

With all the ongoing debate concerning the adoption of the recent amendments to Regulation E, we thought it appropriate to summarize the Overdraft Privilege (ODP) features currently available with CAMS-ii and to review some enhancements that may make it easier to comply with the upcoming requirements. [3/31/10] We will also discuss plans herein for handling 'Opt-In' and 'Opt-Out' for ATM/Debit Card NSF charges. As we receive differing input from various *official* sources concerning which transaction types fall under the changes, we will make incremental updates to focus our efforts on providing you a straightforward interface to record these member elections.

Under the Federal Reserve's recent amendments to Regulation E, consumers will generally not be charged an overdraft fee for ATM and one-time debit card transactions unless they previously 'Opted-In' for the service. Mandatory compliance is set for July 1, 2010.

[3/31/10] During the week of April 5, 2010, we will release an update to CAMS-ii version 3.3.1 to accommodate the initial canvassing of your membership for Opt-In/Opt-Out for ATM/Debit Card NSF and Overdraft Privilege/Courtesy Pay. We will add a check box and date text box for the Opt-In/Opt-Out for ATM/Debit Card NSF in the Personal Date Record and a date text box on the share draft record to go with the Opt-in/Opt-out check boxes that are already there. The date fields will be initialized to zero/space.

To assist you with identifying 'Opt-In' versus 'Opt-Out' members, CBS is going to add date fields for each of our 'Opt-In' categories (ATM, POS Debit, ACH, and Draft). This will allow you leave your members as they are currently configured and insert the 'Opt-In' date as you receive the 'Opt-In' forms from the members until we approach the July 1, 2010 [3/31/2010] (August 15, 2010) deadline. Prior to the deadline, CBS will run a program to set the 'Opt-In' flag to 'NO' (unchecked/cleared) for all the accounts that do not have an 'Opt-In' date after December 31, 2009.

As a side note, the 'Opt-In' dates for ACH and Drafts will be currently for information only, but who knows what the regulators may require in the future.

The following describes the various components and features of ODP/Courtesy Pay currently available in CAMS-ii. If you have questions on any of these features, please submit an Issue to the CBS Issue Tracking System.

- The system can suspend the ODP feature for new accounts for a parameter number of days, after the days have expired the ODP suspension is automatically lifted.
- The system can implement a daily cap per account of the total ODP fees and provides an option of what to do when the cap would be exceeded, deny the transaction or accept the transaction without charging the fee.
- The system provides an option to include/exclude the ODP limit with the ATM/Debit available balance when creating positive balance files (PBF).
- The system can suspend the ODP feature based on the member having a loan that has been delinquent for a parameter number of days and remove the suspension once the member's loans are current.
- The system can remove the ODP feature for members have a loan that has been delinquent for a parameter number of days, requiring manual intervention to re-instate the ODP.

- The system can disallow the ODP feature based on the member's credit score being below a parameter value.
- The system can be configured to not charge the ODP fee for clearing items below a parameter dollar amount.
- The system can track whether real-time debit authorizations are authorized with ODP funds and charge only for the transactions that actually used the ODP limit.