Statements. A financial institution [which may include government agencies need not furnish periodic statements if the financial institution makes available to the consumer the following¹⁷:

- The account balance, through a readily available telephone line, and for government benefit accounts only, also at a terminal.
- An electronic history of account transactions, such as through a website, covering at least 12 months preceding the date the consumer electronically accesses the account; and
- A written history of account transactions provided promptly in response to an oral or written request and covering at least 24 months preceding the date the financial institution receives the consumers’ request.

For prepaid accounts that are not payroll card accounts or government benefit accounts, a financial institution is not required to provide a written history of the consumers’ account transactions for any such account for which the financial institution has not completed its consumer identification and verification process.

The electronic and written histories of account transactions must include the same information

¹⁷ If, on April 1, 2019, a financial institution does not have readily accessible the data necessary to make available 12 months of electronic account transaction history or to provide 24 months of written account transaction history upon request, the financial institution may make available or provide such histories using the data for the time period it has until the financial institution has accumulated the data necessary to comply in full with those requirements.

required on periodic statements under.

Modifications to Other Regulation E Requirements. If a financial institution provides an alternative to periodic statements [or government agency provides an alternative to periodic statements, it must comply with the following:

- Modify the initial disclosures by disclosing:
 - A telephone number that the consumer may call to obtain the account balance; the means by which the consumer can obtain an electronic account history, such as the address of a website; and a summary of the consumers' right to receive a written account transaction history upon request [in place of the summary of the right to receive a periodic statement, including a telephone number to call to request a history. This disclosure may be made by providing a notice substantially similar to the notice contained in paragraph A-7[a] in Appendix A.
A. For government benefit accounts, the disclosure required may be made by providing a notice substantially similar to the notice contained in paragraph A-5[a] in Appendix A.
 - A notice concerning error resolution that is substantially similar to the notice contained in paragraph A-7[b] in Appendix A, or paragraph A-5[b] in Appendix A for government benefit accounts, in place of the notice. Alternatively, for prepaid account programs for which the financial institution does not have a consumer identification and verification process, a description of the financial institutions' error resolution process and limitations on consumers' liability for unauthorized transfers or, if none, a statement that there are no such protections.
- Provide an annual error resolution notice that is substantially similar to the notice contained in paragraph A-7[b] in Appendix A, in place of the notice. Alternatively, a financial institution [which may include government agencies] may include on or with each electronic and written account transaction history provided for government benefit accounts, a notice substantially similar to the abbreviated notice for periodic statements contained in paragraph A-3[b] in Appendix A, modified as necessary to reflect the error resolution provisions.
- Comply with modified timing provisions for limited liability requirements as follows:
 - For purposes of the 60-day period for reporting any unauthorized transfer :
 - The date the consumer electronically accesses the consumers' account for a government benefit account, provided that the electronic account transaction history made available to the consumer reflects the unauthorized transfer; or
 - The date the financial institution [including an agency] sends a written history of the consumers' account transactions requested by the for a government benefit account, in which the unauthorized transfer is first reflected.
 - Alternatively, a financial institution [including an agency] may limit the consumers' liability for an unauthorized transfer, for transfers reported by the consumer within 120 days after the transfer was credited or debited to the consumers' account.

- Comply with modified timing provisions for error resolution requirements as follows:
 - A written or oral error notice is considered timely, and the financial institution [including an agency] must comply with the requirements, if the financial institution receives notice from the consumer:
 - 60 days after the date the consumer electronically accesses the consumers' account, or for a government benefit account, provided that the electronic history made available to the consumer reflects the alleged error; or
 - 60 days after the date the financial institution [including an agency] sends a written history of the consumers' account transactions requested by the consumer, or under for a government benefit account, in which the alleged error is first reflected.

Alternatively, a financial institution [including an agency] complies with the error resolution requirements, if it investigates any oral or written notice of an error from the consumer that is received by the financial institution within 120 days after the transfer allegedly in error was credited or debited to the consumers' account.

- Regardless of whether periodic statements are provided or the alternative followed: once a financial institution successfully completes its consumer identification and verification process with respect to a prepaid account [other than payroll card accounts or government benefit accounts], the financial institution must limit the consumers' liability for unauthorized transfers and resolve errors that occur following verification.

Summary Totals of Fees

A financial institution [including an agency] must disclose the amount of any fees assessed against the account, whether for E.F.Ts or otherwise, on any periodic statement provided and on any history of account transactions provided or made available by the financial institution.

A financial institution [including an agency] must display a summary total of the amount of all fees assessed by the financial institution against the consumers' prepaid account for the prior calendar month and for the calendar year to date on any periodic statement provided pursuant any history of account transactions provided or made available by the financial institution.¹⁸

VII. Gift Cards

Scope of the Gift Card Rule. The rule is generally limited to gift certificates, store gift cards, or general-use prepaid cards sold or issued to consumers primarily for personal, family, or household purposes. It generally does not apply to cards, codes, or other devices that are reloadable and not marketed or labeled as a gift card or gift certificate and loyalty, award, and promotional gift cards. See also the exclusions from the gift card definitions, described above.

Restrictions on Dormancy, Inactivity, or Service Fees No person may impose a

¹⁸ If the financial institution on April 1, 2026, does not have readily accessible the data necessary to calculate the summary totals of the amount of all fees assessed by the financial institution on the consumers' prepaid account for the prior calendar month and for the calendar year pursuant, the financial institution may display the summary totals using the data it has until the financial institution has accumulated the data necessary to display the summary totals as required.

dormancy, inactivity, or service fee with respect to a gift certificate, store gift card, or general-use prepaid card, unless three conditions are satisfied:

- There has been no activity with respect to the certificate or card within the one-year period prior to the imposition of the fee.
- Only one such fee is assessed in a given calendar month; and
- Disclosures regarding dormancy, inactivity, or service fees are clearly and conspicuously stated on the certificate or card, and the person issuing or selling the certificate or card has provided these disclosures to the purchaser before the certificate or card is purchased. See the disclosure section, above, for additional information.

Expiration Date Restrictions - A gift certificate, store gift card, or general-use prepaid card may not be sold or issued unless the expiration date of the funds underlying the certificate or card is no less than five years after the date of issuance [in the case of a gift certificate] or five years after the date of last load of funds [in the case of a store gift card or general-use prepaid card]. In addition, information regarding whether funds underlying a certificate or card may expire must be clearly and conspicuously stated on the certificate or card and disclosed prior to purchase.

No person may sell or issue a certificate or card with an expiration date unless the person has established policies and procedures to provide consumers with a reasonable opportunity to purchase a certificate or card that has an expiration date that is at least five years from the date of purchase. A person who has established policies and procedures to prevent the sale of a certificate or card with less than five years from the date of purchase satisfies this requirement.

A certificate or card generally must include a disclosure alerting consumers to the difference between the certificate or card expiration date and the funds expiration date, if any, and that the consumer may contact the issuer for a replacement card. This disclosure must be stated with equal prominence and in close proximity to the certificate or card expiration date. Non-reloadable certificates or cards that bear an expiration date on the certificate or card that is at least seven years from the date of manufacture need not include this disclosure. See the disclosure section, above, for additional information.

To ensure that consumers are able to access the underlying funds for the full five-year period, fees may not be imposed for replacing an expired certificate or card if the underlying funds remain valid [unless the card has been lost or stolen]. In lieu of sending a replacement certificate or card, issuers may remit, without charge, the remaining balance of funds to the consumer.

VIII. Requirements for Financial Institutions Offering Prepaid Accounts

Prepaid accounts include several types of products: payroll card accounts and government benefit accounts that were subject to Regulation E prior to the Prepaid Accounts Rule; accounts that are marketed or labeled as “prepaid” that are redeemable upon presentation at multiple, unaffiliated merchants for goods or services, or that are usable at A.T.Ms; and other accounts [other than checking accounts, share draft accounts, and negotiable order of withdrawal

accounts] that are issued on a prepaid basis in a specified amount or not issued on a prepaid basis but capable of being loaded with funds thereafter, and whose primary function is to conduct transactions with multiple, unaffiliated merchants for goods or services, or at A.T.Ms, or to conduct person-to-person transfers. For exclusions from the term “prepaid account”.

Financial institutions must comply with all applicable requirements of the E.F.T.A and Regulation E with respect to prepaid accounts. This section of the manual discusses certain provisions specifically applicable to prepaid accounts; other provisions are addressed elsewhere in this manual.

Scope applies to prepaid accounts other than government benefit accounts. Although government benefit cards are defined as prepaid accounts, slightly different rules apply in certain circumstances.

Pre-Acquisition Disclosure Requirements

Timing of Disclosures. Generally, a financial institution must provide the required short and long form disclosures before a consumer acquires a prepaid account.

However, a financial institution need not provide the long form disclosures prior to acquisition at a retail location or orally by telephone, if certain conditions are met. Further, when a prepaid account is used for disbursing funds to a consumer and the financial institution or third party making the disbursement does not offer any alternative means for the consumer to receive those funds in lieu of accepting the prepaid account, those disclosures may be provided at the time the consumer receives the prepaid account.

Content of Short Form Disclosures requires a financial institution to disclose the following fees and information on its short form disclosure:

- **Periodic fee:** The periodic fee charged for holding the prepaid account, assessed on a monthly or other periodic basis, using the term “Monthly fee,” “Annual fee,” or a substantially similar term.
- **Per purchase fee:** The fee for making a purchase using the prepaid account, using the term “Per purchase” or a substantially similar term.
- **A.T.M withdrawal fees:** Two fees for using an A.T.M to initiate a withdrawal of cash in the Xaymaca from the prepaid account, both within and outside of the financial institutions’ network or a network affiliated with the financial institution, using the term “A.T.M withdrawal” or a substantially similar term, and “in-network” or “out-of-network,” respectively, or substantially similar terms.
- **Cash reload fee:** The fee for reloading cash into the prepaid account using the term “Cash reload” or a substantially similar term. The fee disclosed must be the total of all charges from the financial institution and any third parties for a cash reload.
- **A.T.M balance inquiry fees:** Two fees for using an A.T.M to check the balance of the prepaid account in the Xaymaca, both within and outside of the financial institutions’ network or a network affiliated with the financial institution, using the term “A.T.M balance inquiry” or a substantially similar term, and “in-network” or “out-of-network,”

respectively, or substantially similar terms.

- **Customer service fees:** Two fees for calling the financial institution about the prepaid account, both for calling an interactive voice response system and a live customer service agent, using the term “Customer service” or a substantially similar term, and “automated” or “live agent,” or substantially similar terms, respectively, and “per call” or a substantially similar term. When providing a short form disclosure for multiple service plans, the financial institution must disclose only the fee for calling the live agent customer service about the prepaid account, using the term “Live customer service” or a substantially similar term and “per call” or a substantially similar term.
- **Inactivity fee:** The fee for non-use, dormancy, or inactivity of the prepaid account, using the term “Inactivity” or a substantially similar term, as well as the conditions that trigger the financial institution to impose that fee.
- **Additional fee types:** A statement disclosing the number of additional fee types [A.F.Ts] the financial institution may charge consumers with respect to the prepaid account, a statement directing consumers to the disclosure of the A.F.Ts, and, if applicable, disclosure of up to two A.F.Ts. A financial institution must use the language provided in the rule or substantially similar language in making these statements, and must follow specific guidelines in determining which A.F.Ts to disclose, including [with certain exceptions] the disclosure of the two fee types that generate the highest revenue from consumers, over a specified time period, for the prepaid account program or across prepaid account programs that share the same fee schedule.

NOTE: A financial institution must reassess its’ A.F.Ts disclosure periodically, and, under certain circumstances, when the institution changes its fee schedule.

- **Overdraft credit features:** A statement that no overdraft credit feature is offered, or, if such a feature may be offered at any point, language about the feature and applicable fees. A financial institution must use the language provided in the rule or substantially similar language in making this statement.
- **Registration and insurance:** A statement regarding the prepaid account programs’ eligibility for F.D.I.C deposit insurance or N.C.U.A share insurance, as appropriate, and directing the consumer to register the prepaid account for insurance and other account protections, where applicable. A financial institution must use the language provided in the rule or substantially similar language in making this statement.
- **Bureau website:** A statement directing the consumer to the Bureaus’ website for general information about prepaid accounts. A financial institution must use the language provided in the rule or substantially similar language in making this statement.
- **Information on all fees and services:** A statement directing the consumer to the location of the long form disclosure to find details and conditions for all fees and services. In certain circumstances, this statement must include a telephone number and a website U.R.L that the consumer may use to directly access the long form disclosure. A financial institution must use the language provided in the rule or substantially similar language in making this statement.

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Additional content for payroll card accounts. The short form disclosure must contain a statement that the consumer does not have to accept the payroll card account, and directing the consumer to ask about other ways to receive wages or salary. Alternatively, a financial institution or agency may provide a statement that the consumer has several options to receive wages or salary, followed by a list of the options available to the consumer, and directing the consumer to tell the employer which option the consumer chooses. A financial institution or agency must use the language provided in the rule or substantially similar language in making this statement.

A financial institution or agency may, but is not required to, include a statement in one additional line of text in the short form disclosure for information on ways the consumer may access government benefit account funds and balance information for free or for a reduced fee.

Variable fees, including periodic fees. Additional disclosure requirements apply when a disclosed fee can vary; there are two alternatives if the periodic fee can vary.

Single disclosure for like fees. Where the rule requires disclosure of two fees, a financial institution may disclose a single fee amount when the amount is the same for both fees.

Third-party fees. A financial institution may not include any third-party fees in the required short form disclosure, except for the cash reload fee, which must be the total of all charges from the financial institution and any third parties.

Prohibition on disclosure of finance charges. A financial institution may not include any finance charges imposed in connection with a covered separate credit feature accessible by a hybrid prepaid-credit card [*i.e.*, an overdraft credit feature] in its disclosures

Additional information outside the short form. At the time a financial institution provides the short form disclosure, it must also disclose the following information outside of the short form disclosure: the name of the financial institution; the name of the prepaid account program; the purchase price for the prepaid account, if any; and the fee for activating the prepaid account, if any. In a setting other than a retail location, this information must be disclosed in close proximity to the short form. In a retail location, this information, other than the purchase price, must be disclosed on the exterior of the access devices' packaging material. In a retail location, the purchase price must be disclosed either on the exterior of or in close proximity to the prepaid account access devices' packaging material.

Content of Long Form Disclosures. requires that a financial institution disclose the following fees and information on its long form disclosure:

- **Title.** A heading stating the name of the prepaid account program and that the long form disclosure contains a list of all fees for that particular prepaid account program.
- **Fees.** All fees that may be imposed in connection with a prepaid account. For each fee, the financial institution must disclose the amount of the fee and the conditions, if any, under which the fee may be imposed, waived, or reduced.
- **Statement regarding registration and D.I.C or N.C.U.A insurance.** The statement regarding the prepaid account programs' eligibility for deposit or share insurance and directing the consumer to register the prepaid account for insurance and other protections that is required on the short-form disclosure, together with an explanation of D.I.C or N.C.U.A insurance coverage and the benefit of such coverage or the consequence of the lack of such

coverage, as applicable.

- **Statement regarding overdraft credit features.** The statement required on the short-form disclosures.
- **Statement regarding financial institution contact information.**
- **Statement regarding Bureau website and telephone number.**
- **Regulation Z disclosures for overdraft credit features.**

Disclosures for Prepaid Accounts Acquired in Retail Location: A financial institution is not required to provide the long form disclosure required before a consumer acquires a prepaid account in person at a retail location or orally by telephone, if certain conditions are met.

Form of Pre-Acquisition Disclosures. Disclosures generally must be in writing. For exceptions regarding where disclosures may be made electronically or orally.

Retainable form. Disclosures must generally be made in a form that a consumer may keep.

Tabular format. When provided in writing or electronically, fee and certain other information required in the short form disclosures and fee information required in long form disclosures must be provided in the form of a table.

Other requirements for pre-acquisition disclosures.

Specific formatting requirements. Requirements regarding the grouping and ordering of information, prominence and size of the text, and segregation of the disclosures from other information.

Terminology. Fee names and other terms must be used consistently within and across disclosures.

Prepaid accounts acquired in foreign languages. Generally, a financial institution must provide the required pre-acquisition disclosures in a foreign language if the financial institution uses that same foreign language in connection with the acquisition of a prepaid account in certain circumstances. For exceptions.

Other Disclosure Requirements

Initial disclosure of fees and other information. A financial institution must include, as part of the initial disclosures given pursuant to 12 C.F.R 1005.7, all of the information required to be disclosed in its pre-acquisition long form disclosure.

Change-in-terms notice. The change-in-terms notice provisions apply to changes in terms and conditions that are required to be disclosed under the applicable disclosure requirements governing consumer electronic fund transfer services and prepaid accounts, in most circumstances, subject to stated exceptions under the governing regulations.

Disclosures on prepaid account access devices. The name of the financial institution and the website URL and a telephone number a consumer can use to contact the financial institution

about the prepaid account must be disclosed on the prepaid account access device [with specific rules when physical access devices are not provided in connection with prepaid accounts].

Prepaid Accounts Accessible by Hybrid Prepaid-Credit Cards

The following rules apply to a prepaid account program where consumers may be offered a covered separate credit feature accessible by a hybrid prepaid-credit card as defined by Regulation Z:

- A financial institution must provide to any prepaid account without a covered separate credit feature the same account terms, conditions, and features that it provides on prepaid accounts in the same prepaid account program that have such a credit feature.
- A financial institution is not prohibited from imposing a higher fee or charge on the asset feature of a prepaid account with a covered separate credit feature accessible by a hybrid prepaid-credit card than the amount of a comparable fee or charge that it imposes on any prepaid account in the same prepaid account program that does not have such a credit feature.

IX. Internet Posting of Prepaid Account Agreements

Definitions. Provides the following supplemental definitions:

Agreement means the written document or documents evidencing the terms of the legal obligation, or the prospective legal obligation, between a prepaid account issuer and a consumer for a prepaid account. It also includes “fee information” as defined below.

Amends An issuer “amends” an agreement if it makes a substantive change [“amendment”] to the agreement. A change is substantive if it alters the rights or obligations of the issuer or the consumer under the agreement. Any change in the fee information, as defined below, is substantive.

Fee information means the short form disclosure for the prepaid account and the fee information and statements required to be disclosed in the pre- acquisition long form disclosure for the prepaid account.

Issuer means the entity to which a consumer is legally obligated, or would be legally obligated, under the terms of a prepaid account agreement.

Offers An issuer “offers” an agreement if the issuer markets, solicits applications for, or otherwise makes available a prepaid account that would be subject to that agreement, regardless of whether the issuer offers the prepaid account to the general public.

Offers to the general public means an agreement if the issuer markets, solicits applications for, or otherwise makes available to the general public a prepaid account that would be subject to that agreement.

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Open account A prepaid account is an “open account” or “open prepaid account” if: [i] there is an outstanding balance in the account; [ii] the consumer can load funds to the account even if the account does not currently hold a balance; or [iii] the consumer can access credit from a covered separate credit feature accessible by a hybrid prepaid-credit card as defined in Regulation Z, in connection with the account. A prepaid account that has been suspended temporarily [for example, due to a report by the consumer of unauthorized use of the card] is considered an “open account” or “open prepaid account.”

Prepaid account means a prepaid account is defined a payroll card account, a government benefit account, or a general-purpose reloadable card/account marketed as “prepaid” that is usable at multiple, unaffiliated merchants or A.T.Ms. It must be able to hold funds, rather than just act as a pass-through.

Submission of Agreements to the Bureau. An issuer must make submissions of prepaid account agreements to the C.F.P.B on a rolling basis, in the form and manner specified by the C.F.P.B, no later than 30 days after the issuer offers, amends, or ceases to offer any prepaid account agreement.

Amended agreements. If a prepaid account agreement previously submitted to the C.F.P.B is amended, the issuer must submit the entire amended agreement to the C.F.P.B, in the form and manner specified by the C.F.P.B, no later than 30 days after the change becomes effective. Additionally, if other previously submitted identifying information about the issuer and its agreements changes, the issuer must submit an update no later than 30 days after the change becomes effective. However, the issuer can delay submitting changes to the list of names of other relevant parties to a particular agreement until the earlier of [i] when it submits an amended agreement or changes to other identifying information about the issuer and its submitted agreements.

Withdrawal of agreements no longer offered. If an issuer no longer offers a prepaid account agreement that was previously submitted to the C.F.P.B, the issuer must notify the Bureau, in the form and manner specified by the C.F.P.B, no later than 30 days after the issuer ceases to offer the agreement, that it is withdrawing the agreement.

De minimis exception. An issuer need not make submissions of prepaid account agreements to the C.F.P.B if the issuer has fewer than 3,000 open prepaid accounts as of the last day of the calendar quarter.

Product testing exception. An issuer need not submit a particular prepaid account agreement if the issuer offers the agreement as part of a product test to a limited group of consumers for a limited period of time, the agreement is used for fewer than 3,000 open prepaid accounts, and the agreement is not offered other than in connection with the product test.

Form and content of agreements submitted to the Bureau. Agreements must contain the provisions of the agreement and the fee information currently in effect. Agreements must not contain any personally identifiable information relating to any consumer and must be presented in a clear and legible font.

Posting of Agreements Offered to the General Public. An issuer must post and

maintain on its publicly available website any prepaid account agreements offered to the general public that the issuer is required to submit to the C.F.P.B. Posted agreements must conform to the form and content requirements for agreements submitted to the C.F.P.B. Agreements must be updated as frequently as the issuer is required to submit new or amended agreements to the Bureau. Agreements must be placed in a location that is prominent and readily accessible to the public, and must also be accessible without submission of personally identifiable information.

Agreements for all open accounts. With respect to any open prepaid account, an issuer must either:

- Post and maintain the consumers' agreement on its website; or
- Promptly provide a copy of the consumers' agreement to the consumer upon the consumers' request. If the issuer makes an agreement available upon request, the issuer must provide the consumer with the ability to request a copy of the agreement by telephone. The issuer must send to the consumer a copy of the consumers' prepaid account agreement no later than five business days after the issuer receives the consumers' request.

Except as otherwise provided, agreements for open accounts that are posted on the issuers' website or sent to the consumer upon the consumers' request must conform to the form and content requirements for agreements submitted to the C.F.P.B.

Except as otherwise provided, issuers may provide prepaid account agreements for this purpose electronically without regard to the consumer notice and consent requirements of section 101[c] of the E-Sign Act.

Other Requirements

Preauthorized Transfers

A preauthorized transfer may be either a credit to, or a debit from, an account.

Preauthorized Transfers to a Consumers' Account. When an account is scheduled to be credited by a preauthorized E.F.T from the same payor at least once every 60 days, the financial institution must provide some form of notice to the consumer so that the consumer can find out whether or not the transfer occurred. The notice requirement will be satisfied if the payor provides notice to the consumer that the transfer has been initiated. If the payor does not provide notice, the financial institution must adopt one of three alternative procedures for giving notice.

- The financial institution may give the consumer oral or written notice within two business days after a preauthorized transfer occurs.
- The financial institution may give the consumer oral or written notice, within two business days after the preauthorized transfer was scheduled to occur, that the transfer did not occur.

- The financial institution may establish a readily available telephone line¹⁹ that the consumer may call to find out whether a preauthorized transfer has occurred. If the financial institution selects this option, the telephone number must be disclosed on the initial disclosures and on each periodic statement.

The financial institution need not use any specific language to give notice but may not simply provide the current account balance. The financial institution may use different methods of notice for different types of preauthorized transfers and need not offer consumers a choice of notice methods.

The financial institution that receives a preauthorized transfer must credit the consumers' account as of the day the funds are received.

Preauthorized Transfers from a Customers' Account. Preauthorized transfers from a consumers' account may only be authorized by the consumer in writing and signed or similarly authenticated by the consumer. Signed, written authorizations may be provided electronically, subject to the E-Sign Act. In all cases, the party that obtains the authorization from the consumer must provide a copy to the consumer. If a third-party payee fails to obtain an authorization in writing or fails to provide a copy to the consumer, the third-party payee and not the financial institution has violated subpart A.

