

“OVERDRAFT PRIVILEGE SERVICE”

NO = Not applicable to rule
YES = Covered by rule

The <u>overdraft feature</u> of the product - under the EFT rules:		The <u>overdraft feature</u> of the product - under REG Z rules:	
<i>Are any of the following terms or issues and their rules applicable to this ODP Program?</i>		<i>Are any of the following terms or issues and their rules applicable to this ODP Program?</i>	
NO	Defined as ACCESS DEVICE?	NO	Defined as a COVERED ACCOUNT?
	Not defined as an under 205.2(a)(1) because the customer is <u>not given a code, card or other means of accessing the “privilege”</u> , other than the means they were provided when the account opened (and for which disclosures were provided...e.g. plastic cards, checks, etc.)		Only PARTIALLY COVERED under TIL under 226.1(c)(1): All 4 conditions have to be met - and only 2 are met:
		yes	(i) credit <u>offered</u> or extended (because the product is apparently going to be advertised extensively to encourage persons to overdraw their account - up to specific dollar amounts, which in turn will require us to extend provisional credit)
NO	Defined as CREDIT ?	yes	The <u>advertising will pull us into under “offered” and “regular” conditions.</u> [While we would not set up a “loan account” as we’re used to seeing it, this would probably be considered a line of credit by regulators - especially since limits are addressed in the advertising.]
	under 205.2(f) defined as: > right granted to defer payment		
yes	> right given to <u>incur debt and defer payment</u>		
yes	There <u>is</u> a right given to incur debt by virtue of our advertising	yes	(ii) and the offering or extension is <u>done regularly</u> (through advertising)
yes	“Payment” of temporary loan to cover overdraft (in form of deposit) is required of the customer soon after the overdraft.	no	(iii) and the credit is (a) subject to finance charge OR (b) payable in more than four installments. (We expect the consumer to redeposit funds immediately; there is no finance charge, just normal overdraft charge.)
no	HOWEVER - “Provisional credit” is specifically exempted under Commentary at 205.3(c)(5)#1(i)-“Automatic transfers exempted”.		
NO	Defined as PREAUTHORIZED EFT ?		
	Not defined as a PREAUTHORIZED EFT under 205.2(k) because there is no EFT <u>authorized in advance to recur at regular intervals.</u>		DUE TO (III) SINCE ALL REQUIREMENTS ARE NOT MET - WHOLE RULE IS VOID. ALL CONDITIONS MUST BE MET.
NO	Defined as COVERED ACCOUNT?		
	Not defined as a COVERED ACCOUNT under 205.3(a) and Commentary because there is <u>no agreement</u> for EFT services entered into for this product. It is automatic. No changes occur that changes existing account agreements. (We reserve the right to stop paying overdrafts at any time.)		
NO	Defined as EFT?		
	Not defined as an EFT under 205.3(b) or Commentary because the customer <u>does not order, instruct or authorize the bank to debit or credit the account by means of an agreement.</u> It is an automatic service provided by the bank.		
NO	Defined as an AUTOMATIC TRANSFER BY ACCOUNT-HOLDING BANK??		
	Not defined as an AUTOMATIC TRANSFER BY ACCOUNT-HOLDING BANK which initiates transfers WITHOUT A SPECIFIC REQUEST from the customer under 205.3(c)(5) because, again, there is no agreement and it is specifically exempted as a “provisional credit” under Commentary at 205.3(c)(5)#1(i)		
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CONCLUSION - NOT SUBJECT TO REG “E”		CONCLUSION - NOT SUBJECT TO REG “Z”	
NOTE: Since not subject to Reg E - the EFT “Overdraft Privilege” portion of the product <u>also would not have to comply</u> with EFT requirements of:		NOTE: Since not subject to Reg Z - the “Overdraft Privilege” portion of the product <u>also would not have to comply</u> with open ended requirements of:	
<ul style="list-style-type: none"> • Periodic statement disclosures • No annual or monthly error resolution disclosure requirements 		<ul style="list-style-type: none"> • Periodic statement disclosures (no F/C) • No annual or monthly billing error resolution disclosure requirements 	

