

Highlights of Final Rules Regarding Overdraft Services

The final rule will enable consumers to limit the costs of overdraft services by providing consumers a choice regarding their institution's payment of overdrafts for ATM and one-time debit card transactions. Consumers will also be provided a clear disclosure of the fees and terms associated with the institution's overdraft service.

- Opt-In. The final rule requires consumers to opt in, or affirmatively consent, to the institution's overdraft service for ATM and one-time debit card transactions, before overdraft fees may be assessed on the account.
 - The rule also provides consumers an ongoing right to revoke consent.
- Consumers Covered. The opt-in right applies to all consumers, including existing account holders.
- Conditioning the Opt-In. The final rule prohibits financial institutions from tying the payment of overdrafts for checks and other transactions to the consumer opting into the overdraft service for ATM and one-time debit card transactions.
- Same Account Terms, Conditions and Features. The final rule requires institutions to provide consumers who do not opt in with the same account terms, conditions and features, including price, as provided to consumers who do opt in.
- Mandatory Compliance Date. The mandatory compliance date is July 1, 2010.