Stop Payments. Consumers have the right to stop payment of preauthorized transfers from accounts. The consumer must notify the financial institution orally or in writing at any time up to three business days before the scheduled date of the transfer. If the debit item is resubmitted, the institution must continue to honor the stop-payment order. The financial institution may require written confirmation of an oral stop payment order to be made within 14 days of the consumers' oral notification. If the financial institution requires a written confirmation, it must inform the consumer at the time of the oral stop payment order that written confirmation is required and provide the address to which the confirmation should be sent. If the consumer fails to provide written confirmation, the oral stop payment order ceases to be binding after 14 days.

Notice of Transfers Varying in Amount. If a preauthorized transfer from a consumers' account varies in amount from the previous transfer under the same authorization or the preauthorized amount, either the financial institution or the designated payee must send to the consumer a written notice, at least 10 days before the scheduled transfer date, of the amount and scheduled date of the transfer. The consumer may elect to receive notice only when the amount varies by more than an agreed amount or falls outside a specified range. The range must be an acceptable range that the consumer could reasonably anticipate. The financial institution does not violate Regulation E if the payee fails to provide sufficient notice.

Compulsory Use. The financial institution may not make it a condition for an extension of credit that repayment will be by means of preauthorized E.F.T, except for credit extended under an overdraft credit plan or extended to maintain a specified minimum balance in the consumers' account [however, this exception does not apply to a covered separate credit feature accessible by a hybrid prepaid-credit card, as defined in Regulation Z. The financial institution may offer a reduced A.P.R or other cost-related incentive for an automatic payment feature as long as the

¹⁹ The telephone line must be "readily available" so that consumers calling to inquire about transfers are able to have their calls answered reasonably promptly during normal business hours. During the initial call in most cases and within two business days after the initial call in all cases, the financial institution should be able to verify whether the transfer was received. Within its primary service area, a financial institution must provide a local or toll-free telephone number.

creditor offers other loan programs for the type of credit involved.²⁰

Services Offered by Provider Not Holding Consumers' Account

A person who provides E.F.T services to a consumer but does not hold the consumers' account is a service provider, if the person issues an access device that the consumer can use to access the account and no agreement exists between the person and the account-holding financial institution. Transfers initiated by a service provider are often cleared through an automated clearinghouse [A.C.H].

The service provider shall provide all required disclosures and documentation relating to its relationship with the consumer. The service provider is not required to furnish periodic statements if the access device displays the providers' name and contact information for inquiries and error reporting; the consumer receives a notice regarding proper use of the access device; transaction receipts include contact information for inquiries, error notices, or reporting loss or theft; required transaction information is transmitted to the account-holding financial institution in the prescribed clearing format; and the provider extends the reporting period for loss or theft of an access device from two business days to four business days, and the reporting period for unauthorized transfers or errors from sixty [60] days to ninety [90] days following transmission of the periodic statement. The service provider shall also allow a reasonable extension of time for submission of an error notice where delay resulted from the consumer first notifying the account-holding institution; disclose the date on which provisional credit is initiated; transfer the appropriate funds within the required time period if an error is determined to have occurred; and, where provisional credit was granted and no error is found, reverse the credit in accordance with this Regulation, notify the account-holding institution of the period during which debits must be honoured, and promptly reimburse the institution for any resulting overdraft.

The account-holding financial institution shall provide periodic statements describing each electronic fund transfer initiated by the consumer using the access device issued by the service provider, but shall not be liable for failure to do so if the service provider does not supply the necessary transaction information. Upon request, the account-holding financial institution shall provide the service provider with information or copies of documents necessary to investigate errors or furnish documentation to the consumer, and shall honour debits to the account in accordance with the applicable error resolution procedures.

Electronic Fund Transfer of Government Benefits

This section establishes the rules applicable to accounts established by government agencies for the electronic distribution of government benefits to consumers. Government agencies shall comply with modified requirements relating to the issuance of access devices, periodic statements, initial disclosures, consumer liability for unauthorized transfers, and error resolution

²⁰ This section also prohibits anyone from requiring the establishment of an account for receipt of E.F.Ts with a particular financial institution either as a condition of employment or the receipt of a government benefit. However, the employer may require direct deposit of salary, as long as the employee may choose the financial institution that will accept the direct deposit, or limit direct deposits to one financial institution as long as the employee may choose to receive salary by other means [e.g., check or cash]

procedures. Government agencies shall also comply with pre-acquisition disclosure requirements applicable to prepaid accounts. In addition, a government agency shall provide either:

- a statement that the consumer is not required to accept the government benefit account and may inquire about alternative methods of receiving payment; or
- a statement that multiple payment options are available, followed by a list of such options, and instructions for the consumer to select a preferred method. Government agencies shall further comply with all other disclosure and change-in-terms requirements applicable to prepaid accounts. Where a government benefit account is accessible by a hybrid prepaid-credit card, the agency shall comply with all applicable prohibitions and requirements governing such credit features.

For purposes of this section, a government agency shall be deemed a financial institution where, directly or indirectly, it issues an access device to a consumer for initiating electronic fund transfers of government benefits from an account, except where the account is established solely for distributing needs-tested benefits under a program created or administered under state or local law.

X. Relation to Other Laws

This section describes the relationship between the E.F.T.A and the TILA for purposes of subpart A of Regulation E.

Issuance of Access Devices, and Addition of Certain E.F.T Services

The E.F.T.A and Regulation E govern the following:

- The addition of the capability to initiate electronic fund transfers [E.F.Ts] to accepted credit cards. An accepted credit card is any card that a consumer already has for general credit purposes and can now be used to initiate electronic transfers from a consumer account.
- The issuance of access devices [other than an access device for a prepaid account] that permit credit extensions only when the consumers' account is overdrawn, to maintain a specified minimum balance in the account, or under an overdraft service. An **overdraft service** is a program under which a financial institution pays a transaction that exceeds the available balance in the consumers' account and charges a fee for covering such overdraft.
- The addition of an overdraft service to an accepted access device, meaning the institution can pay a transaction exceeding the available account balance and assess a fee for covering it.
- Generally, a consumers' liability for an unauthorized E.F.T and the rules for investigating errors involving:

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- An extension of credit that occurs when a consumers' account is overdrawn, to maintain a specified minimum balance, or under an overdraft service.
- Transactions involving both a **covered separate credit feature** and an **asset feature** on a prepaid account accessible by a hybrid prepaid-credit card. This covers cases where the card draws from both the prepaid account and a credit feature for a single transaction.
- Transactions involving credit extended through a negative balance on the asset feature of a prepaid account that meets the conditions for a hybrid prepaid-credit card.
- Transactions involving a prepaid account and a **non-covered separate credit feature**, where only the prepaid account portion of the transaction is governed by these rules.

The TILA and Regulation Z govern all of the following:

- The issuance of credit cards.
- The addition of a credit feature to a debit card or other access device, including an access device for a prepaid account that would make the access device a credit card.
- The issuance of dual debit/credit cards, except for access devices [other than prepaid account access devices] whose only credit feature is a pre-existing agreement to cover account overdrafts or to maintain a minimum account balance, or that are an overdraft service.

Liability and Error Resolution Provisions

The liability and error resolution provisions apply to:

- an extension of credit that occurs under an agreement between the consumer and a financial institution to extend credit when the consumers' account is overdrawn, to maintain a specified minimum balance in the consumers' account, or under an overdraft service, except with respect to a prepaid account;
- with respect to a transaction that involves a covered separate credit feature and an asset feature on a prepaid account that are both accessible by a hybrid prepaid-credit card, an extension of credit that is incident to an E.F.T that occurs when the hybrid prepaid-credit card accesses both funds in the asset feature and a credit extension from the credit feature with respect to a particular transaction;
- transactions that involve credit extended through a **negative balance** on the asset portion of a prepaid account. This applies when the account allows the consumer to make purchases or withdrawals even if the balance would otherwise go below zero, subject to the terms and conditions of the prepaid account.
- transactions involving a prepaid account and a **non-covered separate credit feature** [a credit line or feature not tied to overdraft protection or a hybrid prepaid-credit arrangement]. For these transactions, only the rules governing the prepaid account portion of the transaction apply.

As provided under Nyan-ko-pong financial regulations and related guidance, for transactions involving access devices that also function as credit cards, the liability and error resolution provisions for electronic fund transfers or credit transactions will apply depending on the nature of the transaction:

- Assume a combined access device credit card can access a credit feature that is **not an overdraft credit feature** [i.e., when the card is used as a credit card, it does not first access any funds in the consumers' account but draws only on a separate credit feature under Nyan-ko-pong credit regulations]. If the card is lost or stolen and used as a credit card for example, to draw advances directly from the credit line only the liability limits and error resolution provisions for credit transactions will apply. If, however, the card is lost or stolen and used as an access device, for example, for debit purchases or cash withdrawals from a consumer account only the liability limits and error resolution provisions for electronic fund transfers under Nyan-ko-pong financial regulations will apply.
- Assume a combined access device–credit card that **can access an overdraft credit feature** [i.e., the credit feature is accessed only when the consumer makes purchases or other transactions for which there are insufficient or unavailable funds in the consumers' account]. If the card is lost or stolen and unauthorized transactions occur, the liability limits and error resolution provisions for electronic fund transfers will apply to unauthorized transactions funded entirely from the consumers' account. If the unauthorized use results in an extension of credit that is partially funded by the consumers' account and partially by the overdraft credit feature, the error resolution provisions for credit extensions will apply in addition to the electronic fund transfer rules, but the other liability limits and resolution rules for credit extensions do not apply. If an unauthorized transaction is funded entirely by the overdraft credit feature, only the liability limits and error resolution provisions for credit extensions will govern.

Subpart B - Requirements for Remittance Transfers

Generally, consumers in Xaymaca who send money electronically to consumers or business recipients in foreign countries are sending remittance transfers. Under Regulation E subpart B, remittance transfer providers generally must give consumers disclosures at certain stages of the remittance transfer process, and consumers have certain error resolution, cancellation, and refund rights. The requirements of subpart B apply to remittance transfer providers.

XI. Remittance Transfer Definitions

The definitions in subpart A also apply to subpart B unless specifically modified or limited by subpart B. The definitions in subpart B are applicable only to subpart B.

Agent is an agent, authorized delegate, or person affiliated with a remittance transfer provider, as defined under state or other applicable law, when that person acts for a remittance transfer provider. A person is not deemed a remittance transfer provider when performing activities as an agent on behalf of a remittance transfer provider.

Laws and Regulations

E.F.T

Business day is any day that the offices of a remittance transfer provider are open to the public for carrying on “substantially all business functions.”

Preauthorized remittance transfer is a remittance transfer authorized in advance to recur at substantially regular intervals.

Remittance transfer is an electronic transfer of funds, requested by a consumer in a state, to a designated recipient that is sent by a remittance transfer provider. The term applies whether or not the consumer holds an account and whether or not the transfer is an electronic fund transfer.

An electronic transfer of funds occurs when:

- a. A provider makes an electronic book entry between different settlement accounts to make the remittance transfer.
- b. A payment is made under a bill-payment service available to a consumer via computer or other electronic means, except in certain circumstances where a check, draft or similar paper instrument drawn on a consumers’ account under the bill-payment service is mailed abroad.

An electronic transfer of funds does not occur where a sender mails funds directly to a recipient, or funds are provided to a courier for delivery to a foreign country.

Transactions of \$15 or less and certain transactions in connection with securities and commodities transfers that are excluded from the definition of an E.F.T are not remittance transfers.

Remittance transfers include:

- a. Transfers in cash or by another method conducted through a money transmitter or a financial institution.
- b. Consumer wire transfers conducted by a financial institution upon a senders’ request to wire money from the senders’ account to a designated recipient.
- c. An addition of funds to a prepaid card by a participant in a prepaid card program, such as a prepaid card issuer or its agent, that is directly engaged with the sender to add these funds, where the prepaid card is sent or was previously sent by a participant in the prepaid card program to a person in a foreign country, even if a sender retains the ability to withdraw such funds.
- d. International A.C.H transactions sent by the senders’ financial institution at the senders’ request.
- e. Online bill payments and other electronic transfers that a sender schedules in advance, including preauthorized remittance transfers, made by the senders’ financial institution at the senders’ request to a designated recipient.

Sender is a consumer in a state, who requests a remittance transfer primarily for personal, family, or household purposes. For account-based transfers, the location of the consumers’ account will determine whether the consumer is located in a state. For transfers not made from an account that are requested by telephone or electronically, the remittance transfer provider may make the determination of whether a consumer is located in a state based on information provided by the consumer and any records associated with the consumer.

The commentary provides further guidance on the location of senders with respect to transfers from prepaid accounts; transfers from :Nyan-ko-pong: military installations abroad; when a transfer is for personal, family, or household purposes; and regarding transfers requested from non-consumer accounts.

Designated recipient is any person identified by the name provided by a sender to receive a remittance transfer at a location in a foreign country. A designated recipient can be either a natural person or an organization such as a corporation. Similar to the definition of “sender,” transfers to a designated recipients’ account where funds are to be received depends on where the recipients’ account is located. The commentary provides further guidance on transfers to prepaid accounts [other than a prepaid account that is a payroll card account or government benefit account] and transfers to :Nyan-ko-pong: military installations abroad.

“Remittance transfer provider” or ***“provider”*** is any person that provides remittance transfers for a consumer in the normal course of business, regardless of whether the consumer holds an account with such person.

Whether a person provides remittance transfers in the “normal course of business” depends on the facts and circumstances, including the total number and frequency of remittance transfers sent by the provider. The rule also provides a safe harbor for a person that provided 100 or fewer remittance transfers in the previous calendar year and provides 100 or fewer remittance transfers in the current calendar year [a total via all channels]. Such a person is deemed not to be providing remittance transfers in the normal course of business and is therefore not subject to the rules’ requirements. In determining whether a person qualifies for the safe harbor, any transfers that are excluded from the definition of “remittance transfer,” such as small value transactions or certain securities and commodities transfers, are excluded. If a person exceeds the safe harbor criteria and is providing remittance transfers for consumers in the normal course of business, that person has a reasonable period of time, not to exceed six months, to begin complying with subpart B.

“Covered third-party fees” means any fees that are imposed on the remittance transfer by a person other than the remittance transfer provider that are not non-covered third-party fees. Fees imposed on the remittance transfer include only those fees that are charged to the designated recipient and are specifically related to the remittance transfer. Examples include fees imposed on a remittance transfer by intermediary institutions in connection with a wire transfer [sometimes referred to as “lifting fees”] and fees imposed on a remittance transfer by an agent of the provider at pick-up for receiving the transfer.

“Non-covered third-party fees” means any fees imposed by the designated recipients’ institution for receiving a remittance transfer into an account except if the institution acts as an agent of the remittance transfer provider. For example, a fee imposed by the designated recipients’ institution for receiving an incoming transfer into an account is a non-covered third-party fee, if the institution is not acting as the agent of the remittance transfer provider. A designated recipients’ account does not include a credit card, prepaid card, or a virtual account held by an Internet-based or mobile telephone company that is not a bank, savings association, credit union or equivalent institution.

XII. Disclosures

Providers must give senders disclosures at certain stages of the remittance transfer process. The rule requires providers to give senders a pre-payment disclosure when a transfer request is made, but prior to payment for the transfer. Providers must also provide a receipt when payment is made for the transfer. Model disclosure forms are provided in Appendix A.

General Form of Disclosures

Required disclosures or optional disclosures permitted under :Nyan-ko-pong: remittance rules must be clear and conspicuous and generally provided to the sender in writing. Disclosures may contain commonly accepted or readily understandable abbreviations or symbols. Disclosures are considered clear and conspicuous if they are readily understandable and, in the case of written and electronic disclosures, the location and type size are easily noticeable to senders. Oral disclosures are clear and conspicuous when given at a volume and speed sufficient for a sender to hear and comprehend them. The :Nyan-ko-pong: commentary provides additional guidance on disclosures delivered via mobile device, by fax, and for transactions conducted partially by telephone. Different foreign language requirements apply for transactions conducted by telephone or mobile device.

Pre-payment disclosures may be provided electronically without the senders' explicit electronic consent, if the sender electronically requests the provider to send the remittance transfer. However, the receipt for the transaction may be provided electronically only with the senders' consent for electronic delivery.

Disclosures generally must be made in writing and in a retainable form. For purposes of pre-payment and receipt disclosures, a provider may satisfy the requirement to provide disclosures in writing by sending them via fax, provided the sender is not physically present in the providers' branch or office at the time. Disclosures may be provided on any paper size, as long as they remain clear and conspicuous. For example, a disclosure may appear on a register receipt or on a standard sheet of paper. The rules provide specific form and retainability requirements for remittance transfers conducted electronically, over the telephone, via mobile application, or by text messaging. Pre-payment disclosures provided via mobile application or text message [when permitted] do not need to be retainable.

Additional requirements apply for remittance transfers scheduled at least three business days before the date of transfer that are conducted orally over the telephone, or via mobile application or text message. In such cases, disclosures must include statements regarding the senders' rights to cancel and to resolve errors, provided according to the timing requirements for these early-scheduled transfers.

Disclosure Requirements

Disclosures Provided as Applicable. The required disclosures need to be provided only to the extent applicable. A remittance transfer provider may choose to omit an item of information if it is inapplicable to a particular transaction. Alternatively, a provider may disclose a term and state that an amount or item is "not applicable," "N/A," or "None".

Substantially Similar Terms, Language, and Notices. Certain disclosures must be

described using the standard terms prescribed for remittance transfers or terms that are substantially similar. Terms may be more specific than the standard terms provided. For example, a provider sending funds may describe fees imposed by an agent at pick-up as “Pick-up Fees” instead of the general term “Other Fees.” Foreign language disclosures must contain accurate translations of all required terms, statements, and notices, as well as any permitted additional disclosures for third-party or non-covered fees. The translations must ensure the meaning and intent of the original disclosure is preserved, and that the sender can understand their rights and obligations with respect to the remittance transfer.

Prepayment Disclosures

A remittance transfer provider must provide the prepayment disclosure when the sender requests the remittance transfer, but prior to payment for the transfer. Unless an exception applies, the provider must disclose:

- a. The amount to be transferred [transfer amount];
- b. Front-end fees imposed by the provider and any taxes collected on the remittance transfer by the provider [transfer fees and transfer taxes];
- c. Total amount of the transaction [the sum of the transfer amount and front-end fees and taxes];
- d. The exchange rate;
- e. Any covered third-party fees [disclosed as “other fees”];
- f. The total amount to be received by the designated recipient [total amount of the transaction minus covered third-party fees]; and
- g. If applicable, a statement that non-covered third-party fees or taxes collected on the remittance transfer by a third person may apply to the remittance transfer and result in the designated recipient receiving less than the amount disclosed. In this statement, a provider also may, but is not required, to disclose in the currency in which the funds will be received, any applicable non-covered third-party fees or taxes collected by a person other than the provider.

Transfer Amount. Two transfer amount disclosures are required in the prepayment disclosures.

1. The transfer amount in the currency in which the sender funds the remittance transfer to show the calculation of the total amount of the transaction.
2. The transfer amount in the currency in which the funds will be made available to the designated recipient. This second transfer amount need not be disclosed if covered third-party fees are not imposed on the remittance transfer. The terms used to describe each transfer amount should be the same.

Fees and Taxes. Fees imposed and taxes collected on the remittance transfer by a provider must be disclosed in the currency in which the transaction is funded, as applicable. Taxes collected on the remittance transfer by the provider include taxes imposed on the remittance transfer by a state or other governmental body.

All fees imposed and all taxes collected by the provider that are specifically related to the remittance transfer must be disclosed to the sender. This includes, for example, any service fees

charged by an agent at the time the transfer is made, as well as any state or local taxes collected on the transfer. Only fees and taxes that are directly associated with the remittance transfer need be disclosed, ensuring that the sender clearly understands the total cost of the transaction and any additional amounts that may reduce the funds ultimately received by the designated recipient.

Applicable Exchange Rate. If the designated recipient will receive funds in a currency other than the currency in which the remittance transfer is funded, a remittance transfer provider must disclose the exchange rate to be used by the provider for the remittance transfer.

Rounding. The exchange rate disclosed for the remittance transfer is required to be rounded on the disclosure. The provider may round to two, three, or four decimal places, at its option, but this must be done consistently for each currency. However, the exchange rate used to calculate: [a] the transfer amount, [b] the fees and taxes imposed on the remittance transfer by a person other than the provider, and [c] the amount received by the designated recipient, is prior to any rounding. If an exchange rate need not be rounded, a provider must use that exchange rate to calculate these disclosures.

Exchange Rate Used. The exchange rate used by the provider for the remittance transfer need not have been set by the provider. For example, an exchange rate set by an intermediary institution and applied to the remittance transfer would be the exchange rate used for the remittance transfer and must be disclosed by the provider.

Disclosure of Covered Third-Party Fees. Covered third-party fees must be disclosed in the currency in which the funds will be received by the designated recipient, using the applicable exchange rate, or an estimated exchange rate to the extent permitted, prior to any rounding of the exchange rate. If a provider does not have specific knowledge regarding the currency in which the funds will be received, the provider may rely on a senders' representation as to the currency in which funds will be received. If a sender does not know the currency in which funds will be received, the provider may assume that the currency in which funds will be received is the currency in which the remittance transfer is funded.

Amount Received. The remittance transfer provider is required to disclose the amount that will be received by the designated recipient in the currency in which the funds will be received. The amount received must reflect the exchange rate, all fees imposed and all taxes collected on the remittance transfer by the remittance transfer provider, as well as any covered third-party fees required to be disclosed. The disclosed amount received must be reduced by the amount of any fees or taxes [except non-covered third-party fees or taxes collected on the remittance transfer by a person other than the provider] imposed on the remittance transfer that affect the amount received even if that amount is imposed or itemized separately from the transaction amount.

Required Disclaimer When Non-Covered Third-Party Fees and Taxes Collected by a Person Other Than the Provider May Apply. The provider is required to include a disclaimer that non-covered third-party fees or taxes may apply to the remittance transfer if such taxes and fees apply to a particular transfer or the provider does not know whether they apply. This disclosure may only be provided to the extent applicable. For example, if the designated recipients' institution is an agent of the provider and thus, non-covered third-party fees cannot apply to the transfer, the provider must disclose all fees imposed on the remittance transfer and may not provide the disclaimer regarding non-covered third-party

fees.

Optional Disclosure of Non-Covered Third-Party Fees and Taxes Collected by a Person Other Than the Provider. The provider is permitted to disclose any non-covered third-party fees or taxes collected on the remittance transfer by a person other than the provider that will apply to a particular transaction if it knows the amount of such fees and taxes.

Additionally, the provider is permitted to disclose an estimate of such fees and taxes, provided any estimates are based on reasonable source of information.

Receipt

When payment is made, a remittance transfer provider must provide a receipt to a sender disclosing all applicable information required in the pre-payment disclosure. The receipt must also disclose, as applicable:

- a. The date of availability of the funds [date available];
- b. The name and, if provided by the sender, the telephone number and/or address of the designated recipient [recipient];
- c. A statement about the senders' error resolution and cancellation;
- d. Specified contact information for the remittance transfer provider; and
- e. The transfer date for remittance transfers scheduled at least three business days in advance, or the first transfer in a series of preauthorized transfers.

The provider must also provide a statement that the sender can contact the state agency that licenses or charters the remittance transfer provider with respect to the particular transfer [if there is such a state agency], and the Bureau for questions or complaints about the remittance transfer provider. The statement must include the name of the agency[ies], telephone number[s], and website address[es].

Date Funds Will Be Available. The provider must disclose the date in the foreign country on which the funds will be available to the designated recipient, using the term "Date Available" or a substantially similar term. If a provider does not know the exact date on which funds will be available, the provider may disclose the latest date on which the funds will be available. The provider may also disclose that funds "may be available sooner" or use a substantially similar term to inform senders that funds may be available to the designated recipient on a date earlier than the date disclosed.