“FRESH START PROGRAM”

The <u>repayment feature</u> of the product - under the EFT rules:		The <u>repayment feature</u> of the product - under REG Z rules:	
<i>Are any of the following terms or issues and their rules applicable to this ODP Program?</i>		<i>Are any of the following terms or issues and their rules applicable to this ODP Program?</i>	
NO	Defined as ELECTRONIC FUNDS TRANSFER?	YES	Defined as a COVERED ACCOUNT? To be covered under 226.1(c)(1): All 4 conditions have to be met.
no	Not defined as an ELECTRONIC FUNDS TRANSFER under 205.3(b) or Commentary. An EFT is : "...the transfer of <u>funds initiated through an electronic terminal, telephone, computer or magnetic tape</u> for the purpose of authorizing the bank to debit or credit the account. "	yes	(i) Credit offered or <u>extended</u> [We offer to <i>direct deposit customers mostly</i>]
			AND
		yes	(ii) the offering or extension is <u>done regularly</u> [Ours is done regularly enough to qualify]
			AND
no	Defined as an AUTOMATIC TRANSFER BY ACCOUNT-HOLDING BANK under 205.3(c)(5) - which initiates transfers without a specific request from the customer because of an agreement; However, it is specifically exempted under 205.3(c)(5)(iii): transfers between a consumer's account and an account of the financial institution	no	(iii) A - the credit is subject to a finance charge [Ours is not.]
			OR
		yes	(iii) B - payable in more than 4 installments [Ours is payable in 6 or more installments]
			AND
		yes	(iv) for personal, family or household purposes
			DUE TO (iii) -B - SINCE ALL 4 REQUIREMENTS ARE MET - Covered as a closed end transaction - Which means other minimum disclosures would be required. Does not fit definition of open end loan under 12 CFR 226.2(a)(20)
			Are any of the following "GENERAL DISCLOSURE REQUIREMENTS" applicable to the Repayment Program? 12 CFR 226.18 (a)-(r)
		YES:	Finance Charge. None - show as "0" [NOTE: OD fee is charged to all persons regardless of whether they use this additional service, so it is NOT a F/C per Commentary at 226.4(a)#1]
		YES:	Amount Financed. Will be the amount on agreement/note to cover current overdraft.
		YES:	Itemization of Amt Financed - The amount: (i) <u>distributed directly to the consumer.</u>
		YES:	(ii) <u>credited to the consumer's account with the creditor</u>
		YES:	(iii) <u>paid to other persons</u>
		YES:	APR: None - show as "0. Although APR would normally be shown, There is no F/C - so no APR.-
		NO:	Variable Rate. Disclosures: None. N/A
		YES:	Payment Schedule. Total max repayment period is 6 mos.
		YES:	Total of Payments.
		YES:	Demand Feature. Plan will close repayment plan and transfer balance owing to deposit account.
		NO:	Total Sales Price: None. N/A
		NO:	Prepayment Penalty: None. (No F/C)
		NO:	Late Payment Penalty: None. (No dollar or % charged-only will cancel service and debit demand for any balance due. See "Demand".)
		NO:	Security Interest: None. N/A
		NO:	Insurance: None. N/A
		NO:	Security Interest Charges. None. N/A
		YES:	Contract Reference. The disclosure portion of the disclosure/agreement should refer to the contract for information about non-payment, default, right to accelerate maturity, etc. per 12 CFR 226.18(p).
		NO:	Assumption: None. N/A
		NO:	Required Deposit. None. While there is a required deposit account to remain open in order to deduct payments, there is no statement regarding the APR required, because there is no APR.
			Subsequent Disclosure Requirements - None. 12 CFR 226.20
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CONCLUSION - FRESH START REPAYMENT PLAN NOT SUBJECT TO REG "E"		CONCLUSION - FRESH START REPAYMENT PLAN IS SUBJECT TO REG "Z" - CLOSED END REQUIREMENTS ABOVE.	