Agencies Required to Be Disclosed. The provider must disclose information about a state agency that licenses or charters the provider with respect to the particular remittance transfer. If a financial institution is solely regulated by a federal agency, the institution does not need to disclose information about a state agency. However, information about the Bureau must be provided whether or not the Bureau is the providers' primary federal regulator. If a provider is licensed in multiple states, and the state agency that licenses the provider with respect to the remittance transfer is determined by the senders' location, a provider may make the determination of the senders' state based on information provided by the sender and on any records associated with the sender. A state-chartered bank must disclose information about the state agency that granted its charter, regardless of the location of the sender.

Date of Transfer on Receipt. For remittance transfers scheduled at least three business days in advance, or for the first transfer in a series of preauthorized transfers, the date of transfer for the remittance transfer must be disclosed on the receipt. Additional disclosures apply to subsequent preauthorized remittance transfers, including updated fees, taxes, and other terms that have changed, as described in the official guidance for subsequent transfers. Providers must ensure that these disclosures are accurate as of the date the transfer is made and delivered within a reasonable time before the scheduled transfer date. [See official commentary on subsequent preauthorized remittance transfers and timing requirements.]

Cancellation Disclosure. The provider may provide the three-business-day right to cancel notice [for transfers scheduled three or more business days before the transfer date] and the 30-minute right to cancel notice [for transfers scheduled fewer than three business days in advance], on the same disclosure, with a checkbox or other method to clearly designate the applicable cancellation period. For transfers scheduled three or more business days before the transfer date, the cancellation disclosure should be phrased and formatted in such a way that it is clear to the sender which cancellation period is applicable to the date of transfer disclosed on the receipt.

Combined Disclosure

As an alternative to providing separate pre-payment and receipt disclosures, a remittance transfer provider may provide the information in the receipt in a single disclosure when the sender requests the remittance transfer, but prior to payment for the transfer. If this combined disclosure is provided and the sender completes the transfer, the remittance transfer provider must provide the sender with proof of payment when payment is made for the remittance transfer. For one-time transfers scheduled at least five business days in advance, or for the first in a series of preauthorized transfers, the provider may provide confirmation that the transaction has been scheduled in lieu of the proof of payment if payment is not processed at the time the remittance transfer is scheduled. No further proof of payment is required when payment is later processed.

Proof of Payment/Confirmation of Scheduling. The proof of payment or confirmation of scheduling must be clear and conspicuous, provided in writing or electronically, and provided in a retainable form. The proof of payment for the transaction may be provided on the same piece of paper as the combined disclosure or on a separate piece of paper. A provider may also provide this additional information to a sender on a separate piece of paper when payment is made.

Long Form Error Resolution and Cancellation Notice

At the senders' request, a remittance transfer provider is required promptly to provide a notice describing the senders' error resolution and cancellation rights, using language set forth in Model Form A-36 of Appendix A or substantially similar language. For any remittance transfer scheduled by the sender at least three business days before the date of the transfer, the description of the rights of the sender regarding cancellation must instead reflect the requirements:

- **Cancellation.** For any remittance transfer scheduled by the sender at least three business days before the date of the transfer, a remittance transfer provider shall comply with any oral or written request to cancel the remittance transfer from the sender if the request to cancel:

- Enables the provider to identify the senders' name and address or telephone number and the particular transfer to be cancelled; and
- Is received by the provider at least three business days before the scheduled date of the remittance transfer.

Specific Format of Disclosures

Grouping of Disclosed Information. Disclosures related to transfer amount, transfer fees and taxes imposed by the provider, and the total amount of the transaction generally must be grouped together. Similarly, disclosures related to the transfer amount in the currency to be made available to the designated recipient, covered third-party fees, taxes collected on the remittance by the provider, the total amount to be received by the designated recipient, and the disclaimer statement generally must be grouped together. Information is grouped together if multiple disclosures are in close proximity to one another and a sender can reasonably calculate the total amount of the transaction and the amount that will be received by the designated.

Proximity of Disclosed Information. The exchange rate used for the remittance transfer generally must be disclosed in close proximity to the other information required in the pre-payment disclosure. Disclosures on error resolution and cancellation rights must generally be disclosed in close proximity to the other disclosures required on the receipt.

Prominence and Size of Disclosures. Disclosures required by subpart B that are provided in writing or electronically, other than disclosures permitted to be provided via mobile application or text message, must be in a minimum of eight- point font and in equal prominence to each other. They must be provided on the front of the page on which the disclosures are printed.

Segregation of Disclosures from Other Information. Disclosures that are provided in writing or electronically, other than disclosures permitted to be provided via mobile application or text message, must be segregated from everything else and must contain only information that is "directly related" to the disclosures.

The following is "directly related" information:

- a. The date and time of the transaction;
- b. The senders' name and contact information;
- c. The location at which the designated recipient may pick up the funds;
- d. The confirmation or other identification code;
- e. A company name and logo;
- f. An indication that a disclosure is or is not a receipt or other indicia of proof of payment;
- g. A designated area for signatures or initials;
- h. A statement that funds may be available sooner;
- i. Instructions regarding the retrieval of funds, such as the number of days the funds will be available to the recipient before they are returned to the sender;
- j. A statement that the provider makes money from foreign currency exchange; and
- k. Disclosure of any non-covered third-party fees and any taxes collected by a person other

than the provider.

Terms Used in the Case of Estimated Disclosures. A remittance transfer provider may provide estimates of the amounts required to be disclosed in the pre-payment disclosure, receipt, and combined disclosure. An estimate must be described using the term “Estimated” or a substantially similar term in close proximity to the estimated term or terms. For example, a remittance transfer provider could describe an estimated disclosure as “Estimated Transfer Amount,” “Other Estimated Fees and Taxes,” or “Total to Recipient [Est.]”

Request to Send a Remittance Transfer. Determining whether a consumer has requested a remittance transfer depends on the facts and circumstances. A sender that asks a provider to send a remittance transfer, and provides transaction-specific information to the provider in order to send funds to a designated recipient, has requested a remittance transfer. On the other hand, a consumer who solely inquires about that days’ rates and fees to send to a particular country has not requested the provider to send a remittance transfer.

When Payment Is Made. Payment is made when a sender provides cash to the remittance transfer provider or when payment is authorized.

Disclosures Related to Mobile Application and Text Message Transactions.

If a transaction is conducted entirely by telephone via mobile application or text message, a receipt may be mailed or delivered to the sender pursuant to the timing requirements for transfers conducted entirely by telephone.

Accuracy of Disclosures - When Payment Is Made. Disclosures required by subpart B must be accurate when a sender makes payment for the remittance transfer, except to the extent estimates are permitted. A remittance transfer provider is not required to guarantee the terms of the remittance transfer in the pre-payment disclosures for any specific period of time. However, if any of these disclosures are not accurate when a sender makes payment for the remittance transfer, the provider must give new disclosures before accepting payment.

Foreign Language Disclosures

Written and electronic disclosures required by subpart B generally must be provided in English and in each foreign language principally used to advertise, solicit, or market remittance transfer services at the office in which a sender conducts a transaction or asserts an error. Alternatively, written and electronic disclosures can be provided in English and in the foreign language primarily used by the sender with the remittance transfer provider, provided such foreign language is principally used to advertise, solicit, or market remittance transfers at the office in which a sender conducts a transaction or asserts an error. For transfers requested orally, by text message, or mobile application, the disclosures must be in the language primarily used by the sender to communicate with the transfer provider.

Number of Foreign Languages Used in Written Disclosure. There is no limit to the number of languages that may be used on a single document, but such disclosures must be clear and conspicuous. If the remittance transfer provider chooses to provide written and electronic disclosures in English and in the foreign language primarily used by the sender with

the remittance transfer provider, it may provide disclosures in a single document with both languages or in two separate documents with one document in English and the other document in the applicable foreign language.

Language Primarily Used. The language primarily used by the sender with the remittance transfer provider to conduct the transaction is the primary language used by the sender with the remittance transfer provider to convey the information necessary to complete the transaction. Similarly, the language primarily used by the sender with the remittance transfer provider to assert the error is the primary language used by the sender with the remittance transfer provider to provide the information required to assert an error.

Language Principally Used. Whether a foreign language is principally used by the remittance transfer provider to advertise, solicit, or market is determined from all relevant facts and circumstances, including:

- a. The frequency with which the foreign language is used in advertising, soliciting, or marketing of remittance transfer services at that office;
- b. The prominence of the advertising, soliciting, or marketing of remittance transfer services in that foreign language at that office; and
- c. The specific foreign language terms used in the advertising soliciting, or marketing of remittance transfer services at that office.

Language Used to Advertise, Solicit, or Market. Any commercial message in a foreign language, appearing in any medium, that promotes directly or indirectly the availability of remittance transfer services constitutes advertising, soliciting, or marketing in such foreign language.

Office. An office includes any physical location, telephone number, or website of a remittance transfer provider where a sender may conduct a remittance transfer or assert an error for a remittance transfer.

At the Office. Any advertisement, solicitation, or marketing is considered to be made at the office in which a sender conducts a transaction or asserts an error if it is posted, provided, or made: at a physical office; on a website of a remittance transfer provider that may be used by senders to conduct remittance transfers or assert errors; during a telephone call with a remittance transfer provider that may be used by senders to conduct remittance transfers or assert errors; or via mobile application or text message if the mobile application or text message may be used by senders to conduct remittance transfers or assert errors.

XIII. Estimates

Disclosures for which estimates may be used. Estimates may be used in certain circumstances for certain information required in pre-payment disclosures, receipts and combined disclosures.

Permanent Exception for Transfers to Certain Countries

Estimates may be provided in pre-payment disclosures, receipts or combined disclosures for transfers to certain countries if a remittance transfer provider cannot determine the exact amounts at the time the disclosure is required either because:

- a. The laws of the recipient country do not permit such a determination, or
- b. The method by which transactions are made in the recipient country does not permit such determination.

Laws of the Recipient Country. The laws of the recipient country do not permit a remittance transfer provider to determine exact amounts required to be disclosed when a law or regulation of the recipient country [e.g., currency exchange or certain privacy laws] do not allow the person making funds directly available to the designated recipient to determine the exact amounts at the time the disclosure is required. A typical example is where the law requires an exchange rate to be either:

- a. Set by the government of the recipient country after the remittance transfer provider sends the remittance transfer; or
- b. Set when the designated recipient receives the funds.

Method by Which Transactions Are Made in the Recipient Country. The method by which transactions are made in the recipient country does not permit a remittance transfer provider to determine exact amounts required to be disclosed when transactions are sent via international A.C.H on terms negotiated between the Xaymaca government and the recipient country's government, under which the exchange rate is a rate set by the recipient country's central bank or other governmental authority after the provider sends the remittance transfer.

Safe Harbor List. The C.F.P.B published a list of countries whereby a remittance transfer provider may provide estimates for the exchange rate, the transfer amount, covered third-party fees and total amount to the recipient, unless the provider has information that a country on the list legally permits the provider to determine exact disclosure amounts. If a country does not appear on the C.F.P.Bs' list, the provider may provide estimates if it determines that the recipient country does not legally permit or the method by which transactions are conducted in that country does not permit the provider to determine exact disclosure amounts. The list of countries that became effective February 7, 2013 and remains current as of June 2018 is Aruba, Brazil, China, Ethiopia, and Libya.

Change in Laws of Recipient Country. If the laws of a recipient country change such that a remittance transfer provider can determine exact amounts, the remittance transfer provider must begin providing exact amounts for the required disclosures as soon as reasonably practicable. If the laws of a recipient country change such that the provider cannot determine exact disclosure amounts, the provider may provide estimates even if that country does not appear on the list published by the C.F.P.B.

Permanent Exception for Transfers Scheduled Before the Date of Transfer

For remittance transfers scheduled five or more business days before the date of the transfer, estimates may be provided for the exchange rate, transfer amount, covered third-party fees [where the exchange rate is also estimated and affects such fees] and the total amount to recipient, if at the time the sender schedules such a transfer, the provider agrees to a senders' request to fix the amount to be transferred in the currency in which the remittance transfer will be received and not the currency in which it is funded. For example, if a sender schedules a wire transfer to be sent from the senders' bank account denominated in U.S. dollars but to be paid to the recipient in Euro, the provider is allowed to estimate the transfer amount, front-end fees or taxes collected by the provider [if based on the amount transferred], and the total amount of the transaction. The provider is also allowed to estimate any covered third-party fees if the exchange rate is also estimated and the estimated exchange rate affects the amount of fees.

Permanent Exception for Optional Disclosure of Non-Covered Third-Party Fees and Taxes Collected on the Remittance Transfer by a Person Other Than the Provider

The remittance transfer provider may provide estimates [as part of the required disclaimer statement] for applicable non-covered third-party fees and taxes collected on the remittance transfer by a person other than the provider, if such estimates are based on reasonable sources of information. Reasonable sources of information may include, for example, information obtained from recent transfers to the same institution or the same country or region; fee schedules from the recipient institution; fee schedules from the recipient institutions' competitors; surveys of recipient institution fees in the same country or region as the recipient institution; information provided or surveys of recipient institutions' regulators or taxing authorities; commercially or publicly available databases, services or sources; and information or resources developed by international nongovernmental organizations or intergovernmental organizations.

Bases for Estimates

If a remittance transfer provider qualifies for either the temporary or permanent exception, the rule allows two bases for estimating information in the disclosures:

1. The estimates must generally be based on any of the approaches listed in the rule.
2. Alternatively, the estimates may be based on an approach that is not listed, provided that the designated recipient receives the same, or greater, amount of funds than the remittance transfer provider disclosed.

For remittance transfers scheduled five or more business days before the date of the transfer, estimates must be based on the exchange rate or, where applicable, the estimated exchange rate that the provider would have used or did use that day to provide disclosures to a sender requesting such a remittance transfer to be made on the same day.

Approaches Listed in the Rule

Estimates of the Exchange Rate. For remittance transfers sent via international ACH, the estimate must be based on the most recent exchange rate set by the recipient countrys' central bank or other governmental authority and reported by a Federal Reserve Bank. For any

remittance transfers for which estimates are permitted, the exchange rate may be estimated based on the most recent publicly available wholesale exchange rate and any applicable spread that the remittance transfer provider or its correspondent typically applies for remittance transfers for that currency or the most recent exchange rate offered or used by the person making funds available directly to the designated recipient or by the person setting the exchange rate.

Where the exchange rate for a remittance transfer sent via international A.C.H that qualifies for the permanent exception is set the following business day, the most recent exchange rate available for a transfer is the exchange rate set for the day that the disclosure is provided, i.e., the current business days' exchange rate.

Publicly Available. Examples of publicly available sources of information containing the most recent wholesale exchange rate for a currency include U.S. news services, such as Bloomberg, the Wall Street Journal, and the New York Times; a recipient country's national news services, and a recipient country's central bank or other government agency.

Spread Applied to the Wholesale Exchange Rate. An estimate for disclosing the exchange rate based on the most recent publicly available wholesale exchange rate must also reflect any spread the remittance transfer provider typically applies to the wholesale exchange rate for remittance transfers for a particular currency.

Most Recent Exchange Rate. If the exchange rate with respect to a particular currency is published or provided multiple times throughout the day because the exchange rate fluctuates throughout the day, a remittance transfer provider may use any exchange rate available on that day to determine the most recent exchange rate.

Estimates of the Transfer Amount and Covered Third-Party Fees in the Currency in Which Funds Will Be Received by the Designated Recipient. Estimates of the transfer amount in the currency in which the funds will be received by the designated recipient as well as covered third-party fees imposed as a percentage of the amount transferred must be based on the estimated exchange rate, prior to any rounding.

Estimates of the Fees Imposed by Intermediary or Final Institution. Estimates for covered third-party fees imposed by intermediary or final institutions that act as intermediaries or by the designated recipients' institution must be based on the remittance transfer providers' most recent remittance transfer to the designated recipients' institution, or a representative transmittal route identified by the remittance transfer provider.

Estimates of the Amount of Currency That Will Be Received by the Designated Recipient. Estimates for the amount of currency that will be received by the designated recipient must be based on the estimates.

XIV. Procedures for Resolving Errors

Definition of Error

The term error means:

- a. Generally, an incorrect amount paid by a sender in connection with a remittance transfer;
- b. A computational or bookkeeping error made by the remittance transfer provider relating to the remittance transfer;
- c. The failure, generally, to make available to a designated recipient the amount of currency required to be disclosed and stated in the disclosure provided to the sender unless the disclosure stated an estimate of the amount paid and the difference results from application of the actual exchange rate, fees, and taxes, rather than any estimated amount;
- d. The failure, generally, to make funds available to a designated recipient by the date of availability stated in the disclosure provided to the sender; or
- e. The senders' request for documentation required or for additional information or clarification concerning a remittance transfer, including a request a sender makes to determine whether an error exists. [See more detailed discussion of errors and exceptions below.]

Error Due to Incorrect Amount of Currency Paid by Sender. This type of error covers circumstances in which a sender pays an amount that differs from the total amount of the transaction, including fees imposed in connection with the transfer, stated in the receipt or combined disclosure provided. However, there is no error if the disclosure appropriately stated an estimate of the amount paid by the sender and the difference results from application of the actual exchange rate, fees, and taxes, rather than any estimated amounts.

Error Due to Incorrect Amount of Currency Received. This type of error covers circumstances in which the designated recipient receives an amount of currency that differs from the amount of currency identified on the disclosures provided to the sender. It also covers circumstances in which the remittance transfer provider transmits an amount that differs from the amount requested by the sender. There are three general exceptions to this.

There is no error if:

- a. The disclosure appropriately, under one of the two exceptions, stated an estimate of the amount of currency to be received and the difference results from application of the actual exchange rate, fees, and taxes, rather than any estimated amounts; or
- b. The failure was caused by extraordinary circumstances outside the remittance transfer providers' control; or
- c. The difference results from the application of non-covered third-party fees or taxes collected on the remittance transfer by a person other than the provider and the provider provided the required disclaimer.

A designated recipient may receive an amount of currency that differs from the amount of currency disclosed and an error has occurred if, for example:

1. An exchange rate other than the disclosed rate is applied to the remittance transfer, or
2. The provider provides the sender a receipt stating an amount of currency that will be received by the designated recipient, which does not reflect additional covered third-party fees that are imposed by the receiving agent in the destination country. However, if the designated recipient will receive less than the amount of currency disclosed on the receipt due solely to the additional foreign taxes that the provider was not required to disclose, no error has occurred.

Exception for Extraordinary Circumstances Outside the Remittance Transfer Providers' Control. If the provider fails to make the amount of currency disclosed available to the designated recipient, such an occurrence is not an error if such failure was caused by extraordinary circumstances outside the remittance transfer providers' control that could not have been reasonably anticipated. Examples include war or civil unrest, natural disaster, garnishment or attachment of some of the funds after the transfer is sent, and government actions or restrictions that could not have been reasonably anticipated by the remittance transfer provider, such as the imposition of foreign currency controls or foreign taxes unknown at the time the receipt or combined disclosure is provided. Note that foreign taxes are not required to be disclosed. However, if a provider, believing that there is no applicable foreign tax, elects not to provide a disclaimer, no error has occurred if a new tax is imposed that could not have been reasonably anticipated at the time the receipt or combined disclosure was required to be given.

Error Due to Failure to Make Funds Available by Disclosed Date of Availability. This error generally covers disputes about the failure to make remittance transfer funds available to a designated recipient by the disclosed date of availability. Examples include, late or non-delivery of a remittance transfer, delivery of funds to the wrong account, the fraudulent pick-up of a remittance transfer in a foreign country by a person other than the designated recipient, and the recipient agent or institutions' retention of the remittance transfer, instead of making the funds available to the designated recipient.

There is no error if funds were not made available by the disclosed date due to:

- a. Extraordinary circumstances outside the remittance transfer providers' control that could not have been reasonably anticipated;
- b. Delays related to a necessary investigation or other special action by the remittance transfer provider or a third party as required by the providers' fraud screening procedures or in accordance with the Bank Secrecy Act, Office of Foreign Assets Control requirements, or similar laws or requirements; or
- c. The remittance transfer was made with fraudulent intent by the sender or any person acting in concert with the sender [i.e., friendly fraud]; or
- d. The sender provided the remittance transfer provider an incorrect account number or recipient institution identifier for the designated recipients' account or institution and:
 - i. the remittance provider can demonstrate that the sender provided an incorrect account number or recipient institution identifier to the provider in connection with the remittance transfer;
 - ii. the provider used reasonably available means prior to or when sending the transfer

- to verify [for recipient institution identifier errors only] that the recipient institution identifier provided by the sender corresponded to the recipient institution name provided by the sender;
- iii. the provider provided notice to the sender [prior to payment for the remittance transfer] that, in the event the sender provided an incorrect account number or recipient institution identifier, the sender could lose the transfer amount;
 - iv. the incorrect account number or recipient institution identifier resulted in the deposit of the remittance transfer into a customers' account that is not the designated recipients' account; and
 - v. the provider promptly used reasonable efforts to recover the amount that was to be received by the designated recipient.

Account Number or Recipient Institution Identifier. Account number and recipient institution identifier refer to alphanumeric account or institution identifiers other than names or addresses, such as account numbers, routing numbers, Canadian transit numbers, International Bank Account Numbers, Business Identifier Codes, and other similar account or institution identifiers used to route a transaction. Designated recipients' account refers to an asset account but does not include a credit card, prepaid card, or a virtual account held by an Internet-based or mobile telephone company that is not a bank, savings association, credit union or equivalent institution.

Reasonable Methods of Verification. Reasonably available means may include accessing a directory of Business Identifier Codes and verifying that the code provided by the sender matches the provided institution name, and if possible, the specific branch or location provided by the sender. A provider may also rely on other commercially available databases or directories to check other recipient institution identifiers. The requirement to verify would be met if no reasonably available means exist to verify the accuracy of the recipient institution identifier if the other conditions are satisfied.

Reasonable Efforts. Whether a provider has used reasonable efforts does not depend on whether the provider is ultimately successful in recovering the amount that was to be received by the designated recipient. If the remittance transfer provider is requested to provide documentation or other supporting information in order for the pertinent institution or authority to obtain the proper authorization for the return of the incorrectly credited amount, reasonable efforts to recover the amount include timely provision of any such documentation to the extent that it is available and permissible under law.

Promptness of Reasonable Efforts. Whether a provider acts promptly to use reasonable efforts depends on the facts and circumstances. For example, if before the disclosed date of availability, the sender informs the provider that the sender provided a wrong account number, the provider will have acted promptly if it attempts to contact the recipients' institution before the date of availability.

Failure to Make Funds Available by Disclosed Date of Availability Due to Circumstances Outside the Remittance Transfer Providers' Control. A remittance transfer providers' failure to deliver or transmit a remittance transfer by the disclosed date of availability is not an error if such failure was caused by extraordinary circumstances outside the remittance transfer providers' control that could not have been reasonably

anticipated. Examples of such circumstances include war or civil unrest, natural disaster, garnishment or attachment of funds after the transfer is sent, and government actions or restrictions that could not have been reasonably anticipated by the remittance transfer provider, such as the imposition of foreign currency controls.

Issues That Are Not Considered Errors Under Subpart B

The following are not errors:

- a. An inquiry about the status of a remittance transfer except where the funds from the transfer were not made available to a designated recipient by the disclosed date of availability;
- b. A request for information for tax or other recordkeeping purposes;
- c. A change requested by the designated recipient that the remittance transfer provider or others involved in the remittance transfer decide to accommodate; or
- d. A change in the amount or type of currency received by the designated recipient from the amount or type of currency stated in the disclosure provided to the sender if the remittance transfer provider relied on information provided by the sender.

Notice of Error From Sender

Person Asserting or Discovering Error. The error resolution procedures apply only when a notice of error is received from the sender.

Timing of Error Notice. The notice of error must be received by the remittance transfer provider within 180 days of the disclosed date of availability of the remittance transfer. However, if the notice of error is based on documentation, additional information, or clarification provided by the remittance transfer provider, then notice is timely if it is received by the remittance transfer provider the later of:

- a. 180 days after the disclosed date of availability of the remittance transfer; or
- b. 60 days after the provider sent the documentation, information, or clarification that had been requested.

Content of Error Notice. Errors may be reported orally or in writing. The notice of error is effective so long as the remittance transfer provider is able to identify:

- a. The senders' name and telephone number or address [or email address]
- b. The recipients' name and, if known, telephone number and address;
- c. The remittance transfer to which the notice of error applies; and
- d. Why the sender believes an error exists and if possible, the type, date, and amount of the error, except for errors involving requests for documentation, additional information, or clarification.

For example, the sender could provide the confirmation number or code that would be used by the designated recipient to pick up the transfer, or other identification number or code supplied by the remittance transfer provider in connection with the transfer, if the number or code is sufficient for the remittance transfer provider to identify the sender [and contact information], designated recipient, and the transfer in question.

Effect of Late Notice. A remittance transfer provider is not required to comply with the error resolution requirements for any notice of error from a sender that is received more than 180 days from the disclosed date of availability of the remittance transfer or, if applicable, more than 60 days after a provider sent documentation, additional information, or clarification requested by the sender.

Notice of Error Provided to Agent. A notice of error provided by a sender to an agent of the remittance transfer provider is deemed to be received by the provider when the agent receives it.

Consumer Notice of Error Resolution Rights. In addition to the requirement to provide an abbreviated notice of the consumers' error resolution rights on the receipt or combined notice, the remittance transfer provider must make available to a sender, upon request, a notice providing a full description of the senders' error resolution rights, using language set forth in Appendix A [Model Form A-36] or substantially similar language.

Time Limits and Extent of Investigation

A remittance transfer provider must investigate promptly and determine whether an error occurred within 90 days of receiving a notice of error. The remittance transfer provider must report the results to the sender within three business days after completing its investigation and include notice of any remedies available for correcting any error that the provider determines has occurred. If the remittance transfer provider determines during its investigation that an error occurred as described by the sender, the remittance provider may inform the sender of its findings either orally or in writing. However, if the provider determines that no error or a different error occurred, the provider must provide a written explanation of the findings, and note the senders' right to request the documents on which the provider relied in making its determination.

Remedies

If the remittance transfer provider determines an error [as defined in subpart B] occurred and the error relates to:

- a. an incorrect amount paid by the sender,
- b. a computational or bookkeeping error made by the remittance transfer provider, or
- c. failure to make the amount of currency stated in the disclosures available to the designated recipient,

the provider must either:

- a. refund the amount of funds provided by the sender in connection with a remittance transfer which was not properly transmitted, or the amount appropriate to resolve the error; or
- b. make available to the designated recipient, the amount appropriate to resolve the error without additional cost to the sender or the designated recipient.

If the error relates to a senders' request for documentation or additional information or

clarification to determine whether an error exists, the remittance transfer provider must provide the requested information.

Remedy in the Case of Failure to Make Funds Available by the Disclosed Date of Availability.

a. Where failure to make funds available by the disclosed date of availability occurred due to incorrect or insufficient information provided by the sender:

The remittance transfer provider is required to refund to the sender the amount of funds that was not properly transmitted, or the amount appropriate to resolve the error, and any fees and taxes paid by the sender in connection with the remittance transfer, within three business days of providing the written explanation of findings. However, the provider may agree to the senders' request, upon receiving the results of the error investigation, to apply the funds towards a new remittance transfer, rather than be refunded, if the provider has not yet processed a refund.

The provider may deduct from the amount refunded or applied towards a new transfer any fees actually deducted by a person other than the provider [except those that will ultimately be refunded to the provider] on, or to the extent not prohibited by law, taxes actually collected on the remittance transfer as part of the first unsuccessful remittance transfer attempt and inform the sender of the deduction and reason. The provider may not deduct its own fee. The agreement to apply the funds towards a new transfer is treated as a new remittance transfer and the provider must provide new disclosures in accordance with all other applicable provisions of subpart B.

b. All other instances of failure to make funds available by the disclosed date of availability

As applicable, the remittance transfer provider must either:

- i. Refund to the sender, the amount of funds which was not properly transmitted or the amount appropriate to resolve the error; or
- ii. Make available to the designated recipient the amount appropriate to resolve the error without additional cost to the sender or to the designated recipient; ***and***
- iii. Refund to the sender any fees imposed and to the extent not prohibited by law, taxes collected on the remittance transfer.

Designation of Requested Remedy. The provider may request that the sender indicate the preferred remedy when providing the notice of the error. If the provider does so, it should indicate that a resend remedy may be unavailable if the error occurred because the sender provided incorrect or insufficient information. If the sender does not indicate the desired remedy at the time of providing notice of error, the remittance transfer provider must notify the sender of any available remedies in the written explanation of findings.

Default Remedy [except where the sender provided incorrect or insufficient information]. The provider may set a default remedy that the remittance transfer provider will use if the sender does not designate a remedy within a reasonable time after receiving the written explanation of findings. If a default remedy is provided, the

remittance transfer provider must correct the error within one business day or as soon as reasonably practicable, after the reasonable time for the sender to designate the remedy has passed. For purposes of designating a remedy, ten days is deemed a reasonable time.

Amount Appropriate to Resolve the Error. The amount appropriate to resolve the error is the specific amount of transferred funds that should have been received if the remittance transfer had taken place without error. It does not include consequential damages.

Form of Refund. Where a refund may be issued, a remittance transfer provider may generally, at its discretion, issue a refund either in cash or in the same form of payment that was initially provided by the sender for the remittance transfer.

Remedies for Incorrect Amount Paid. If an error relates to the payment of an incorrect amount, the sender may request a refund of the amount necessary to resolve the error or request that the remittance transfer provider make the amount necessary to resolve the error available to the designated recipient at no additional cost.

Correction of an Error If Funds Were Not Available by Disclosed Date. If the remittance transfer provider determines an error related to failure to make funds available by the disclosed date occurred, it must correct the error and refund any fees imposed by the provider or a third party involved in sending the transfer, such as an intermediary bank involved in sending a wire transfer or the institution from which the funds are picked up [unless the sender provided incorrect or insufficient information to the remittance transfer provider in connection with the remittance transfer].

Charges for Error Resolution. If an error occurred, whether as alleged or in a different amount or manner, the remittance transfer provider may not impose a charge related to any aspect of the error resolution process [including charges for documentation or investigation].

Correction Without Investigation. A remittance transfer provider may correct an error, without investigation, in the amount or manner alleged by the sender, or otherwise determined, to be in error, but must comply with all other applicable requirements.

Procedures If Remittance Transfer Provider Determines No Error or Different Error Occurred

If the remittance transfer provider determines that no error occurred or that an error occurred in a manner or amount different from that described by the sender, its report of the results of the investigation must include a written explanation of the providers' findings and shall note the senders' right to request the documents on which it relied in making its determination. The explanation should also address the specific complaint of the sender. Upon the senders' request, the remittance transfer provider must also promptly provide copies of the documents on which it relied to make its error determination.

Error Different From That Alleged. If a remittance transfer provider determines that no error occurred or that an error occurred in a manner or amount different from that described by the sender, the provider shall promptly conduct a reasonable investigation and determine whether an error occurred within 90 days of receiving the notice of error. The provider shall report the results of the investigation to the sender within three business days after completion, including notice of any remedies available if an error is found.

Where an error is determined to have occurred, the provider shall, within one business day of or as soon as reasonably practicable after receiving the senders' instructions, correct the error by either refunding the appropriate amount to the sender or making the appropriate amount available to the designated recipient without additional cost, and, where applicable, refunding any fees imposed and taxes collected to the extent permitted by law. If no error or a different error is determined, the provider shall follow the required procedures for providing a written explanation of its findings. The notice of correction and the explanation may be provided separately or in a combined form.

Reassertion of Error

A remittance transfer provider that has fully complied with the error resolution requirements of this section generally has no further responsibilities should the sender later reassert the same error, except in the case of an error asserted by the sender following receipt of additional information requested from the provider.

Withdrawal of Error; Right to Reassert. The remittance transfer provider has no further error resolution responsibilities if the sender voluntarily withdraws the notice alleging an error. A sender who has withdrawn an allegation of error has the right to reassert the allegation unless the remittance transfer provider had already complied with all of the error resolution requirements before the allegation was withdrawn. The sender must do so, however, within the original 180-day period from the disclosed date of availability or, if applicable, the 60-day period for a notice of error based on documentation or clarification that the sender previously requested.

Relation to Other Laws

Relation to Regulation E for Incorrect E.F.Ts from a Senders' Account If an alleged error involves an incorrect electronic transfer from the senders' account in connection with a remittance transfer, and the sender gives notice of the error to the institution that holds the account, the standard electronic fund transfer error-resolution procedures apply, so long as that institution is not also the remittance transfer provider. However, if the remittance transfer provider is also the institution that holds the senders' account, then the remittance transfer error-resolution procedures apply when the sender gives notice of the error.

Concurrent Error Obligations. Error-resolution responsibilities may arise under either the electronic fund transfer error-resolution procedures or the remittance transfer error-resolution procedures, depending on the relationship with the sender and the nature of the error. For example, if a sender asserts an error involving an electronic fund transfer with a remittance transfer provider that also holds the senders' account, and the issue is not a remittance transfer error, such as the omission of an electronic fund transfer from a periodic statement then the standard electronic fund transfer error-resolution procedures apply exclusively.

However, if a sender asserts a remittance transfer error with a provider that also holds the senders' account, and the issue also qualifies as an electronic fund transfer error, such as when the amount the sender authorized to be deducted and sent differs from the amount actually deducted and transmitted, then the remittance transfer error-resolution procedures apply exclusively.

Relation to TILA and Regulation Z. If an alleged error involves an incorrect extension of credit in connection with a remittance transfer, an incorrect amount received by the designated recipient that constitutes an extension of credit for property or services not delivered as agreed, or a failure to make funds available by the disclosed date of availability that constitutes such an extension of credit, the applicable error-resolution framework depends on who receives the notice of error.

If the sender provides a notice of error to the creditor that extended the credit, the billing error resolution procedures under Regulation Z apply to that creditor instead of the remittance transfer error-resolution procedures under Regulation E, even if the creditor is also the remittance transfer provider. In that circumstance, the creditor must follow Regulation Zs' billing error procedures, including the written-notice requirements, acknowledgment within 30 days, investigation and resolution within two complete billing cycles [not to exceed 90 days], restrictions on collection of the disputed amount pending resolution, and required correction or explanation procedures.

However, if the creditor is also the remittance transfer provider, the remittance transfer error-resolution timing requirements apply in place of Regulation Zs' timing provisions.

If the sender instead provides the notice of error to a remittance transfer provider that is not also the creditor extending the credit, the remittance transfer error-resolution procedures apply to the provider.

Unauthorized Remittance Transfers. If an alleged error involves an unauthorized electronic fund transfer used to pay for a remittance transfer, the electronic fund transfer liability and error-resolution provisions apply to the account-holding financial institution. In that circumstance, the institution must apply the unauthorized transfer liability limits and follow the electronic fund transfer investigation and resolution procedures. If an alleged error involves the unauthorized use of a credit account to pay for a remittance transfer, the credit card liability and billing error-resolution provisions apply to the creditor, as applicable. In that case, the creditor must apply the Regulation Z unauthorized-use protections and follow the billing error investigation and resolution procedures.

Holder in Due Course. The error resolution provisions in subpart B do not affect a senders' rights to assert claims and defenses against a card issuer concerning property or services purchased with a credit card.

Assertion of the Same Error With Multiple Parties. If a sender receives credit to correct an error of an incorrect amount paid in connection with a remittance transfer from either the remittance transfer provider or account-holding institution [or creditor], and subsequently asserts the same error with another party, that party has no further responsibilities to investigate the error if the error has been corrected. In addition, nothing prevents an account-holding institution or creditor from reversing amounts it has previously credited to correct an error if a sender receives more than one credit to correct the same error.

Error Resolution Standards and Recordkeeping Requirements

Compliance Program. A remittance transfer provider must develop and maintain written policies and procedures that are designed to ensure compliance with the error resolution requirements applicable to remittance transfers.

Policies and procedures must address the retention of records related to error investigations.

Record Retention Requirements. Remittance transfer providers are subject to the record retention requirements under subpart A. See also, section XVIII.

XV. Procedures for Cancellation and Refund of Remittance Transfers

Senders' Right of Cancellation and Refund

Except for certain remittance transfers scheduled in advance, remittance transfer provider generally must comply with any oral or written request to cancel a remittance transfer from the sender that is received by the provider no later than 30 minutes after the sender makes payment in connection with the remittance transfer if:

- a. The request to cancel enables the provider to identify the senders' name and address or telephone number and the particular transfer to be cancelled; and
- b. The transferred funds have not been picked up by the designated recipient or deposited into an account of the designated recipient.

Content of Cancellation Request. A request to cancel a remittance transfer is valid so long as the remittance transfer provider is able to identify the remittance transfer in question.

Notice of Cancellation Right. A remittance transfer provider is required to include an abbreviated notice of the senders' right to cancel a remittance transfer on the receipt or combined disclosure provided to the sender. In addition, the remittance transfer provider must make available to a sender upon request, a notice providing a full description of the right to cancel a remittance transfer. See also Model Form 36 in Appendix A.

Thirty-Minute Cancellation Right. Except for certain remittance transfers scheduled in advance, a remittance transfer provider must comply with the cancellation and refund requirements if the cancellation request is received no later than 30 minutes after the sender makes payment.

Cancellation Request Provided to Agent. A cancellation request provided by a sender to an agent of the remittance transfer provider is deemed to be received by the provider when received by the agent.

Time Limits and Refund Requirements

If a sender provides a timely request to cancel a remittance transfer, a remittance transfer provider must, within three business days of receiving the request, refund all funds provided by the sender in

connection with the remittance transfer, including any fees and, to the extent not prohibited by law, taxes that have been imposed for the transfer, whether the fee or tax was assessed by the provider or a third party, such as an intermediary institution, the agent or bank in the recipient country, or a state or other governmental body.

Form of Refund. A remittance transfer provider generally may issue a refund either in cash or in the same form of payment that was initially provided by the sender for the remittance transfer.

XVI. Acts of Agents

A remittance transfer provider is strictly liable for a violation by an agent, when such agent acts on its behalf. Remittance transfer providers must comply with the requirements of subpart B, even if an agent or other person performs functions for the remittance transfer provider, and regardless of whether the provider has an agreement with a third party that transfers or otherwise makes funds available to a designated recipient. Agencies responsible for enforcing the requirements of E.F.T.A Section 919 and subpart B of Regulation E may consider, in any action or other proceeding against a remittance transfer provider, the extent to which the provider had established and maintained policies or procedures for compliance, including policies, procedures, or other appropriate oversight measures designed to assure compliance by an agent or authorized delegate acting for such provider [E.F.T.A section 919[f][2]].

XVII. Transfers Scheduled Before the Date of Transfer

Applicability of Subpart B. The requirements set forth in subpart B apply to remittance transfers scheduled before the transfer date. For example, the foreign language disclosure requirements apply to disclosures provided in connection with transfers scheduled in advance.

Timing

For one-time transfers scheduled five or more business days in advance or for the first in a series of transfers authorized in advance to recur at substantially regular intervals [preauthorized remittance transfers], the remittance transfer provider must provide either a pre-payment disclosure and a receipt or a combined disclosure at the time the sender requests the transfer but prior to payment. If any of the disclosures provided contain estimates, the provider must mail or deliver an additional receipt no later than one business day after the date of the transfer. If the transfer involves the transfer of funds from the senders' account held by the provider, this additional receipt may be provided on or with the next periodic statement for that account, or within 30 days after the date of the transfer if a periodic statement is not provided.

Subsequent Preauthorized Remittance Transfers. For each subsequent preauthorized remittance transfer, the provider must provide an updated receipt if any of the information [other than temporal disclosures] on the most recent receipt is no longer accurate for reasons other than as permitted. The receipt must clearly and conspicuously indicate that it contains updated disclosures and must be mailed or delivered to the sender within a reasonable time prior to the scheduled date of the next subsequent preauthorized remittance transfer. If the

disclosure is mailed no later than ten business days or delivered by hand or electronically no later than five business days before the scheduled date of the transfer, the provider is deemed to have provided the disclosure within a reasonable.

For each subsequent preauthorized transfer, the remittance transfer provider must mail or deliver to the sender a receipt no later than one business day after the date of the transfer. This is not required in situations where an updated receipt that contained no estimates was provided prior to the scheduled date of the next subsequent preauthorized remittance transfer. If the remittance transfer involves the transfer of funds from the senders' account held by the provider, the receipt may be provided on or with the next periodic statement for that account, or within 30 days after the date of the transfer if a periodic statement is not provided.

Accuracy

For a one-time transfer scheduled five or more business days in advance or for the first in a series of preauthorized remittance transfers, disclosures provided must be accurate when a sender makes payment except to the extent estimates are permitted. Unless estimates are permitted, for each subsequent preauthorized remittance transfer, the most recent receipt provided must generally be accurate as of when such transfer is made except to the extent estimates are permitted. Temporal elements in the disclosures, like the date of availability and the transfer date must only be accurate if the transfer is the first transfer after the disclosure was provided.

Cancellation

Cancellation of Transfers Scheduled at Least Three Days in Advance. A remittance transfer provider must comply with any oral or written request to cancel any remittance transfer scheduled by the sender at least three business days before the date of the remittance transfer, if the request to cancel:

- a. Enables the provider to identify the senders' name and address or telephone number and the particular transfer to be cancelled; and
- b. Is received by the provider at least three business days before the scheduled date of the remittance transfer.

The right of cancellation applies when a remittance transfer is scheduled by the sender at least three business days before the date of the transfer, regardless of whether the sender schedules a preauthorized remittance transfer or a one-time transfer. For transfers scheduled less than three business days before the date of transfer, the 30-minute cancellation deadline applies.

Cancelled Preauthorized Remittance Transfers. For preauthorized remittance transfers, the provider must assume the request to cancel applies to all future preauthorized remittance transfers, unless the sender specifically indicates that it should apply only to the next scheduled transfer.

Concurrent Cancellation Obligations. If a sender cancels a preauthorized remittance transfer with a provider that also holds the senders' account, the provider must follow the remittance transfer cancellation rules. In this case, the stop-payment rules for account transfers do **not** apply, only the remittance transfer cancellation rules govern.

Additional Requirements for Subsequent Preauthorized Remittance Transfers

Disclosure Requirement. For any subsequent transfer in a series of preauthorized remittance transfers, the remittance transfer provider must disclose:

- a. The date of the subsequent transfer using the term “Future Transfer Date” or a substantially similar term;
- b. A statement of the senders’ cancellation rights; and
- c. The name, telephone number[s], and website of the remittance transfer provider.

The disclosures must be provided no more than 12 months and no less than five business days prior to the date of the subsequent preauthorized remittance transfer. For any subsequent preauthorized remittance transfer for which the date of transfer is four or fewer business days after the date payment is made, the disclosure must generally be provided on or with the receipt for the initial transfer in that series.

A remittance transfer provider has some flexibility in determining how and when the disclosures required, may be provided to senders. They may be provided as a separate disclosure, or on or with any other disclosure required by subpart B related to the same series of preauthorized remittance transfers, provided that the disclosure and timing requirements and other applicable provisions in subpart B are satisfied.

If any of the information provided in these disclosures change, the provider must provide an updated disclosure with the revised information that is accurate as of when the transfer is made.

For any subsequent preauthorized remittance transfer, the future date of transfer must be provided on any receipt provided for the initial transfer in that series of preauthorized remittance transfers. If the provider discloses the dates of subsequent preauthorized remittance transfers and the applicable cancellation period on either the receipt provided when payment is made or on a second receipt, the disclosure must be phrased and formatted in such a way that it is clear to the sender which cancellation period is applicable to any date of transfer on the receipt.

The following sections are applicable to both subpart A and subpart B.

XVIII. Preemption

The E.F.T.A and Regulation E preempt inconsistent jurisdictional laws, but only to the extent of the inconsistency. The CFPB is given the authority to determine whether or not a jurisdictional law is inconsistent. An entity, state, or other interested party may request the Bureau to make such a determination. A jurisdictional law will not be deemed inconsistent if it is more protective of the consumer than the E.F.T.A or Regulation E. Upon application, the Bureau has the authority to exempt any state from the requirements of the E.F.T.A or the regulation for any class of E.F.Ts within a state, with the exception of the civil liability provision.

XIX. Administrative Enforcement and Record Retention

Section 918 of the E.F.T.A sets forth the federal agencies responsible for enforcing compliance with the provisions of the law and its implementing regulation.

Record Retention. Any person subject to the E.F.T.A and Regulation E must maintain evidence of compliance with the E.F.T.A and Regulation E for at least two years from the date the disclosures are required to be made or action is required to be taken. The agency supervising the person may extend this period. The period may also be extended if the person is subject to an action filed under Sections 910, 915 or 916[a] of the E.F.T.A, which generally apply to the persons' liability under the E.F.T.A and Regulation E. Persons subject to the E.F.T.A who have actual notice that they are being investigated or subject to an enforcement proceeding must retain records until disposition of the proceeding.

Records may be stored on microfiche, microfilm, magnetic tape, or in any other manner capable of accurately retaining and reproducing the information.

XX. Miscellaneous

The E.F.T.A contains several additional provisions that are not directly reflected in the language of Regulation E. Most significantly, provides that the consumer may not waive by agreement any right conferred, or cause of action created, by the E.F.T.A. However, the consumer and another person may provide by agreement greater consumer protections or additional rights or remedies than those provided by the E.F.T.A. In addition, the consumer may sign a waiver in settlement of a dispute.

If a third-party payee has agreed to accept payment by E.F.T, the consumers' obligation to pay is suspended during any period in which a system malfunction prevents an E.F.T from occurring. However, the payee may avoid that suspension by making a written request for payment by means other than E.F.T.

Failure to comply with the requirements of the E.F.T.A can result in civil and criminal liability. Financial institutions may also be liable for damages under due to failure to complete an E.F.T or failure to stop a preauthorized transfer when instructed to do so.

Model Disclosure Clauses and Forms - Appendix A

Appendix A of Regulation E contains model clauses and forms that entities may use to comply with the requirement disclosure requirements of Regulation E. Use of the model forms is optional and an entity may make certain changes to the language or format of the model forms without losing the protection from civil and criminal liability under Sections 915 and 916 of the E.F.T.A. The model forms are:

For subpart A:

- A-1 Model Clauses for Unsolicited Issuance
- A-2 Model Clauses for Initial Disclosures
- A-3 Model Forms for Error Resolution Notice
- A-4 Model Form for Service-Providing Institutions
- A-5 Model Clauses for Government Agencies
- A-6 Model Clauses for Authorizing One-Time Electronic Fund Transfers Using Information from a Check
- A-7 Model Clauses for Financial Institutions Offering Prepaid Accounts
- A-8 Model Clause for Electronic Collection of Returned Item Fees
- A-9 Model Consent Form for Overdraft Services
- A-10[a] Model Form for Short Form Disclosures for Government Benefit Accounts
- A-10[b] Model Form for Short Form Disclosures for Payroll Card Accounts
- A-10[c] Model Form for Short Form Disclosures for Prepaid Accounts, Example 1
- A-10[d] Model Form for Short Form Disclosures for Prepaid Accounts, Example 2
- A-10[e] Model Form for Short Form Disclosures for Prepaid Accounts with Multiple Service Plans

For subpart B:

A-10[f] Sample Form for Long Form Disclosures for Prepaid Accounts

- A-30[a] Model Form for Pre-Payment Disclosures for Remittance Transfers Exchanged into Local Currency including a disclaimer where non-covered third-party fees and foreign taxes may apply.
- A-30[b] Model Form for Pre-Payment Disclosures for Remittance Transfers Exchanged into Local Currency including a disclaimer with estimate for non-covered third-party fees.
- A-30[c] Model Form for Pre-Payment Disclosures for Remittance Transfers Exchanged into Local Currency including a disclaimer with estimate for foreign taxes
- A-30[d] Model Form for Pre-Payment Disclosures for Remittance Transfers Exchanged into Local Currency, including a disclaimer with estimates for non-covered third-party fees and foreign taxes
- A-31 Model Form for Receipts for Remittance Transfers Exchanged into Local Currency

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- A-32 Model Form for Combined Disclosures for Remittance Transfers Exchanged into Local Currency
- A-33 Model Form for Pre-Payment Disclosures for Dollar-to-Dollar Remittance Transfers
- A-34 Model Form for Receipts for Dollar-to-Dollar Remittance Transfers
- A-35 Model Form for Combined Disclosures for Dollar-to-Dollar Remittance Transfers
- A-36 Model Form for Error Resolution and Cancellation Disclosures [Long]
- A-37 Model Form for Error Resolution and Cancellation Disclosures [Short]
- A-38 Model Form for Pre-Payment Disclosures for Remittance Transfers Exchanged into Local Currency – Spanish
- A-39 Model Form for Receipts for Remittance Transfers Exchanged into Local Currency – Spanish
- A-40 Model Form for Combined Disclosures for Remittance Transfers Exchanged into Local Currency – Spanish
- A-41 Model Form for Error Resolution and Cancellation Disclosures [Long] – Spanish

References

Laws

Electronic Fund Transfer Act

Electronic Signatures in Global and National Commerce

Truth in Lending Act

Regulations

Consumer Financial Protection Bureau Regulations [12 CFR]

Part 1005 Electronic Fund Transfers [Regulation E]

Electronic Fund Transfer Act

These examination procedures are divided into three sections:

- Section I covers management- and policy-related procedures for both financial institutions and other entities that may be remittance transfer providers [referred to herein as “entity”].
- Section II covers electronic fund transfers conducted by financial institutions.
- Section III applies to remittance transfer providers [including financial institutions].

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Prepared By:	[Click&type]
Reviewer:	[Click&type]
Docket #:	[Click&type]
Entity Name:	[Click&type]
Event#:	[Click&type]

Each examination should be risk based and may not require an examiner to complete all three sections. In addition, each agency may have its own supervisory strategy that will dictate which sections of these examination procedures are required to be completed.

Examination Objectives

In general, a Regulation E examination is conducted to:

- Determine the entitys’ compliance with Regulation E.
- Assess the quality of the entitys’ compliance risk management systems and its policies and procedures for implementing Regulation E.
- Determine the level of reliance that can be placed on the entitys’ internal controls and procedures for monitoring the entitys’ compliance with Regulation E.
- As appropriate, direct corrective action when violations of law are identified or when the entitys’ policies or internal controls are deficient.

Examination Procedures

Section I – Management- and Policy-Related Examination Procedures

1. Through a review of all available information [e.g., board minutes, management reports, monitoring reports, etc.] and discussions with management, determine that the board and management have set clear expectations about compliance with Regulation E, not only within the entity but also concerning key business partners, including agents, correspondent banks, and software providers, to the extent relevant.
2. Through a review of all available information [e.g. written policies and procedures, managements' self-assessments, customer complaints, prior examination reports, and any compliance audit material, including work papers and reports], determine whether:
 - a. There are any weaknesses or other risks in the business model.
 - b. The scope of the audit addresses all provisions of Regulation E as applicable.
 - c. The scope of the audit addresses all key business processes and functions, including those carried out by third-party service providers or key business partners, as appropriate.
 - d. Management has taken corrective actions to follow up on previously identified deficiencies.
 - e. As applicable, testing includes risk-based samples covering product types and decision centers.
 - f. There is an audit trail that supports the findings and conclusions of the work performed.
 - g. Significant deficiencies and their causes are included in reports to management and/or to the Board of Directors or principal[s].
 - h. The frequency of review is appropriate.
3. Through discussions with management and review of available information, determine whether the entity's internal controls are adequate to ensure compliance with respect to the Regulation E area under review. Consider among other things:
 - a. Organizational charts,
 - b. Process flowcharts,
 - c. Policies and procedures,
 - d. Account [if applicable] and transaction documentation,
 - e. Checklists, and
 - f. Computer program documentation.

4. Through a review of the entity's training materials and discussions with management, determine whether:
 - a. The entity provides appropriate training to employees and other persons responsible for Regulation E compliance and operational procedures.
 - b. The training is comprehensive and covers the sections of Regulation E that apply to the individual entity's product offerings and operations including, to the extent appropriate, those functions carried out by third-party service providers or other business partners, such as agents and correspondent banks.

Section II – Subpart A

Based on the materials reviewed within Section I, complete Section II, as applicable, to determine the financial institutions' compliance with Regulation E.

Transaction-Related Examination Procedures

Conduct transaction testing, using the following examination procedures:

1. Obtain and review copies of the following:
 - a. Disclosure forms,
 - b. Advertising and scripts for overdraft opt-ins,
 - c. Account agreements,
 - d. Procedural manuals and written policies,
 - e. Merchant agreements,
 - f. Automated teller machine receipts and periodic statements,
 - g. Error resolution statements/files,
 - h. Form letters used in case of errors or questions concerning an account,
 - i. Any agreements with third parties allocating compliance responsibilities, and
 - j. Consumer complaint files.

Policies and Procedures

2. Determine the extent and adequacy of the financial institutions' policies, procedures, and practices for ensuring compliance with the regulation. In particular, verify that:
 - a. Access devices are issued in compliance with the regulation.
 - b. Required disclosures are given at the time the account is opened or prior to the first electronic funds transfer ["E.F.T"].
 - c. Unauthorized transfer claims are processed in compliance with the regulation.
 - d. Liability for unauthorized transfer claims is assessed in compliance with the regulation.
 - e. Negligence is not a factor in determining customer liability. The deposit agreement may not impose greater liability than Regulation E provides but may provide for less consumer liability.
 - f. Preauthorized debits and credits comply with the regulation.

Disclosures, Notices, Receipts, Periodic Statements, and Preauthorized Transfers

3. If the financial institution has changed the terms or conditions of initial disclosures for E.F.T services since the last examination that required a written notice to the customer, determine that the institution provided the proper notice in a timely manner.
4. Review a sample of periodic statements for each type of account in which electronic fund transfers occur to determine that they contain sufficient information for the consumer to identify transactions adequately and that they otherwise comply with regulatory requirements.
5. Verify that the financial institution does not require compulsory use of E.F.Ts, except as authorized.
6. For unauthorized transfers, lost or stolen A.T.M cards, and E.F.T consumer complaints, and their respective periodic statements, determine whether:
 - a. The financial institution is in compliance with its error resolution procedures to isolate any apparent deficiencies in the financial institutions' operations to ensure that the institution follows its policies for unauthorized transfers.
 - b. The financial institution investigates alleged errors and notifies consumers of the results within allotted time frames and, when appropriate, provisionally re-credits the account.

- c. The financial institution follows regulatory procedures after it completes its investigation and determines either that an error occurred or that no error occurred.
7. Review A.T.M and point-of-sale transfer receipts to determine whether they provide a clear description of the transaction.
8. Determine that the financial institution is maintaining records of compliance for a period of not less than two years from the date disclosures are required to be made or action is required to be taken.
9. If the financial institution operates one or more A.T.Ms for which it charges a fee for use, determine that the financial institution provides notice of the fee and the amount of the fee on the screen of the A.T.M or on paper before the consumer is committed to paying the fee.

Overdrafts

10. Determine that the financial institution holding a consumers' account does not assess a fee or charge on a consumers' account for paying an A.T.M or one-time debit card transaction pursuant to the institutions' overdraft service,²¹ unless the institution:
 - a. Provides the consumer with a notice in writing [or if the consumer agrees, electronically], that is segregated from all other information and describes the institutions' overdraft service;
 - b. Provides a reasonable opportunity for the consumer to affirmatively consent, or opt in, to the service for A.T.M and one-time debit card transactions;
 - c. Obtains the consumers' affirmative consent, or opt in, to the institutions' payment of A.T.M or one-time debit card transactions; and
 - d. Provides the consumer with confirmation of the consumers' consent in writing [or if the consumer agrees, electronically], which includes a statement informing the consumer of the right to revoke such consent.

NOTE: An institution does not have to meet the notice requirements described above if it does not impose a fee or charge for paying an overdraft transaction for A.T.M and one-time debit card transactions. For example, an institution that has a policy and practice of declining to authorize and pay any A.T.M or one-time debit card transactions when it has a reasonable belief at the time of the authorization request that the consumer does not have sufficient funds available to cover the transaction may pay such an overdraft regardless of notice. However, it is still prohibited from charging fees for paying an A.T.M or one-time debit transaction overdraft.

11. Determine that in assessing overdraft fees for consumers who have not opted in, the institution charges fees only for negative balances, daily, or sustained overdraft, or similar fees, when the negative balance is attributable in whole or in part to checks, automated

²¹ The term "overdraft service" means a service under which a financial institution assesses a fee or charge on a consumers' account held by the financial institution for paying a transaction [including a check or other item] when the consumer has insufficient or unavailable funds in the account [. "Overdraft service" does not include any payment of overdrafts pursuant to: a line of credit subject to Regulation Z; a service that transfers funds from another account held by a consumer; a line of credit or other transaction exempt from Regulation; or a covered separate credit feature accessible by a hybrid prepaid-credit card as defined in Regulation Z, or credit extended through a negative balance on the asset feature of the prepaid account that meets the conditions.

clearing house [A.C.H] or other transactions not subject to the fee prohibition, and that the fee is assessed based on the date when the check is paid into overdraft, not the date of the A.T.M or one-time debit transaction.

12. Determine that the financial institution does not:
 - a. Condition the payment of any overdrafts for checks, A.C.H transactions, and other types of transactions on the consumer affirmatively consenting to the institutions' payment of A.T.M and one-time debit card transactions pursuant to the institutions' overdraft service; or
 - b. Decline to pay checks, A.C.H transactions, and other types of transactions that overdraw the consumers' account because the consumer has not affirmatively consented to the institutions' overdraft service for A.T.M and one-time debit card transactions.
13. Determine that the financial institution provides to consumers who do not affirmatively consent to the institutions' overdraft service for A.T.M and one-time debit card transactions the same account terms, conditions, and features that it provides to consumers who affirmatively consent, except for the overdraft service for A.T.M and one-time debit card transactions.
14. Ensure that the notice required is substantially similar to Model Form A-9 [Model Consent Form for Overdraft Services], includes all applicable items in the following list, and does not contain any additional information:
 - a. *Overdraft service.* A brief description of the financial institutions' overdraft service and the types of transactions for which a fee or charge for paying an overdraft may be imposed, including A.T.M and one-time debit card transactions.
 - b. *Fees imposed.* The dollar amount of any fees or charges assessed by the financial institution for paying an A.T.M or one-time debit card transaction pursuant to the institutions' overdraft service, including any daily or other overdraft fees. If the amount of the fee is determined on the basis of the number of times the consumer has overdrawn the account, the amount of the overdraft, or other factors, the institution must disclose the maximum fee that may be imposed.
 - c. *Limits on fees charged.* The maximum number of overdraft fees or charges that may be assessed per day, or if applicable, that there is no limit.
 - d. *Disclosure of opt-in right.* An explanation of the consumers' right to affirmatively consent to the financial institutions' payment of overdrafts for A.T.M and one-time debit card transactions pursuant to the financial institutions' overdraft service, including the methods by which the consumer may consent to the service; and
 - e. *Alternative plans for covering overdrafts.* If the institution offers both a line of credit subject to Regulation Z [12 C.F.R Part 1026] and a service that transfers funds from another account of the consumer held at the institution to cover overdrafts, the institution must state in its opt-in notice that both alternative plans are offered. If the institution

offers one, but not the other, it must state in its opt-in notice the alternative plan that it offers. If the institution does not offer either plan, it should omit the reference to the alternative plans. If the financial institution offers additional alternatives for paying overdrafts, it may [but is not required to] disclose those alternatives.

NOTE: Permitted modifications and additional content. If applicable, the institution may modify the content required to indicate that the consumer has the right to opt in to, or opt out of, the payment of overdrafts under the institutions' overdraft service for other types of transactions, such as checks, A.C.H transactions, or automatic bill payments; to provide a means for the consumer to exercise this choice; and to disclose the associated returned item fee and that additional merchant fees may apply.

The institution may also disclose the consumers' right to revoke consent. The response portion of Model Form A-9 may be tailored to the methods offered for opting in, and may include reasonable methods to identify the account, such as a bar code.

15. Determine that, when two or more consumers jointly hold an account, the financial institution treats the affirmative consent of any of the joint consumers as affirmative consent for that account, and treats a revocation of affirmative consent by any of the joint consumers as revocation of consent for that account.
16. Ensure that a consumer may affirmatively consent to the financial institutions' overdraft service at any time in the manner described in the institutions' notice, and that a consumer may also revoke consent at any time in the manner made available to the consumer for providing consent.
17. Determine that the financial institution implements a consumers' revocation of consent as soon as reasonably practicable.
18. Determine that a consumers' affirmative consent to the institutions' overdraft service is effective until revoked by the consumer, or until the financial institution terminates the service.
19. Determine that the financial institutions' overdraft protection program incorporates the examiners' agency guidance as applicable.

Prepaid Accounts

NOTE: Additional Regulation E procedures outside of the "Prepaid Accounts" section may also apply to prepaid accounts.

20. Verify that the institution meets all pre-acquisition prepaid account disclosure requirements, including the required timing, content, and formatting for short- and long-form disclosures.

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21. If the financial institution does not provide periodic statements for prepaid accounts, verify that the institution makes available the account balance by telephone, an electronic history of account transactions, and a written history of account transactions upon request [except as not required].

If the financial institution provides an electronic history of account transactions and a written history of account transactions upon request.

22. Verify that any periodic statements provided by the institution and any history of account transactions provided or made available by the institution disclose the required fee information.
23. If the financial institution provides information rather than periodic statements, verify that the institution complies with the modified requirements with respect to the required initial disclosures, error resolution notices, limitations on liability, and error resolution procedures.
24. Verify that the initial disclosures provided by the institution include all fees and other information required to be disclosed in its pre-acquisition long form disclosure.
25. If the financial institution maintains prepaid accounts, verify that the institution provides notice for changes in terms and conditions when required.
26. Verify that the institution discloses required information on its prepaid account access devices, or if the institution does not provide an access device, on the website, mobile application, or other entry point a consumer must visit to access the prepaid account electronically.
27. Except in the case of higher fees and charges imposed on the asset feature of a prepaid account with a covered separate credit feature, if the financial institution maintains a prepaid account program where consumers may be offered a covered separate credit feature accessible by a hybrid prepaid-credit card as defined by Regulation Z, verify that the institution provides to any prepaid account without a covered separate credit feature the same account terms, conditions, and features it provides on prepaid accounts in the same prepaid account program that have such a credit feature.

Internet Posting of Prepaid Account Agreements

28. For prepaid account issuers that are subject to the requirement, verify that the issuer makes submissions of prepaid account agreements to the C.F.P.B on a rolling basis, as applicable, in the form and manner specified by the Bureau.
29. Verify that the issuer posts and maintains on its publicly available website any prepaid account agreements offered to the general public that the issuer is required to submit to the C.F.P.B as frequently as the issuer is required to submit new or amended agreements to the Bureau and in conformance to the form and content requirements. Also verify that agreements are placed in a location that is prominent and readily accessible to the public, and are

accessible without the submission of personally identifiable information.

30. Verify that for any open prepaid account, the issuer posts and maintains on its website the consumers' agreement or promptly provides a copy of the consumers' agreement to the consumer upon the consumers' request, in conformance with the form and content requirements. If the agreement is posted on its website, verify that it is posted in any electronic format that is readily usable by the general public and placed in a location that is prominently and readily accessible to the consumer. If the agreement is provided upon request from a consumer, ensure the agreement is sent no later than five business days after the issuer receives the request.

Gift Card Disclosures

31. Determine that the disclosures required by the sections listed below are made on the certificate or card, or in the case of a loyalty, award, or promotional gift card, on the card, code, or other device:
 - a. loyalty, award, or promotional gift card;
 - b. dormancy, inactivity, or service fees;
 - c. expiration date or phone and web regarding replacement; and
 - d. phone and web regarding fees.

NOTE: A disclosure made in an accompanying terms-and-conditions document, on packaging surrounding a certificate or card, or on a sticker or other label affixed to the certificate or card does not constitute a disclosure on the certificate or card.

If the certificate or card is electronic, determine that disclosures are provided electronically on the certificate or card provided to the consumer.

If an issuer provides a code or confirmation to a consumer orally, determine that the issuer provides to the consumer a written or electronic copy of the code or confirmation promptly, and the applicable disclosures are provided on the written copy of the code or confirmation.

32. Determine that the following are stated, as applicable, clearly and conspicuously on the gift certificate, store gift card, or general-use prepaid card:
 1. The amount of any dormancy, inactivity, or service fee that may be charged;
 2. How often such fee may be assessed; and
 3. That such fee may be assessed for inactivity.
33. Determine that the following disclosures and information are provided in connection with a gift certificate, store gift card, or general-use prepaid card as applicable. For each type of fee that may be imposed in connection with the certificate or card [other than a dormancy,

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inactivity, or service fee, which are discussed above] the following information must be provided on or with the certificate or card:

- a. The type of fee;
 - b. The amount of the fee [or an explanation of how the fee will be determined]; and
 - c. The conditions under which the fee may be imposed.
 - d. A toll-free number, and if one is maintained, a website that a consumer may use to obtain information about the fees described in paragraphs [described immediately above] of this section must be disclosed on the certificate or card.
34. If an expiration date applies to a certificate or card, determine that the following disclosures are provided on the certificate or card, as applicable:
- a. The expiration date for the underlying funds or, if the underlying funds do not expire, that fact;
 - b. A toll-free telephone number and, if one is maintained, a website that a consumer may use to obtain a replacement certificate or card after the certificate or card expires if the underlying funds may be available; and
 - c. Except where a non-reloadable certificate or card bears an expiration date that is at least seven years from the date of manufacture, a statement, disclosed with equal prominence and in close proximity to the certificate or card expiration date, that:
 - i. The certificate or card expires, but the underlying funds either do not expire or expire later than the certificate or card, and
 - ii. The consumer may contact the issuer for a replacement card.
35. Determine that a loyalty, award, or promotional gift card sold or issued by the examined institution sets forth the following disclosures, as applicable:
- A statement on the front of the card, code, or other device, indicating that the card, code, or other device is issued for loyalty, award, or promotional purposes;
 - The expiration date for the underlying funds on the front of the card, code, or other device;
 - The amount of any fees that may be imposed in connection with the card, code, or other device, and the conditions under which they may be imposed. This disclosure must be provided on or with the card, code, or other device; and
 - A toll-free telephone number and, if one is maintained, a website that a consumer may use to obtain fee information on the card, code, or other device.
36. Determine that a person [examined institution] that issues or sells a gift certificate, store gift

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card, or general-use prepaid card discloses to the consumer, prior to purchase, the information required [dormancy, inactivity, or service fees], [expiration date or phone and web regarding replacement].

37. Determine that the fees, terms, and conditions of expiration that are required to be disclosed prior to purchase are not changed after purchase.
38. Determine that no person [examined institution] imposes a dormancy, inactivity, or service fee with respect to a gift certificate, store gift card, or general-use prepaid card, unless:
 - a. There has been no activity with respect to the certificate or card, in the one-year period ending on the date on which the fee is imposed;
 - b. Required disclosures are provided; and
 - c. Not more than one dormancy, inactivity, or service fee is imposed in any given calendar month.
39. Determine that the person [examined institution] does not sell or issue a gift certificate, store gift card, or general-use prepaid card with an expiration date unless:
 - a. Required expiration date disclosures are provided on the certificate or card, as applicable;
 - b. It has established policies and procedures to provide consumers with a reasonable opportunity to purchase a certificate or card with at least five years remaining until the certificate or card expiration date;
 - c. The expiration date for the underlying funds is at least the later of:
 - i. Five years after the date the gift certificate was initially issued, or the date on which funds were last loaded to a store gift card or general-use prepaid card; or
 - ii. The certificate or card expiration date, if any; and
 - d. No fee or charge is imposed on the cardholder for replacing the gift certificate, store gift card, or general-use prepaid card or for providing the certificate or card holder with the remaining balance in some other manner prior to the funds expiration date, unless such certificate or card has been lost or stolen.

Section III—Subpart B—Requirements for Remittance Transfers

If an entity provides remittance transfers in its “normal course of business,” it is a remittance transfer provider subject to the rule and should be examined based on the following procedures.²²

²² Subpart B provides for a 100-transfer “safe harbor.” For an entity to qualify for this “safe harbor,” it must have provided 100 or fewer remittance transfers in the current calendar year and the previous calendar year. If an entity crosses the 100-transfer threshold either in the previous calendar year or the current calendar year, it is deemed to be providing remittance transfers in its “normal course of business” and it must begin complying with the rule within a reasonable period of time [not to exceed six months] unless, under the facts and circumstances, it would not be deemed a provider.

Transaction-Related Examination Procedures

As applicable, conduct transaction testing using the following examination procedures:

Obtain and review all available information as it relates to the providers' remittance program. Examples of this include but are not limited to:

- a. List of divisions or departments involved in offering or providing remittance transfers [e.g., retail, high net worth, prepaid cards, bill payment, online or mobile banking, foreign exchange and/or treasury departments];
- b. Remittance transfer products offered;
- c. Disclosure forms in all languages [as applicable];
- d. List of foreign countries to which the provider sends remittance transfers, if available²³;
- e. List of all foreign currencies in which remittance transfers sent by the provider may be received where there are limitations on such currencies, and identification of the currencies in which the provider controls the exchange rate;
- f. List of all third-party service providers or business partners involved in remittance transfers, including direct correspondent banks, payment networks, payment processors, software providers, foreign currency providers, agents in the Xaymaca or abroad, or similar entities;
- g. Locations of U.S. and foreign agents;
- h. Applicable documentation related to remittance transfer operations [e.g., transaction logs, agent/correspondent agreements, advertising and marketing material including any done in foreign languages, and documentation regarding calculation or estimates of fees, taxes, exchange rates, and dates included on disclosures];
- i. Procedural manuals and written policies;
- j. Error resolution files;
- k. Form letters used in case of errors or questions concerning a remittance transfer [including any provided in foreign languages];
- l. Any agreements with third parties allocating compliance responsibilities; and
- m. Consumer complaint files.

General Form of Disclosures

1. Obtain and review a sample of the providers' disclosure forms for the providers' various remittance transfer products. Include disclosures as provided for various products and

²³ For transfers that are sent to a recipients' account, an account that is located on a Nyan-ko-pong; military installation abroad is considered to be located in a State. See Comment 30[c]-2.ii.

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through various channels [e.g., in person, through a website, by telephone, through a mobile phone application, text message, online bill pay]. Verify that:

- a. Disclosures are in the appropriate form, and are clear and conspicuous;
 - b. Written and electronic disclosures are in a retainable form [except where expressly permitted not to be retainable];
 - c. Pre-payment disclosures match figures disclosed on receipts and match those actually applied to the transfer.
 - d. The providers' policy for providing oral disclosures is appropriate for the related transactions;
 - e. Copies of scripts used for oral disclosures comply with the regulation;
 - f. Disclosures comply with the format requirements regarding grouping of like items, proximity, prominence and size, and segregation from other information; and
 - g. Disclosure of amounts required to be disclosed, use the appropriate terms [e.g., transfer amount, transfer taxes, currency] or substantially similar terms.
2. If applicable, determine whether the provider complies with the foreign language disclosure requirements.

Pre-Payment Disclosures

3. Based on a review of the providers' policies and, if appropriate, sampled transactions, determine whether it appropriately categorizes third-party fees as covered or non-covered.
4. Based on a review of the providers' policies on pre-payment disclosures and, if appropriate, sampled pre-payment disclosures and related documentation, determine whether the provider appropriately calculates and discloses:
 - a. In the currency in which the remittance transfer is funded:
 - i. The amount that will be transferred to the designated recipient, using the term, "Transfer Amount" or a substantially similar term;
 - ii. Fees imposed and taxes collected on the remittance transfer by the provider, using the terms "Transfer Fees" and "Transfer Taxes" or substantially similar terms; and
 - iii. The total amount of the transaction using the term "Total," or a substantially similar term;
 - b. The exchange rate used by the provider for the remittance transfer using the term "Exchange Rate" or a substantially similar term;
 - c. In the currency in which the funds will be received by the designated recipient:

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- i. The transfer amount in the currency, but only if covered third-party fees are imposed using the term “Transfer Amount” or a substantially similar term;
 - ii. Any covered third-party fees imposed on the remittance transfer using the term “Other Fees” or a substantially similar term;
 - iii. The amount that will be received by the designated recipient [total amount of the transaction minus covered third-party fees] using the term “Total to Recipient,” or a substantially similar term; and
- d. If applicable, a statement that non-covered third-party fees or taxes collected on the remittance transfer by a third person may apply to the remittance transfer and result in the designated recipient receiving less than the amount disclosed.
 - e. If the provider includes in the statement under [c][iii] above, the optional estimated disclosure of applicable non-covered third-party fees or taxes, determine if the estimates are based on reasonable sources, and are disclosed in the currency in which the transfer is to be received.

NOTE: The exchange rate used to calculate the amounts under [c] is prior to any rounding.

Receipt Disclosures

5. Review policies on receipt disclosures, sample receipts, and related documentation to determine whether the provider appropriately calculates and discloses:
 - a. Information disclosed in the pre-payment disclosure:
 - b. The date in the foreign country on which funds will be available to the designated recipient, using the term “Date Available” or a substantially similar term;
 - c. The name and, if provided by the sender, the telephone number and/or address of the designated recipient, using the term “Recipient” or a substantially similar term;
 - d. A statement about the rights of the sender regarding the resolution of errors and cancellation;
 - e. The name, telephone number[s], and website of the remittance transfer provider; and
 - f. A statement that the sender can contact the Consumer Financial Protection Bureau [C.F.P.B or Bureau] and if applicable, the state agency that licenses or charters the remittance transfer provider with respect to the remittance transfer and for questions or complaints about the remittance transfer provider, as well as their telephone number[s], and website addresses.

NOTE: For any remittance transfer scheduled by the sender at least three business days before the date of the transfer, the statement about the rights of the sender regarding cancellation must state that the sender must request the cancellation, at least three business days before the next scheduled transfer. The statement must also note that the request must enable the provider to identify the senders’ contact information and the particular transfer

to be cancelled.

Combined Disclosures

NOTE: Complete this section only if the provider provides combined disclosures as an alternative to the pre-payment and receipt disclosures.

6. Review policies on combined disclosures, sample disclosures and related documentation to:
 - a. Determine that they contain all the information required for the pre-payment disclosure and receipt disclosure as described above;
 - b. Determine that the provider provides a proof of payment after payment is made for each transaction; and
 - c. Determine that the proof of payment is clear and conspicuous, provided in writing or electronically, and provided in a retainable form.

Accuracy and Timing

7. Review, as appropriate, all available information including transactions or investigation/trace logs/records or similar documents to verify [subject to the disclaimer statement with respect to non-covered third-party fees and third-party taxes] the accuracy of disclosures provided to consumers.
 - a. In instances in which pre-payment disclosures and receipts are provided that do not contain estimates, confirm with respect to any transaction for which payment was made, that the information on the most recent pre-payment disclosure for that transaction and the information on the receipt for that transaction are the same.
 - b. For amounts that are not estimates, confirm that the disclosed amounts were accurate at the time that payment was made.
 - c. For amounts that are estimates, determine whether the estimates were calculated correctly, in accordance with the applicable bases.
 - d. In the case of estimates] that are based on an approach that is not one of the listed bases, determine that the recipient received the same, or greater, amount of funds than what was disclosed.
8. Review processes and procedures or records, as appropriate, to determine whether the required disclosures are provided in accordance with the timing requirements.
 - a. Determine whether pre-payment disclosures are provided when the sender requests the remittance transfer, but prior to payment.
 - b. Determine whether receipts are provided when payment is made for transactions conducted by telephone.

Long Form Error Resolution and Cancellation Notice

9. Determine the providers' policy for providing long form error resolution and cancellation notices to senders upon request.
10. Review the providers' records of senders' requests and determine that a long form error resolution and cancellation notice is promptly provided in response to each request.
11. Review sample notices to determine that they use language set forth in Model Form A-36 [Model Form for Error Resolution and Cancellation Disclosures [Long] of Appendix A to subpart B] or substantially similar language.

Estimates

Temporary Exception for Insured Institutions

12. Determine that the remittance transfer provider is an insured institution within the definition of the rule. If it is, review the appropriate information including transaction log/records, etc., to identify remittance transfer transactions that were sent from the senders' account with the institution. From the list, identify transactions for which estimates were used.

NOTE: An insured institution acting as an agent on behalf of another in connection with a remittance transfer is not a remittance transfer provider.

13. Review transactions for which estimates were used, as well as related disclosures, and any other relevant procedures, processes and documentation of information included in disclosures, as appropriate, to:
 - a. Assess the adequacy of the providers' policy and procedures for determining that a provider could not determine exact amounts for reasons beyond its control;
 - b. Determine that estimates were used only in cases when the provider could not determine the exact amounts for reasons beyond its control;
 - c. Determine the bases used for the estimates and consider their appropriateness; and
 - i. If estimates were provided in accordance with one of the bases listed in Regulation E, review documentation to confirm that inputs to estimates are appropriate.
 - ii. If estimates are based on an approach that is not one of the listed bases, determine, as appropriate, that the designated recipient received the same, or greater, amount of funds than the remittance transfer provider disclosed.

- d. Determine that the estimated amounts are appropriately labeled with the term “Estimated” or a substantially similar term, placed in close proximity to the term described.
- e. Determine that related calculations were performed appropriately.

NOTE: Unless extended, this exception will not apply after July 21, 2020.

Permanent Exception for Transfers to Certain Countries

- 14. Review and assess the adequacy of the providers’ policy for determining that:
 - a. The laws of the recipient country do not permit a determination of the exact amount; or
 - b. The methods by which transactions are made in the recipient country do not permit such determination.
- 15. Review the providers’ transaction log/records to identify remittance transactions that were sent to countries on the list provided by the B.C.F.P for which estimates may be provided on remittance transfer-related disclosures to determine if the provider properly relied on the list in making estimates.
- 16. Determine whether the provider gave estimates for transactions to a country that is not on the list provided by the B.C.F.P. Review related documentation to confirm that the recipient country does not legally permit, or the method by which transactions are conducted in that country does not permit determination of exact amounts.
- 17. Review records to determine:
 - a. The bases used for the estimates and their appropriateness:
 - i. If estimates were provided in accordance with one of the bases, review documentation to confirm that inputs to estimates are appropriate; or
 - ii. If estimates are based on an approach that is not one of the listed bases, determine as appropriate, that the designated recipient received the same, or greater, amount of funds than the remittance transfer provider disclosed.
 - b. That the estimated amounts are appropriately labeled with the term “Estimated” or a substantially similar term, placed in close proximity to the term described.

Permanent Exception for Transfers Scheduled Before the Date of Transfer

- 18. Review and assess the adequacy of the providers’ policy and procedures for using estimates in the case of transfers scheduled five or more business days before the date of transfer.
- 19. Review and assess transactions for which estimates were used as well as related disclosures, and any other relevant documentation, as appropriate, to determine compliance.

Procedures for Resolving Errors

20. Review the providers' policies and procedures on error resolution.
21. Review relevant error resolution statements/files, consumer complaints, form letters, etc., used in addressing errors or questions concerning remittance transfer transactions.
22. Assess the providers' compliance program to determine whether it has developed and maintains adequate written policies and procedures designed to ensure compliance with the error resolution requirements applicable to remittance transfers.

Consider:
 - a. The procedures for receiving complaints of error from branches, agents or other locations where a consumer may lodge a complaint;
 - b. The procedures for identifying complaints alleging "errors"; and
 - c. The procedures for investigating, responding to, and resolving complaints.
23. Determine the extent of the providers' compliance with its policies and procedures on error resolution.
24. Determine the providers' compliance with the regulatory requirements regarding investigation of alleged errors, and notification of consumers within the allotted time frames.
25. Determine the timeliness and adequacy of remedies the provider provides to address identified errors.
 - a. For errors *other than* those that occurred because the sender provided incorrect or insufficient information, consider:
 - i. If the provider provided the sender notice regarding the error investigation.
 - ii. If the sender requested a remedy, determine whether the provider provides the remedy selected by the sender. If a default remedy is provided, determine whether the sender had a reasonable time to designate a remedy after receiving a report of the error.
 - iii. If the remedy is delivery of the amount appropriate to correct the error, determine whether the provider corrects the error within one business day, or as soon as reasonably practicable, applying the same exchange rate, fees, and taxes stated in the disclosure provided in connection with the remittance transfer with respect to which the error was made;
 - iv. If the remedy is a refund, determine whether the provider refunds the appropriate amount within one business day or as soon as reasonably practicable thereafter;
 - b. If the provider determines that an error occurred that relates to:
 - i. An incorrect amount paid by the sender;

- ii. A computational or bookkeeping error made by the remittance transfer provider; or
- iii. Failure to make the amount of currency stated in the disclosures available to the designated recipient.

26. Determine whether the provider either:

- a. Refunds the amount of funds provided by the sender [in case of a transaction that was not properly transmitted], or the amount appropriate to resolve the error; or
- b. Makes available to the designated recipient the amount appropriate to resolve the error without additional cost to the sender or the designated recipient.
- c. If the error relates to the failure to make funds available to the designated recipient by the disclosed date of availability [other than an error resulting from incorrect or insufficient information provided by the sender], determine whether the provider:
 - i. Either:
 - 1. Refunds the amount of funds that was not properly transmitted, or the amount appropriate to resolve the error to the sender; or
 - 2. Makes available to the designated recipient the amount appropriate to resolve the error; and
 - ii. Refunds to the sender any fees and, to the extent not prohibited by law, taxes collected on the remittance transfer.
- d. In the case of errors involving incorrect or insufficient information provided by the sender for the transfer:
 - i. Determine whether the provider refunds to the sender the amount of funds that was not properly transmitted, or the amount appropriate to resolve the error, the fees and taxes paid by the sender in connection with the remittance transfer, and only deducts those fees actually deducted by a person other than the provider and [where not prohibited by law] taxes actually collected for the original unsuccessful transaction, within three business days of providing the written explanation of findings.
 - ii. Alternatively, if the provider has not yet processed a refund and agrees to the senders' request to apply the funds towards a new remittance transfer, instead of a refund, determine whether the provider treats the request as a new remittance transfer, provides the appropriate disclosures, and only deducts those fees actually deducted by a person other than the provider and [where not prohibited by law] taxes actually collected for the original unsuccessful transaction.

27. Determine that the provider is maintaining records of compliance for a period of not less than two years from the date a notice of error was submitted to the provider or action was required to be taken by the provider.

Procedures for Cancellation and Refund of Remittance Transfers

28. Review and assess the providers' policies and procedures regarding cancellation and refund of remittance transfer transactions, including:

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- a. The procedures for receiving requests of cancellation from branches, agents or other locations where a consumer may request cancellation.
 - b. The procedures for identifying which transactions are eligible for cancellation.
 - c. The procedures for issuing refunds.
29. Determine the extent of the providers' compliance with its own policies and procedures on cancellation and refund.
30. Determine the providers' compliance with the regulatory requirements regarding senders' request for cancellation and refund.
31. Determine whether the provider complies with any oral or written request to cancel any remittance transfer scheduled by the sender at least three business days before the date of the remittance transfer.

Acts of Agents

NOTE: Complete this section if the provider uses agent[s] to conduct any element of remittance transfer transactions.

32. Review the providers' agreements with agents used for remittance transfers to determine whether they are appropriate for the activities delegated.
33. Determine whether the provider has established appropriate internal controls and review procedures in relation to the work done by agents on its behalf to ensure compliance with the regulatory requirements. Consider:
- a. The extent to which the provider has established and maintained policies or procedures for compliance, including policies, procedures, or other appropriate oversight measures designed to assure compliance by an agent or authorized delegate acting for such provider including:
 - i. The degree of control the agent exercises over the remittance transfer activities performed on the providers' behalf;
 - ii. The quality and frequency of training provided to ensure that agents are aware of the regulatory requirements and the providers' internal policy guidelines; and
 - iii. The adequacy of the providers' oversight of agents' activities.
34. Select a sample of agents used by the provider and review their records in addition to relevant records held by the provider directly to determine that the activities performed by the agent on the providers' behalf are in compliance with the regulatory requirements.

Transfers Scheduled Before the Date of Transfer

35. Review and assess the adequacy of the providers' policies and procedures regarding transfers scheduled before the date of transfer.
36. As appropriate, select a sample of records of transfers scheduled before the date of transfer to determine whether the provider complies with the timing of disclosures, accuracy of disclosures and the senders' request for cancellation. Use the same methods identified in the sections above, regarding other disclosures. Consider the following:
- For one-time transfers scheduled five or more business days before the date of transfer or for the first in a series of preauthorized remittance transfers, determine whether the provider provides either a pre-payment disclosure and a receipt or a combined disclosure at the time the sender requests the transfer but prior to payment.

NOTE: If any of the disclosures provided contain estimates as permitted, the provider must mail or deliver an additional receipt no later than one business day after the date of the transfer. If the transfer involves the transfer of funds from the senders' account held by the provider, this additional receipt may be provided on or with the next periodic statement for that account, or within 30 days after the date of the transfer if a periodic statement is not provided.

- For each subsequent preauthorized remittance transfer, determine whether the provider provides an updated receipt if any of the information [other than temporal disclosures or disclosures that are permitted to be estimated] on the most recent receipt is no longer accurate.

NOTE: The receipt must clearly and conspicuously indicate that it contains updated disclosures and must be mailed or delivered to the sender within a reasonable time prior to the scheduled date of the next subsequent preauthorized remittance transfer. A disclosure that is mailed no later than ten business days or hand or electronically delivered no later than five business days is deemed to have been provided within a reasonable time.

- If there is no updated information and the remittance transfer does not involve the transfer of funds from the senders' account held by the provider, determine whether the provider mails or delivers a receipt to the sender no later than one business day after the date of the transfer for each subsequent preauthorized transfer;
- If there is no updated information and the remittance transfer involves the transfer of funds from the senders' account held by the provider, determine whether the receipt is provided on or with the next periodic statement for that account, or within 30 days after the date of the transfer if a periodic statement is not provided;

- e. For any subsequent transfer in a series of preauthorized remittance transfers, determine whether the provider discloses the information required, no more than 12 months, and no less than five business days prior to, the date of the subsequent preauthorized remittance transfer.

NOTE: While the rule generally provides flexibility as to when and where future transfer dates may be disclosed, for any subsequent preauthorized remittance transfer for which the date of transfer is four or fewer business days after the date payment is made, the disclosure must generally be provided on or with the receipt for the initial transfer in that series.

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Examiners' Summary, Recommendations, and Comments

Electronic Fund Transfer Act [Regulation E]

Exam Date:	[Click&type]
Prepared By:	[Click&type]
Reviewer:	[Click&type]
Docket #:	[Click&type]
Entity Name:	[Click&type]

This questionnaire can be used to review audit workpapers, to evaluate financial institution policies, to perform transaction testing, and to train as appropriate. Complete only those aspects of the checklist that specifically relate to the issue being reviewed, evaluated, or tested, and retain those completed sections in the workpapers.

When reviewing audits, evaluating financial institution policies, or performing transaction testing, a "No" answer indicates a possible exception/deficiency, and you should explain it in the workpapers. If a line item is not applicable within the area you are reviewing, indicate by using "NA."

Subpart A

Yes No NA

Issuance of Access Devices

1. Do the financial institutions' policies, practices, and procedures allow that validated access devices are issued only:
 - In response to oral or written requests or Yes No NA
 - As a renewal or substitution for an accepted access device? Yes No NA

2. Do the financial institutions' policies, practices, and procedures allow that unsolicited access devices are issued only when the devices are:
 - Not validated? Yes No NA
 - Accompanied by a clear explanation that they are not validated and how they may be disposed of if validation is not desired? Yes No NA
 - Accompanied by the initial disclosures required Yes No NA
 - Validated only in response to a consumers' request and after the financial institution has verified the consumers' identity by reasonable means [e.g., photograph, fingerprint, personal visit, and signature]? Yes No NA

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Yes No NA

Consumer Liability for Unauthorized Electronic Fund Transfers [E.F.Ts] – 12 C.F.R 1005.6

NOTE: For prepaid accounts that are not payroll card accounts or government benefit accounts, a financial institution is not required to comply with the liability limits and error resolution requirements for any prepaid account for which it has not successfully completed its consumer identification and verification process.

- | | | | | |
|----|---|--------------------------|--------------------------|--------------------------|
| 3. | Does the financial institution impose liability on the consumer for unauthorized transfers only if: [12 C.F.R 1005.6[a]] | | | |
| | • Any access device that was used was an accepted access device? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | • The institution has provided a means to identify the consumer to whom it was issued? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | • The institution has provided the disclosures required? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. | Does the financial institution not rely on consumer negligence or the deposit agreement to impose greater consumer liability for unauthorized E.F.Ts than is permitted under Regulation E? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. | If a consumer notifies the financial institution within two business days after learning of the loss or theft of an access device, does the financial institution limit the consumers' liability for unauthorized E.F.Ts to the lesser of \$50 or actual loss? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. | If a consumer does not notify the financial institution within two business days after learning of the loss or theft of an access device, does the institution limit the consumers' liability for unauthorized E.F.Ts to the lesser of \$500 or the sum of : | | | |
| | • \$50 or the amount of unauthorized E.F.Ts that occurred within the two business days, whichever is less; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Plus | | | |
| | • The amount of unauthorized E.F.Ts that occurred after the close of two business days and before notice to the financial institution [provided the financial institution establishes that these transfers would not have occurred had the consumer notified the financial institution within that two-day period]? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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	Yes	No	NA
7. If a consumer notifies the financial institution of an unauthorized E.F.T within 60 days of transmittal of the periodic statement upon which the unauthorized E.F.T appears, does the financial institution not hold the consumer liable for the unauthorized transfers that occur after the 60-day period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. If a consumer does not notify the financial institution of an unauthorized E.F.T within 60 days of transmittal of the periodic statement upon which the unauthorized E.F.T appears, does the financial institution ensure that the consumers' liability does not exceed the amount of the unauthorized transfers that occur after the close of the 60 days and before notice to the financial institution, if the financial institution establishes that the transfers would not have occurred had timely notice been given?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. If a consumer notifies the financial institution of an unauthorized E.F.T within the time frames discussed in questions 7 or 8 and the consumers' access device is involved in the unauthorized transfer, does the financial institution hold the consumer liable for amounts NOTE: The first two tiers of liability do not apply to unauthorized transfers from a consumers' account made without an access device.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does the financial institution extend the 60-day time period by a reasonable amount, if the consumers' delay in notification was due to an extenuating circumstance?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Does the financial institution consider notice to be made when the consumer takes steps reasonably necessary to provide the institution with pertinent information, whether or not a particular employee or agent of the institution actually received the information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Does the financial institution allow the consumer to provide notice in person, by telephone, or in writing? [12 C.F.R 1005.6[b][5][ii]]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Does the financial institution consider written notice to be given at the time the consumer mails or delivers the notice for transmission to the institution by any other usual means? [12 C.F.R 1005.6[b][5][iii]]	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| 14. Does the financial institution consider notice given when it becomes aware of circumstances leading to the reasonable belief that an unauthorized transfer to or from the consumers' account has been or may be made? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 15. Does the financial institution limit the consumers' liability to a lesser amount, when jurisdictional law or an agreement between the consumer and the financial institution provide for such an amount? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Initial Disclosures

- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| 16. Does the financial institution provide the initial disclosures at the time a consumer contracts for an E.F.T service or before the first E.F.T is made involving the consumers' account? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 17. Do the financial institutions' initial disclosures provide the following information, as applicable: | | | |
| • A summary of the consumers' liability for unauthorized transfers under state or other applicable law or agreement? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The telephone number and address of the person or office to be notified when the consumer believes that an unauthorized E.F.T has been or may be made? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The financial institutions' business days? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The type of E.F.Ts the consumer may make and any limits on the frequency and dollar amount of transfers? [If details on the limits on frequency and dollar amount are essential to maintain the security of the system, they need not be disclosed.] | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Any fees imposed by the financial institution for E.F.Ts or for the right to make transfers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • A summary of the consumers' right to receive receipts and periodic statements and notices regarding preauthorized transfers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
-

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	Yes	No	NA
<ul style="list-style-type: none">• A summary of the consumers' right to stop payment of a preauthorized E.F.T and the procedure for placing a stop payment order?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• A summary of the financial institutions' liability to the consumer for its failure to make or to stop certain transfers under the Electronic Fund Transfer Act?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• The circumstances under which the financial institution, in the ordinary course of business, may disclose information to third parties concerning the consumers' account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• An error resolution notice that is substantially similar to the Model Form A-3 in appendix A?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• A notice that a fee may be imposed by an A.T.M operator when the consumer initiates an E.F.T or makes a balance inquiry and by any network used to complete the transaction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
18. Does the financial institution provide disclosures at the time a new E.F.T service is added, if the terms and conditions of the service are different than those initially disclosed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Change-in-Terms Notice; Error Resolution Notice

19. If the financial institution made any changes in terms or conditions required to be disclosed that would result in increased fees, increased liability, fewer types of available E.F.Ts, or stricter limits on the frequency or dollar amount of transfers, did the financial institution provide a written notice to consumers at least 21 days prior to the effective date of such change?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Does the financial institution provide either the long form error resolution notice at least once every calendar year or the short form error resolution notice on each periodic statement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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	Yes	No	NA
Receipts at Electronic Terminals; Periodic Statements			
21. Does the financial institution make receipts available to the consumer at the time the consumer initiates an E.F.T at an electronic terminal? The financial institution is exempt from this requirement for E.F.Ts of \$15 or less.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
22. Do the receipts contain the following information, as applicable:			
• The amount of the transfer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The date the transfer was initiated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The type of transfer and the type of account to or from which funds were transferred?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• A number or code that identifies the consumers' account or the access device used to initiate the transfer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The terminal location where the transfer is initiated?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The name or other identifying information of any third party to or from whom funds are transferred?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
23. Does the financial institution send a periodic statement for each monthly cycle in which an E.F.T has occurred? If no E.F.T occurred, does the financial institution send a periodic statement at least quarterly?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
24. Does the periodic statement contain the following information, as applicable:			
• Transaction information for each E.F.T occurring during the cycle, including the amount of transfer, date of transfer, type of transfer, terminal location, and name of any third-party transferor or transferee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Account number?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Account balances?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Address and telephone number for inquiries?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

- | | Yes | No | NA |
|--|--------------------------|--------------------------|--------------------------|
| <ul style="list-style-type: none">• Telephone number to ascertain preauthorized transfers, if the financial institution provides telephone notice? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Preauthorized Transfers

- | | | | | |
|-----|--|--------------------------|--------------------------|--------------------------|
| 25. | If a consumers' account is to be credited by a preauthorized E.F.T from the same payor at least once every 60 days [and the payor does not already provide notice to the consumer that the transfer has been initiated], does the financial institution do one of the following: | | | |
| | <ul style="list-style-type: none">• Provide oral or written notice, within two business days, after the transfer occurs? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none">• Provide oral or written notice, within two business days after the transfer was scheduled to occur, that the transfer did or did not occur? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | <ul style="list-style-type: none">• Provide a readily available telephone line that the consumer can call to determine if the transfer occurred and that telephone number is disclosed on the initial disclosure of account terms and on each periodic statement? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 26. | Does the financial institution credit the amount of a preauthorized transfer as of the date the funds for the transfer are received? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 27. | Does the financial institution ensure that an authorization is obtained for preauthorized transfers from a consumers' account by a written, signed or similarly authenticated authorization, and is a copy of the authorization provided to the consumer? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 28. | Does the financial institution allow the consumer to stop payment on a preauthorized E.F.T by oral or written notice at least three business days before the scheduled date of the transfer? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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Examination Checklist

E.F.T

	Yes	No	NA
29. If the financial institution requires that the consumer give written confirmation of an oral stop-payment order within 14 days, does the financial institution inform the consumer, at the time they give oral notification, of the requirement and provide the address where they must send the written confirmation? NOTE: An oral stop-payment order ceases to be binding after 14 days if the consumer fails to provide the required written confirmation.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
30. Does the financial institution inform, or ensure that third-party payees inform, the consumer of the right to receive notice of all varying transfers? Or Does the financial institution give the consumer the option of receiving notice only when a transfer falls outside a specified range of amounts or differs from the most recent transfer by an agreed-upon amount?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
31. If the financial institution or third-party payee is obligated to send the consumer written notice of the E.F.T of a varying amount, does the financial institution ensure that: <ul style="list-style-type: none">• The notice contains the amount and date of transfer?• The notice is sent at least 10 days before the scheduled date of transfer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. Does the financial institution not condition an extension of credit to a consumer on the repayment of loans by preauthorized E.F.T, except for credit extended under an overdraft credit plan or extended to maintain a specified minimum balance in the consumers' account? NOTE: This exception for overdraft credit does not apply to a covered separate credit feature accessible by a hybrid-prepaid credit card as defined in Regulation Z	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
33. Does the financial institution not require a consumer to establish an account for E.F.Ts with a particular institution as a condition of employment or receipt of government benefits?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

Yes No NA

Procedures for Resolving Errors

NOTE: For prepaid accounts that are not payroll card accounts or government benefit accounts, a financial institution is not required to comply with the liability limits and error resolution requirements, for any prepaid account for which it has not successfully completed its consumer identification and verification process.

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|-----|---|--------------------------|--------------------------|--------------------------|
| 34. | Does the financial institution have procedures to investigate and resolve all oral or written notices of error received no later than 60 days after the institution sends the periodic statement or provides passbook documentation? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 35. | If the financial institution requires written confirmation of an error within 10 business days of an oral notice, does the financial institution inform the consumer of this requirement and provide the address where the written confirmation must be sent? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 36. | Does the financial institution have procedures to investigate and resolve alleged errors within 10 business days?
NOTE: The time period is extended in certain circumstances. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 37. | Does the financial institution report investigation results to the consumer within three business days after completing its investigation and correct any error within one business day after determining that an error occurred? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 38. | If the financial institution is unable to complete its investigation within 10 business days, does the financial institution have procedures to investigate and resolve alleged errors within 45 days of receipt of a notice of error; and: <ul style="list-style-type: none">• Does the financial institution provisionally credit the consumers' account in the amount of the alleged error [including interest, if applicable] within 10 business days of receiving the error notice [however, if the financial institution requires, but does not receive, written confirmation within 10 business days or if the alleged error involves an account that is subject to Regulation T of the Board of Governors of the Federal Reserve System, the financial institution is not required to provisionally credit the consumers' account]? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">• Within two business days after granting any provisional credit, does the financial institution inform the consumer of the amount and date of the provisional credit and gives the consumer full use of the funds during the investigation?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Within one business day after determining that an error occurred, does the financial institution correct the error?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Does the financial institution report the results to the consumer within three business days after completing its investigation including, if applicable, notice that provisional credit has been made final?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: The time period is extended in certain circumstances.			
39. If a billing error occurred, does the financial institution not impose a charge related to any aspect of the error-resolution process?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
40. If the financial institution determines that no error occurred [or that an error occurred in a manner or amount different from that described by the consumer], does the financial institution send a written explanation of its findings to the consumer and note the consumers' right to request the documents the financial institution used in making its determination?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
41. When the financial institution determines that no error [or a different error] occurred, does the financial institution notify the consumer of the date and amount of the debiting of the provisionally credited amount and the fact that the financial institution will continue to honor checks and drafts to third parties and preauthorized transfers for five business days [to the extent that they would have been paid if the provisionally credited funds had not been debited]?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Record Retention

42. Does the financial institution maintain evidence of compliance with the requirements of the Electronic Fund Transfer Act and Regulation E for a period of two years?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Examination Checklist

E.F.T

	Yes	No	NA
Disclosures at Automated Teller Machines [A.T.M]			
43. If the financial institution operates an A.T.M and imposes a fee on a consumer for initiating an E.F.T or balance inquiry, does the financial institution provide notice that a fee will be imposed and disclose the amount of the fee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
44. Does the financial institution provide the notice either by showing it on the A.T.M screen or by providing it on paper before the consumer is committed to paying a fee?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Requirements for Overdraft Services			
45. Does the financial institutions' Overdraft Protection Program incorporate any guidance issued by its federal regulator, as applicable?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
46. Does the financial institutions' Overdraft Protection Program provide "overdraft services," i.e., charge fees for paying A.T.M and one-time debit overdrafts? <u>If no, do not complete this section.</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
47. If the financial institution assesses a fee or charge [NOTE: fees or charges may generally be assessed only on transactions paid after the confirmation has been mailed or delivered] on the consumers' account for paying an A.T.M or one-time debit card transaction pursuant to the financial institutions' overdraft service, does the financial institution first:			
• Provide the consumer with a notice in writing, or if the consumer agrees, electronically, that is segregated from all other information and describes the institutions' overdraft service;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Provide a reasonable opportunity for the consumer to affirmatively consent, or opt-in, to the institutions' payment of A.T.M and one-time debit card transactions;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Obtain the consumers' affirmative consent, or opt-in, to the institutions' payment of A.T.M or one-time debit card transactions; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">• Provide the consumer with confirmation of the consumers' consent in writing, or if the consumer agrees, electronically, which includes a statement informing the consumer of the right to revoke such consent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
48. Does the financial institution ensure that it does not condition the payment of any overdrafts for checks, A.C.H transactions, and other types of transactions on the consumer affirmatively consenting to the institutions' payment of A.T.M and one-time debit card transactions pursuant to the institutions' "overdraft services"?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
49. Does the financial institution pay checks, A.C.H transactions, and other types of transactions that overdraw the consumers' account regardless of whether the consumer has affirmatively consented to the institutions' overdraft protection service for A.T.M and one-time debit card transactions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
50. a. For consumers who have not opted in, and if an overdraft fee or charge is based on the amount of the outstanding negative balance, does the institution only assess fees where the negative balance is attributable in whole or in part to a check, A.C.H, or other type of transaction not subject to the prohibition on assessment of overdraft fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. For consumers who have not opted in, does the financial institution only assess daily or sustained overdraft, negative balance, or similar fees or charges where the negative balance is attributable in whole or in part to a check, A.C.H, or other type of transaction not subject to the prohibition on assessment of overdraft fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Does the institution base the date on which such a daily or sustained overdraft, negative balance, or similar fee or charge is assessed on the date on which the check, A.C.H, or other type of transaction was paid into overdraft?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
51. Does the financial institution provide consumers who do not affirmatively consent to the institutions' overdraft service for A.T.M and one-time debit card transactions the same account terms, conditions, and features that it provides to consumers who affirmatively consent, except for the overdraft service for A.T.M and one-time debit card transactions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
52. Is the notice required by substantially similar to Model Form A-9 set forth in Appendix A of including applicable items from the list below, and does it not contain any additional information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Overdraft Service – Does the notice provide a brief description of the overdraft service and the types of transactions for which a fee or charge for paying an overdraft may be imposed, including A.T.M and one-time debit card transactions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Fees imposed – Does the notice contain the dollar amount of any fees or charges assessed by the financial institution for paying an A.T.M or one-time debit card transaction pursuant to the financial institutions’ overdraft service, including any daily or other overdraft fees? NOTE: If the amount of the fee is determined on the basis of the number of times the consumer has overdrawn the account, the amount of the overdraft, or other factors, the institution must disclose the maximum fee that may be imposed.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Limits on Fees Charged – Does the notice disclose the maximum number of overdraft fees or charges that may be assessed per day, or, if applicable, that there is no limit?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Disclosure of opt-in right – Does the notice explain the consumers’ right to affirmatively consent to the financial institutions’ payment of overdrafts for A.T.M and one-time debit card transactions pursuant to the institutions’ overdraft service, including the methods by which the consumer may consent to the service?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Alternative Plans for Covering Overdrafts – As applicable, does the institutions’ opt-in notice appropriately address the alternative methods for covering overdrafts?	<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• If the institution offers both a line of credit subject to Regulation Z and a service that transfers funds from another account of the consumer held at the institution to cover overdrafts, does the notice state that both alternative plans are offered?		<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">• If the institution offers one alternative plan, but not the other, does the notice state which alternative plan it offers? If the institution does not offer either a line of credit subject to Regulation Z or a service that transfers funds from another account of the consumer held at the institution to cover overdrafts plan, does the notice exclude information regarding either of these plans?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• If the financial institution offers additional alternatives for paying overdrafts, at its option the institution may [but is not required to] disclose those alternatives. Does its notice describe those alternatives?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Permitted Modifications and Additional Content – If the institution modifies the notice, are the modifications permitted: to indicate that the consumer has the right to opt into, or out of, the payment of overdrafts under the institutions’ overdraft service for other types of transactions, such as checks, A.C.H transactions, or automatic bill payments; to provide a means for the consumer to exercise this choice; and to disclose the associated returned item fee and that additional merchant fees may apply? <p>NOTE: The institution may also disclose the consumers’ right to revoke consent. The response portion of Model Form A-9 may be tailored to the methods offered for opting in, and may include reasonable methods to identify the account, such as a bar code.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
53. Joint Accounts – When two or more consumers jointly hold an account, does the financial institution treat the affirmative consent of any of the joint consumers as affirmative consent for that account, and treat the revocation of affirmative consent by any of the joint consumers as revocation of consent for that account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
54. Continuing Right to Opt-In or to Revoke Opt-In – Does the financial institution allow the consumer to affirmatively consent to the financial institutions’ overdraft service at any time in the manner described in the notice required under and allow a consumer to revoke consent at any time in the manner made available to the consumer for providing consent?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| 55. Does the financial institution implement a consumers' revocation of consent as soon as reasonably practicable? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 56. Is the consumers' affirmative consent to the overdraft service effective until revoked by the consumer, or unless the financial institution terminates the service? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Requirements for Financial Institutions Offering Prepaid Accounts and Electronic Fund Transfer of Government Benefits

NOTE: This section is not exhaustive of the requirements for financial institutions offering prepaid accounts. Please refer to other sections of the checklist, as applicable.

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| 57. Does the institution offer prepaid accounts? <u>If no, do not complete this section.</u> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 58. Does the financial institution provide the pre-acquisition short and long form disclosures before a consumer acquires a prepaid account? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: If the prepaid account is used for disbursing funds and the financial institution or third party does not offer any alternative means for the consumer to receive those funds in lieu of accepting the prepaid account, these disclosures may be provided at the time the consumer receives the prepaid account.

NOTE: When a consumer acquires a prepaid account in a retail location or orally by telephone, a financial institution is not required to provide the long form disclosure prior to acquisition if certain requirements are met.

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| 59. Does the financial institution provide a short form disclosure for a prepaid account that discloses the following fees and information, as applicable? | | | |
| • The periodic fee, assessed on a monthly or other periodic basis, using the term "Monthly fee," "Annual fee," or a substantially similar term; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • The per-purchase fee, using the term "Per purchase," or a substantially similar term; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Examination Checklist

E.F.T

- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| • The A.T.M withdrawal fees, for withdrawals in the Xaymaca both within and outside of the financial institutions' network or an affiliated network, using the terms "A.T.M withdrawal" and "in-network" or "out-of-network," or substantially similar terms; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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| • The cash reload fee [total of all charges from the financial institution and any third parties], using the term "Cash reload" or a substantially similar term; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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NOTE: Any third-party fee included in the cash reload fee disclosed in the short form must be the highest fee known by the financial institution at the time it prints, or otherwise prepares, the short form disclosure.

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| • The A.T.M balance inquiry fees, for balance inquiries in the Xaymaca both within and outside of the financial institutions' network or an affiliated network, using the terms "A.T.M balance inquiry" and "in-network" or "out-of-network," or substantially similar terms; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| • Customer service fees, both for calling an interactive voice response system and a live customer service agent, using the terms [1] "Customer service," [2] "automated" or "live agent," and [3] "per call," or substantially similar terms; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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NOTE: If the short form disclosure is for multiple service plans, disclose only the fee for live agent customer service using the terms "Live customer service" and "per call" or substantially similar terms.

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| • The inactivity fee, using the term "Inactivity" or a substantially similar term, and the conditions that trigger the financial institution to impose the fee; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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Examination Checklist

E.F.T

- | | Yes | No | NA |
|--|--------------------------|--------------------------|--------------------------|
| <ul style="list-style-type: none">• If the institution charges other fees beyond those listed on the short form as required to be disclosed, a statement disclosing the number of “additional fee types” the financial institution may charge consumers with respect to the prepaid account, using the clause “We charge [x] other types of fees” or a substantially similar clause; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none">• If any “additional fee types” are on the short form, a statement directing consumers to that disclosure, located after but on the same line of text as the statement regarding the number of additional fee types using the clause “Here are some of them:” or a substantially similar clause; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none">• If applicable, disclosure of the two additional fee types that generated the highest revenue from consumers for the prepaid account program [or across programs that are the same fee schedule] during the required time period; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none">• If applicable, a statement that overdraft/credit may be offered, the time period after which it may be offered, and that fees would apply, using the clause: “You may be offered overdraft/credit after [x] days. Fees would apply,” or a substantially similar clause; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none">• If applicable, a statement that no overdraft credit feature is offered, using the clause “No overdraft/credit feature” or a substantially similar clause; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <ul style="list-style-type: none">• A statement regarding the prepaid account programs’ eligibility for F.D.I.C deposit insurance or N.C.U.A share insurance and directing the consumer to register the prepaid account for insurance eligibility and other account protections; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">• A statement directing the consumer to the C.F.P.Bs' website, using the clause "For general information about prepaid accounts;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• A statement directing the consumer to the location of the long form disclosure required, using the clause "Find details and conditions for all fees and services in [location]" or a substantially similar clause.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: Additional requirements apply to prepaid accounts offered at a retail location.			
60. If the prepaid account is a payroll card account [or a government benefit account], does the financial institution include a statement in the short form disclosure that the consumer does not have to accept the payroll card account [or the government benefit account] and directing the consumer to ask about other ways to receive wages or salary from the employer [benefit payments from the agency]?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
61. If any fees required to be disclosed in the short form disclosure can vary, including the periodic fee, does the financial institution comply with additional variable fee and variable periodic disclosure requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
62. Does the financial institution, in its short form disclosure, refrain from including the following fees: NOTE: As an alternative to the two-tier fee disclosure, a financial institution may disclose a single fee amount when the amount is the same for both fees.			
<ul style="list-style-type: none">• Any third-party fees, other than third-party cash reload fees?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Any finance charges as described, imposed in connection with a covered separate credit feature accessible by a hybrid prepaid-credit card?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
63. Does the financial institution provide a long form disclosure for a prepaid account that lists the following fees and information, as applicable?			
• A heading stating the name of the prepaid account program and that the long form disclosure contains a list of all fees for that particular prepaid program;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• All fees that may be imposed in connection with a prepaid account, and any conditions under which the fee may be imposed, waived, or reduced, as well as any third-party fees known to the institutions;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The statement regarding registration and F.D.I.C or N.C.U.A insurance required, together with an explanation of F.D.I.C or N.C.U.A insurance coverage and the benefit of such coverage or the consequence of the lack of such coverage, as applicable;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The statement regarding overdraft credit features, as required.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• A statement directing the consumer to a telephone number, mailing address, and website U.R.L of the person or office that a consumer may contact to learn about the terms and conditions of the prepaid account, to obtain prepaid account balance information, to request a copy of transaction history if the financial institution does not provide periodic statements, or to notify the financial institution when the consumer believes that an unauthorized E.F.T occurred;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• A statement directing the consumer to a website U.R.L of the C.F.P.B for general information about prepaid accounts, and a statement directing the consumer to a C.F.P.B telephone number and website U.R.L to submit a complaint about a prepaid account;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">If, at any point, a covered separate credit feature accessible by a hybrid prepaid-credit card may be offered in connection with the prepaid account, the disclosures described in Regulation Z.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
64. At the time that the financial institution provides the short form disclosure, does it disclose the following outside of the short form:			
<ul style="list-style-type: none">The name of the financial institution?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">The name of the prepaid account program?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">The purchase price for the prepaid account, if any?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">The fee for activating the prepaid account, if any?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: This information must be disclosed in close proximity to the short form. However, if the prepaid account is acquired in a retail location, this information, other than the purchase price, must be disclosed on the exterior of the access devices' packaging material, and the purchase price must be disclosed either on the exterior of or in close proximity to the access devices' packaging material.			
65. Are all required disclosures provided in writing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Exception: Unless provided in written form prior to acquisition, disclosures must be provided in electronic form [and viewable across all screen sizes] when a consumer acquires a prepaid account through electronic means or orally when a consumer acquires a prepaid account orally by telephone.			
NOTE: Other requirements apply for electronic disclosures.			
66. Are all required disclosures made in a form the consumer can keep, unless an exception applies?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

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	Yes	No	NA
67. When a short form disclosure is provided in writing or electronically, is the information required, provided in the form of a table? NOTE: The short form disclosure must also be substantially similar to Model Forms A-10[a] through [d], as applicable [or Model Form A-10[e] for multiple service plans that do not initially enroll the consumer in a default service plan].	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
68. When a long form disclosure is provided in writing or electronically, is the information required provided in a form of a table?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
69. Do the short form and long form disclosures comply with specific formatting requirements, such as grouping and ordering of information; prominence and size of the text; and segregation of the disclosures from other information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
70. Are fee names and other terms used consistently within and across the required disclosures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
71. When a financial institution uses a foreign language in connection with the acquisition of a prepaid account, does it provide the pre-acquisition disclosures in that same foreign language? NOTE: This requirement applies only when a financial institution principally uses a foreign language in connection with the acquisition of a prepaid account in certain circumstances.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
72. If the financial institution provides the pre-acquisition disclosures in a foreign language, does it provide the long form disclosure in English upon request and on any part of the website where it discloses pre-acquisition disclosures in a foreign language?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
73. Does the financial institution issuing the prepaid account either: <ul style="list-style-type: none">• Provide periodic statements as required? or make available to the consumer:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| • The account balance, through a readily available telephone line [and, for government benefit accounts, at a terminal] and | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • An electronic history of the consumers' account transactions, such as through a website, that covers at least 12 months preceding the date the consumer electronically accesses the account and | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • A written history of the consumers' account transactions that is provided promptly in response to an oral or written request and that covers at least 24 months preceding the date the financial institution receives the consumers' request? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: For prepaid accounts that are not payroll card accounts or government benefit accounts, the financial institution is not required to provide a written history of account transactions for any prepaid account for which it has not yet completed its consumer identification and verification process.

NOTE: The electronic and written history of account transactions.

74. Do any periodic statement provided and any history of account transactions provided or made available by the financial institution include:
- | | | | |
|--|--------------------------|--------------------------|--------------------------|
| • The amount of any fees assessed against the account, whether for E.F.Ts or otherwise? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • A summary total of the amount of all fees assessed by the financial institution against the consumers' prepaid account for the prior calendar month and for the calendar year to date? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
75. If the financial institution follows the periodic statement alternative [for government benefit accounts] or [for prepaid accounts], does the institution modify its initial disclosures to provide:

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">• A telephone number that the consumer may call to obtain the account balance, the means by which the consumer can obtain an electronic account transaction history, such as the address of a website, and a summary of the consumers' right to receive a written account transaction history upon request [in place of the summary of the right to receive a periodic statement required, including a telephone number to call to request and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• A notice concerning error resolution that is substantially similar to the notice in paragraph [b] of Appendix A-5 [for government benefit accounts] or A-7 [for prepaid accounts], in place of the notice required or, for prepaid account programs for which the financial institution does not have a consumer identification and verification process, either a description of the error resolution process and limitations on consumers' liability for unauthorized transfers or, if none, a statement that there are no such protections?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
76. If the financial institution follows the periodic statement alternative [for government benefit accounts] or [for prepaid accounts], does it provide an appropriate annual notice concerning error resolution that is substantially similar to the notice in paragraph [b] of Appendix A-5 [for government benefit accounts] or A-7 [for prepaid accounts], in place of the notice required, or, alternatively, a notice on <i>or</i> with each electronic or written account transaction history [for government benefits account] and on or with each electronic <i>and</i> written account transaction history [for prepaid accounts] that are substantially similar to the abbreviated notice in paragraph [b] of Appendix A- 3, modified as necessary to reflect the appropriate error resolution provisions?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
77. If the financial institution follows the periodic statement, does the institution:			

Examination Checklist

E.F.T

- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| <ul style="list-style-type: none">• Comply with the error resolution requirements in response to an oral or written notice of an error from the consumer that is received by the earlier of:<ul style="list-style-type: none">○ 60 days after the date the consumer accesses the consumers' electronic account transaction history, provided that it reflects the alleged error; or○ 60 days after the date the financial institution sends a written account transaction history [that is requested by the consumer] in which the alleged error is first reflected? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: In lieu of following the above, the financial institution complies with the requirements for resolving errors, if it investigates any oral or written notice of an error from the consumer that is received by the institution within 120 days after the transfer allegedly in error was credited or debited to the consumers' account. Also, for prepaid accounts that are not payroll card accounts or government benefit accounts, a financial institution is not required to comply with the liability limits and error resolution requirements for any prepaid account for which it has not successfully completed its consumer identification and verification process.

- | | | | | |
|-----|--|--------------------------|--------------------------|--------------------------|
| 78. | Does a financial institution, as part of its initial disclosures given, include all of the information required to be disclosed in its pre-acquisition long form disclosure? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 79. | Does a financial institution comply with the change-in-terms notice requirements for any change in a term or condition that is required to be disclosed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: Under certain circumstances, the financial institution may not be required to provide a change-in-terms notice to reflect changes to third-party fee amounts or changes to the fees or other terms disclosed in the Regulation Z disclosures for overdraft credit features.

Examination Checklist

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	Yes	No	NA
80. Does the financial institution disclose on the prepaid account access device the name of the financial institution and the website URL and a telephone number a consumer can use to contact the financial institution about the prepaid account?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
81. If a financial institution does not provide a physical access device in connection with a prepaid account, does the financial institution disclose the name of the financial institution and the website URL and a telephone number a consumer can use to contact the financial institution about the prepaid account on the website, mobile application, or other entry point a consumer must visit to access the prepaid account electronically?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
82. Does a financial institution provide to any prepaid account without a covered separate credit feature the same account terms, conditions, and features it provides on prepaid accounts in the same prepaid account program that have such a feature?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: A financial institution is not prohibited from imposing a higher fee or charge on the asset feature of a prepaid account with a covered separate credit feature accessible by a hybrid prepaid-credit card than the amount of a comparable fee or charge that it imposes on any prepaid account in the same prepaid account program that does not have such a credit feature.			

Internet Posting of Agreements

83. Does the institution offer prepaid accounts? <u>If no, do not complete this section.</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
84. Is the prepaid account issuer not required to submit any prepaid account agreements to the C.F.P.B because one of the following applies:			
• The issuer has fewer than 3,000 open prepaid accounts? <u>If yes, do not complete this section.</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">The agreement is offered as part of a product test offered to only a limited group of consumers for a limited period of time; is used for fewer than 3,000 open prepaid accounts; and is not offered other than in connection with the product test? <u>If yes, do not complete this section for that particular product.</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
NOTE: If an issuer or agreement that did not previously qualify for either exception subsequently qualifies, the issuer must continue to make submissions to the C.F.P.B on a rolling basis until it notifies the Bureau it is withdrawing the agreement[s].			
85. Does the prepaid account issuer make submissions of prepaid account agreements to the C.F.P.B no later than 30 days after the issuer offers, amends, or ceases to offer a prepaid account agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
86. Do the issuers' submissions of prepaid account agreements contain:			
<ul style="list-style-type: none">Identifying information about the issuer and the agreements submitted, including: the issuers' name, address, and identifying number [such as an R.S.S.D I.D number or tax identification number]; the effective date of the prepaid account agreement; the name of the program manager, if any; and the list of names of other relevant parties, if applicable [such as the employer for a payroll card program or the agency for a government benefit program]?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">Any prepaid account agreement offered by the issuer that has not been previously submitted to the C.F.P.B?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">Any prepaid account agreement previously submitted to the C.F.P.B that has been amended	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">Notification regarding any prepaid account agreement previously submitted to the C.F.P.B that the issuer is withdrawing?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
87. If a prepaid account issuer amends a prepaid account agreement that was previously submitted to the C.F.P.B, does the issuer submit the entire amended agreement to the Bureau no later than 30 days after the change becomes effective?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
88. If a prepaid account issuer amends other identifying information about the issuer and its submitted agreements, does the issuer submit the updated information to the C.F.P.B no later than 30 days after the change becomes effective? NOTE: An issuer may delay submitting a change to the list of names of other relevant parties to a particular agreement until the earlier of: [1] such time as the issuer is otherwise submitting an amended agreement or changes to other identifying information about the issuer and its submitted agreements; or [2] May 1 of each year for any updates to the list of names of other relevant parties for that agreement that occurred between the last submission of relevant party information and April 1 of that year.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
89. If a prepaid account issuer withdraws a prepaid account agreement that was previously submitted to the C.F.P.B, does the issuer notify the Bureau, no later than 30 days after the issuer ceases to offer the agreement, that it is withdrawing the agreement?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
90. Does the issuer submit its prepaid account agreements to the C.F.P.B in accordance with the following form and content requirements?			
• Each agreement contains the provisions of the agreement and the fee information currently in effect.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Agreements do not include any personally identifiable information relating to any consumer, such as name, address, telephone number, or account number.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Agreements are presented in a clear and legible font.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• All fee information, is set forth either in the prepaid account agreement or in addenda to that agreement that attach either or both the short form disclosure and the fee information and statements required to be disclosed in the long form disclosure.		<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">Provisions of the agreement and fee information are not provided to the C.F.P.B in the form of change-in-terms notices or riders, other than the optional fee information addenda. Changes in provisions or fee information are integrated into the text of the agreement, or the optional fee addendum, as appropriate.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
91. Does the prepaid account issuer post and maintain on its publicly available website any prepaid account agreements offered to the general public that the issuer is required to submit to the C.F.P.B?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
92. Do the posted agreements conform to the form and content requirements for agreements submitted to the C.F.P.B?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
93. Does the prepaid account issuer post and update the agreements on its website as frequently as the issuer is required to submit new and amended agreements to the C.F.P.B?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
94. Does the prepaid account issuer post the agreements			
<ul style="list-style-type: none">In an electronic format that is readily usable by the general public;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">In a location that is prominent and readily accessible to the public; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">In a location that is accessible without submission of personally identifiable information?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
95. For any open prepaid account, does the prepaid account issuer post and maintain the consumers' agreement on its website or promptly provide a copy of the consumers' agreement to the consumer upon the consumers' request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
96. If the issuer makes an agreement available upon request, does the issuer:			
<ul style="list-style-type: none">Provide the consumer with the ability to request a copy of the agreement by telephone?; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">Send the consumer a copy of the agreement no later than five business days after the issuer receives the consumers' request?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
97. Do the agreements posted on the issuers' website or sent to the consumer upon the consumers' request conform to the form and content requirements for agreements submitted to the C.F.P.B?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
98. If the issuer posts an agreement on its website, does the issuer post the agreements:			
• In an electronic format that is readily usable by the general public; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• In a location that is prominent and readily accessible to the consumer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
99. If agreements posted or otherwise provided to the consumer contain personally identifiable information relating to the consumer, such as name, address, telephone number, or account number, does the issuer take appropriate measures to make the agreement accessible only to the consumer or other authorized persons?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
100. Do agreements posted or otherwise provided to the consumer set forth the specific provisions and fee information applicable to the particular consumer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
101. Does the issuer update agreements posted to its website as frequently as the issuer is required to submit amended agreements to the C.F.P.B?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
102. Are agreements provided upon consumer request accurate as of the date the agreement is sent to the consumer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
103. For agreements provided upon consumer request, does the issuer provide the agreement in paper form unless the consumer agrees to receive the agreement electronically?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
Requirements for Gift Cards and Gift Certificates			
104. Does the institution offer gift certificates, store gift cards, general-use prepaid cards, loyalty, award, or promotional gift cards? <u>If no, do not complete this section.</u>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
105. Determine if the institution offers consumers, primarily for personal, family, or household purposes, in a specified amount, a card, code, or other device on a prepaid basis, such as the following:			
• Gift certificates – which may not be increased or reloaded in exchange for payment; and are redeemable upon presentation at a single merchant or an affiliated group of merchants for goods and services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Store gift cards – which may be increased or reloaded, in exchange for payment; and are redeemable upon presentation at a single merchant or an affiliated group of merchants for goods and services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• General-use prepaid cards – which may be increased or reloaded, in exchange for payment; and are redeemable upon presentation at multiple, unaffiliated merchants for goods or services, or useable at automated teller machines?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
106. Do loyalty, award, or promotional gift cards contain the following disclosures as applicable?			
• A statement indicating that the card, code, or other device is issued for loyalty, award, or promotional purposes, which must be included on the front of the card, code, or other device;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The expiration date for the underlying funds, which must be included on the front of the card, code, or other device;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• The amount of fees that may be imposed in connection with the card, code, or other device, and the conditions under which they may be imposed, which must be provided with the card, code, or other device; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">• A toll-free telephone number and, if one is maintained, a website, that a consumer may use to obtain fee information, which must be included on or with the card, code, or other device?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
107. If the terms of the gift certificate, store gift card, or general-use prepaid card impose a dormancy, inactivity, or service fee, determine the following:			
<ul style="list-style-type: none">• Has there been activity with respect to the certificate or card, in the one-year period ending on the date on which the fee was imposed;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• As applicable, are the following, clearly and conspicuously stated on the gift certificate, store gift card, or general-use prepaid card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">○ The amount of any dormancy, inactivity, or service fee that may be charged;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">○ How often such a fee may be assessed; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">○ That such fee may be assessed for inactivity?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Is the dormancy, inactivity, or service fee imposed limited to one in any given calendar month?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
108. If the financial institution sells or issues a gift certificate, store gift card, or general-use prepaid card with an expiration date, determine the following:			
<ul style="list-style-type: none">• Has the financial institution established policies and procedures to provide consumers with a reasonable opportunity to purchase a certificate or card with at least five years remaining until the certificate or card expiration date?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Is the expiration date for the underlying funds is at least the later of five years after the date the gift certificate was initially issued, or the date on which funds were last loaded to a store gift card or general-use prepaid card; or the certificate or card expiration date, if any?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

	Yes	No	NA
109. If the financial institution sells or issues a gift certificate, store gift card, or general-use prepaid card with an expiration date, then are the following disclosures provided on the certificate or card, as applicable:			
• The expiration date for the underlying funds, or if the underlying funds do not expire, the fact that the funds do not expire;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• A toll-free number and, if one is maintained, a website that a consumer may use to obtain a replacement certificate or card after the certificate or card expires if the underlying funds may be available; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
• Except where a non-reloadable certificate or card bears an expiration date that is at least seven years from the date of manufacture, a statement, disclosed with equal prominence and in close proximity to the certificate or card expiration date, that:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
○ The certificate or card expires, but the underlying funds either do not expire or expire later than the certificate or card;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
○ The consumer may contact the issuer for a replacement card; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
○ No fee or charge is imposed on the cardholder for replacing the gift certificate, store gift card, or general-use prepaid card or for providing the certificate or card holder with the remaining balance in some manner prior to the funds expiration date unless such certificate or card has been lost or stolen.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
110. Are the following disclosures provided in connection with a gift certificate, store gift card, or general-use prepaid card, as applicable:			
• For each type of fee that may be imposed in connection with the gift certificate or card [other than a dormancy, inactivity, or service fee subject to the disclosure requirements, the following information must be provided on or with the certificate or card:			
○ The type of fee;	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
○ The amount of the fee [or an explanation of how the fee will be determined]; and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| ○ The conditions under which the fee may be imposed. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • A toll-free telephone number and, if one is maintained, a website, that a consumer may use to obtain information about dormancy, inactivity, service, or each type of fee that may be imposed in connection with the certificate or card. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Subpart B – Requirements for Remittance Transfers

- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| 1. Does the provider offer remittance transfers in the normal course of business? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| If the provider deems itself to not offer remittance transfers in the normal course of business as a result of the 100-transfer safe harbor, are the providers' method for counting transactions appropriate and properly documented? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

If the provider offers remittance transfers in the normal course of business and, therefore, is covered by the rule, complete the following checklist.

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 2. Does the provider have written policies and procedures that govern its remittance transfer operations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Do these policies and procedures adequately address the requirements of subpart B? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Are the providers' personnel who are involved in remittance transfer operations knowledgeable about the requirements of subpart B? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Disclosures

[Unless otherwise indicated, the disclosure requirements apply to all remittance transfer transactions, including those scheduled before the date of transfer].

- | | | | |
|---|--------------------------|--------------------------|--------------------------|
| 5. Does the provider provide pre-payment disclosures and receipts or combined disclosures to its remittance transfer customers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|---|--------------------------|--------------------------|--------------------------|

NOTE: Specific content of disclosures is addressed below

- | | | | |
|------------------------------|--------------------------|--------------------------|--------------------------|
| 6. Are written disclosures: | | | |
| • In the appropriate form; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • Clear and conspicuous; and | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Examination Checklist

E.F.T

	Yes	No	NA
<ul style="list-style-type: none">• In retainable form?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Are written and electronic disclosures provided in compliance with the foreign language requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. If the provider uses scripts to provide oral disclosures for remittance transfer transactions and error resolution procedures conducted over the telephone, do the contents of the scripts comply with the requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Do disclosures related to telephone, mobile application, or text message transactions comply with the disclosure requirements with respect to foreign languages and notice of cancellation rights?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Does information in written or electronic disclosures comply with the grouping requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Is the exchange rate used for the remittance transfer generally disclosed in close proximity to the other information in the pre-payment disclosures?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. In case of a disclosure that includes the disclaimer statement, is the disclaimer in close proximity to the Total to Recipient?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Are disclosures on error resolution and cancellation rights generally disclosed in close proximity to the other disclosures on the receipt?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Are disclosures that are provided in writing or electronically provided in a minimum of eight point font, in equal prominence to each other, and on the front of the page on which the disclosures are printed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. For disclosures that are provided in writing or electronically:			
<ul style="list-style-type: none">• Do they contain only information directly related to the disclosures, and	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<ul style="list-style-type: none">• Are they segregated from other items that may be disclosed?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Are estimated amounts in the disclosures appropriately described using the term “estimated” or a substantially similar term in close proximity to the term described?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Are disclosures provided in compliance with the timing requirements?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Examination Checklist

E.F.T

- | | Yes | No | NA |
|---|--------------------------|--------------------------|--------------------------|
| 18. Do disclosures comply with the accuracy requirements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

NOTE: For a one-time transfer scheduled five or more business days in advance or for the first in a series of preauthorized remittance transfers, disclosures must be accurate when a sender makes payment except to the extent estimates are permitted. For any subsequent transfer in a series of preauthorized remittance transfers, disclosures must be accurate as of the date the preauthorized remittance transfer to which it pertains is made.

Pre-payment disclosures

- | | | | |
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| 19. Does the provider appropriately distinguish between covered and non-covered third-party fees? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 20. Do the providers' pre-payment disclosures appropriately disclose to the recipient the following information as applicable, using the terms in quotes [or substantially similar terms] listed below: | | | |
| • "Transfer Amount" both in the currency in which transaction is funded and in the currency in which the funds will be made available to the recipient; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • "Transfer Fees" and "Transfer Taxes"; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • "Other Fees"; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • "Exchange Rate"; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • "Total to Recipient"; and | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • If applicable, a disclaimer statement that non-covered third-party fees or taxes collected on the remittance transfer by a third person may apply, resulting in the designated recipient receiving less than the amount disclosed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| • If the provider includes in the disclaimer statement required, an optional estimated disclosure of applicable non-covered third-party fees or taxes, are the estimates based on reasonable sources of information? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Examination Checklist

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Yes No NA

Receipt

21. Do the providers' receipts appropriately calculate and disclose to the recipient the following information as applicable, using the terms in quotes [or substantially similar terms] listed below, as applicable:

- All the information required to be provided in the pre-payment disclosure; Yes No NA
- "Date Available"; Yes No NA
- "Recipient"; Yes No NA
- A statement about the senders' error resolution and cancellation rights, using language set forth in Model Form A-37 of Appendix A or substantially similar language; Yes No NA

NOTE: If the transfer is scheduled at least three business days before the date of the transfer, the statement about the senders' cancellation rights should reflect the requirements.

- Name, telephone number[s] and, if applicable, the website of the provider; Yes No NA
- A statement that the sender can contact the state agency that licenses or charters the remittance transfer provider with respect to the particular transfer [if applicable] and the C.F.P.B, for questions or complaints about the remittance transfer provider using language set forth in Model Form A-37 of Appendix A or substantially similar language; and Yes No NA

NOTE: The statement must include the name, telephone number[s] and website of the state agency, and the name, toll-free telephone number[s] and website of the C.F.P.B.

- The transfer date [only for transfers scheduled at least three business days in advance, or the first transfer in a series of preauthorized remittance transfers]? Yes No NA

Examination Checklist

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Yes No NA

Combined disclosure

Complete this section only if the provider provides combined disclosures as an alternative to separate pre-payment disclosures and receipts.

22. Does the combined disclosure contain all the information required to be provided on the receipt?
23. Does the provider provide the combined disclosure when the sender requests the remittance transfer, but prior to payment for the transfer; and provide a proof of payment when payment is made for the transfer?

NOTE #1: The proof of payment must be clear and conspicuous, provided in writing or electronically, and provided in a retainable form.

NOTE #2: For one-time transfers scheduled five or more business days in advance or for the first in a series of preauthorized transfers, the provider may provide confirmation that the transaction has been scheduled in lieu of the proof of payment if payment is not processed at the time the remittance transfer is scheduled. No further proof of payment is required when payment is later processed.

Long form error resolution and cancellation notice

24. Does the provider promptly provide, at the senders' request, a notice describing the senders' error resolution and cancellation rights, using language set forth in Model Form A-36 of Appendix A or substantially similar language?

NOTE: For a remittance transfer scheduled at least three business days before the date of the transfer, the description of the rights of the sender regarding cancellation must instead reflect the requirements.

Examination Checklist

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Yes No NA

Estimates

Permanent exception for transfers to certain countries

- 27. Does the provider appropriately rely on the most recent list provided by the C.F.P.B when using estimates under the permanent exception set forth for transactions to those countries? Yes No NA

- 28. If the provider provides estimates for transactions in a country that does not appear on the safe harbor list published by the C.F.P.B, does the entity appropriately determine that the laws of or the method by which transactions are conducted in the recipient country do not permit the determination of exact amounts? Yes No NA

NOTE: A provider cannot rely on the Bureau list if it has information that the laws of a country on the list permit exact disclosures.

Permanent exception for transfers scheduled before the date of transfer

- 29. For transfers scheduled five or more business days before the date of the transfer for which estimates may be provided, does the provider comply with the requirements? Yes No NA

Bases for estimates

- 30. Are the bases used to derive the estimates in compliance with the method for disclosing? Yes No NA

NOTE: For transfers scheduled five or more business days before the date of the transfer for which estimates may be provided.

- 31. Does the provider use the approaches listed in the rule to estimate:
 - Exchange rate; Yes No NA
 - Transfer amount in which funds will be received; Yes No NA
 - Covered third-party fees; and Yes No NA
 - The amount of currency that will be received by the designated recipient? Yes No NA

Examination Checklist

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| 32. | If estimates are based on an approach that is not one of the listed bases, does the designated recipient receive the same, or greater, amount of funds than the remittance transfer provider disclosed? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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Procedures for resolving errors

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| 33. | Does the provider have adequate policies and procedures to address the error resolution requirements applicable to remittance transfers? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| 34. | Do the policies and procedures adequately state what does and does not constitute an error? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| 35. | Do the policies and procedures specifically address: | | | |
| | • Timing and content of the senders' notice of error; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Providers' request for additional information or clarification; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Time limits for investigation, reporting results, and correcting an error; | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | • Senders' request for documentation that the provider relied on to make a decision; and | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | • The retention of records related to error investigations? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

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| 36. | Does the provider complete its investigation of alleged errors and determine whether an error occurred within 90 days of receiving notice of the error? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| 37. | Does the provider report investigation results to the sender within three business days after completing its investigation and include notice of any remedies available for correcting any error determined to have occurred and provide remedy within one business day? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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NOTE: The provider can ask the sender to designate a preferred remedy at the time the sender provides notice of the error but must indicate that a resend remedy may be unavailable if the error occurred because the sender provided incorrect or insufficient information.

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| 38. | If the sender provided an incorrect account number or recipient institution identifier, does the provider comply with the requirements, before determining that no error occurred? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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| 39. | If the provider determines that no error or a different error occurred, does it provide a written explanation of the findings, and note the senders' right to request the documents upon which the provider relied in making its determination? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 40. | If the provider provides a default remedy, does it correct the error within one business day or as soon as reasonably practicable, after the reasonable time [deemed to be ten business days] or before the sender designates that the remedy has passed?

NOTE: A default remedy is not applicable where the sender provided incorrect or insufficient information. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 41. | If the sender requests a refund [for errors other than those related to failure to deliver by the disclosed date where the sender provided incorrect or insufficient information], does the provider refund, inclusive of fees, within one business day or as soon as reasonably practicable thereafter?

NOTE: The provider may generally, at its discretion, issue a refund either in cash or in the same form of payment that was initially provided by the sender for the remittance transfer. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 42. | If the sender requests delivery of the amount appropriate to correct the error and the error did not occur because the sender provided incorrect or insufficient information, does the provider correct the error within one business day, or as soon as reasonably practicable, applying the same exchange rate, fees, and taxes stated in the disclosure provided in connection with the unsuccessful remittance transfer attempt? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 43. | In the case of errors involving incorrect or insufficient information provided by the sender for the transfer, does the provider comply with the requirements? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
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44. If the provider determines that an error occurred that relates to:
- An incorrect amount paid by the sender;
 - A computational or bookkeeping error made by the remittance transfer provider; or
 - Failure to make the amount of currency stated in the disclosures available to the designated recipient;
- Does the provider either:
- Refund the amount of funds provided by the sender [in case of a transaction that was not properly transmitted];
 - Refund the amount appropriate to resolve the error; or
 - Make available to the designated recipient the amount appropriate to resolve the error without additional cost to the sender or the designated recipient?
45. If the error relates to the failure to make funds available to the designated recipient by the disclosed date of availability [except in cases where the sender provided incorrect or insufficient information], does the provider:
- Either [i] refund the amount of funds that was not properly transmitted, or the amount appropriate to resolve the error to the sender; or [ii] make available to the designated recipient the amount appropriate to resolve the error; and
 - Refund to the sender any fees and, to the extent not prohibited by law, taxes imposed for the remittance transfer?
46. If an error occurred, does the provider impose a charge related to any aspect of the error resolution process [including charges for documentation or investigation]?
47. Does the provider retain policies and procedures and documentation, including those related to error investigations, for a period of not less than two years from the date a notice of error was submitted to the provider or action was required to be taken by the provider?
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Procedures for Cancellation and Refund of Remittance Transfers

48. Does the provider comply with any oral or written request to cancel a remittance transfer [except for transfers scheduled three or more business days before the date of transfer] from the sender that is received no later than 30 minutes after the sender makes payment in connection with the remittance transfer?

NOTE: The request to cancel must enable the provider to identify the senders' name and address or telephone number and the particular transfer to be cancelled, and the transferred funds must not have been picked up by the designated recipient or deposited into an account of the designated recipient.

49. If a sender provides a timely request to cancel a remittance transfer, does the provider refund all funds provided by the sender in connection with the remittance transfer at no additional cost to the sender, within three business days of receiving the request?

NOTE: The funds to be refunded include any fees and, to the extent not prohibited by law, taxes that have been imposed for the transfer, whether the fee or tax was assessed by the provider or a third party, such as an intermediary institution, the agent or bank in the recipient country, or a state or other governmental body.

Acts of agents

50. Has the provider established and maintained policies or procedures, including policies, procedures for compliance, or other appropriate oversight measures designed to ensure compliance by an agent or authorized delegate acting for such provider?

Consider:

- The degree of control the agent exercises over the remittance transfer activities performed on the providers' behalf;
- The quality and frequency of training provided to ensure that agents are aware of the regulatory requirements and the providers' internal policy guidelines; and
- The adequacy of the providers' oversight of agents' activities.

Yes No NA

Transfers Scheduled Before the Date of Transfer

51. For one-time transfers scheduled five or more business days in advance or for the first in a series of preauthorized remittance transfers, does the provider provide either a pre-payment disclosure and a receipt or a combined disclosure at the time the sender requests the transfer but prior to payment?

NOTE: If any of the disclosures provided contain estimates, the provider must mail or deliver an additional receipt no later than one business day after the date of the transfer. If the transfer involves the transfer of funds from the senders' account held by the provider, this additional receipt may be provided on or with the next periodic statement for that account, or within 30 days after the date of the transfer if a periodic statement is not provided.

52. For each subsequent preauthorized remittance transfer, does the provider provide an updated receipt if any of the information [other than temporal disclosures or disclosures that are permitted to be estimated] on the most recent receipt is no longer accurate?

NOTE: The receipt must clearly and conspicuously indicate that it contains updated disclosures and must be mailed or delivered to the sender within a reasonable time prior to the scheduled date of the next subsequent preauthorized remittance transfer. A disclosure that is mailed no later than ten business days or hand or electronically delivered no later than five business days is deemed to have been provided within a reasonable time.

53. If there is no updated information and the remittance transfer does not involve the transfer of funds from the senders' account held by the provider, does the provider mail or deliver to the sender a receipt no later than one business day after the date of the transfer for each subsequent preauthorized transfer?

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	Yes	No	NA
54. If there is no updated information and the remittance transfer involves the transfer of funds from the senders' account held by the provider, is the receipt provided on or with the next periodic statement for that account, or within 30 days after the date of the transfer if a periodic statement is not provided?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

55. For any subsequent transfer in a series of preauthorized remittance transfers, does the provider disclose the date of the subsequent transfer using the term "Future Transfer Date" or a substantially similar term, a statement of the senders' cancellation rights, and the name, telephone number[s], and website of the remittance transfer provider no more than 12 months, and no less than five business days prior to, the date of the subsequent preauthorized remittance transfer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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NOTE: While the rule generally provides flexibility as to when and where future transfer dates may be disclosed, for any subsequent preauthorized remittance transfer for which the date of transfer is four or fewer business days after the date payment is made, the disclosure must generally be provided on or with the receipt for the initial transfer in that series.

56. Does the provider comply with any oral or written request to cancel any remittance transfer scheduled by the sender at least three business days before the date of the remittance transfer?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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NOTE: The request to cancel must:

- Enable the provider to identify the senders' name and address or telephone number and the particular transfer to be cancelled; **and**
- Be received by the provider at least three business days before the scheduled date of the remittance transfer.

Examiner Conclusions
