Date Completed: 12/15/16

Overdraft Protection Questionnaire

**Auditor:**«oaname»

**Interviewee Name and Title:** «ocname»

***Training***

* Does the Bank provide annual training to all applicable employees?

«o1»

* How is the training conducted?

«o2»

* + If online, what courses are required?

«o3»

* + What is the due date?

«o4»

* + What is the minimum passing score?

«o5»

* Is training provided for new employees?

«o6»

* + What is the deadline from hire date that training must be completed?

«o7»

* How does the Bank monitor training attendance?

«o8»

* Who is responsible for monitoring training attendance?

«o9»

***Disclosures***

* What accounts are eligible for overdrafts? (Checking, savings, money market, etc. – need specific, i.e. statement savings vs. passbook savings)

«o10»

* Is there an overdraft brochure or disclosure?

«o11»

* When is this disclosure provided?

«o12»

* Fee Schedule? Does the Bank charge any other overdraft or returned item fees other than the per item charge (**such as daily or sustained overdraft fees**)

«o13»

* Are there additional disclosures, such as TISA disclosures and/or Deposit Account Agreements that discuss overdraft terms?

«o14»

* Has there been any change in terms or fees related to the overdraft program?

«o15»

***ATM/Debit Card Opt in/Opt-out***

* What is the process for opting customers into or out of ATM/one time debit card transactions?

«o16»

* When can a customer opt in or out and who is allowed to process the request? How? (discuss all methods – in person, over the phone, online, fax, mail, etc.)

«o17»

* How are the system settings changed for customers that opt in and out? Who is responsible for making these changes? – be specific and get samples to document this process

«o18»

* Does the Bank retain documentation of the customer’s decision?

«o19»

* Is a confirmation sent if the customers opt in with any of the above-mentioned methods?

«o20»

* What is the process to provide the confirmation if this is done?

«o21»

* If confirmation is not provided until the next business day, are there controls in place to ensure customers are not charged for any overdrafts created by ATM and one time debit card transactions until after the notice is sent?

«o22»

* Does the Bank permit customers to opt out at any time after they have opted in?

«o23»

* + Is this accepted from any joint owner on the account?

«o24»

* If the customer does not opt in, do they still get the same account features as someone who had opted in (aside from the overdraft on ATM & one-time debit card feature)?

«o25»

* If the customer does not opt in, are they still provided access to the overdraft service for ACH, checks, etc… unless they have opted out for that?

«o26»

* Review the model form (A-9 Regulation E); Are **all** overdraft protection services that the bank currently offers listed?

«o27»

* Does the institution offer a sweep program that transfers money from a savings account to cover overdrafts on a checking account?

«o28»

* + If yes, if the customer/member has not opted in for ATM/one-time debit card transactions, does the institution refrain from assessing the one-time overdraft fee when the savings account doesn’t have sufficient funds?

«o29»

***Periodic Statements***

* What is the statement cycle? Different for each account?

«o30»

* Are the overdraft totals included at the bottom of each periodic statement always, or with a $0 until the first overdraft appears or not at all until the first overdraft appears?

«o31»

* With respect to overdrafts, do the overdraft fee totals reset as of January 1st of each year, or do the totals reset at the beginning of the January statement cycle?

«o32»

* If the Bank charges daily or sustained overdraft fees, are these fees included in the totals, and if so, in which bucket (i.e. paid or returned)

«o33»

* How does the Bank identify overdraft fees paid and overdraft fees returned?

«o34»

* If the bank offers 18/65 accounts, what is the overdraft fee? Is this fee included in the buckets and which one?

«o35»

***Eligibility***

* What account types are eligible for overdrafts?

«o36»

* What are the eligibility requirements for the overdraft program?

«o37»

* At account opening what is the process for discussing the overdraft program?

«o38»

* What is the enrollment process? Manual, automatic? Is this daily, monthly, etc.?

«o39»

* Is a letter sent to the customers to confirm enrollment?

«o40»

* What types of overdraft protection plans does the Bank offer?

«o41»

* What are the features of each, maximum amounts, fees, transactions covered, etc.?

«o42»

* What is the process if the customer is not eligible at the time of enrollment?

«o43»

* What is the process if a customer has a previous overdraft history with another institution and the Bank receives notification?

«o44»

* What if the customer does not want to be enrolled in the program? How and when may the customer opt out?

«o45»

***Daily Processing / Balance Disclosures***

* What is the processing order of transactions?

«o46»

* Are there a maximum number of items and fees charged each day per customer or per account?

«o47»

* Does the Bank follow the di minimums rule?

«o48»

* Does the Bank charge a daily or sustained overdraft fee if the customer does not return their account to a positive balance within a specific time frame?

«o49»

* Does system make decision to pay or return overdrafts automatically or on case-by-case basis?

«o50»

* If the customers have opted into the program, how are overdraft processed?

«o51»

* If the customer has opted out of the program, how are overdrafts processed?

«o52»

* If the customer has opted into the program and into ATM/DB cards, how are overdrafts processed?

«o53»

* If the customer has opted into the program and out of ATM/DB cards or has not provided any response to the processing of ATM/DB cards, how are overdrafts processed?

«o54»

* If the customer has opted out of the program and ATM/DB cards, how are overdrafts processed?

«o55»

* Are notices sent to customers?

«o56»

* If so, what is the frequency?

«o57»

* How are the notices sent? By the bank or by a processor or both? Manual or automatic?

«o58»

* Are the notices different based on transaction type?

«o59»

* Do the notices differ if an item was paid or returned?

«o60»

* Does the ATM receipt contain a single balance that does not include overdraft funds (note, this includes line of credit and discretionary programs)?

«o61»

* If the ATM receipt contains 2 balances, do either of the balances include overdraft funds (if so a disclosure is required)?

«o62»

* Does the Bank have an automated telephone banking system?

«o63»

* + Does the telephone banking system disclose a balance that does not include overdraft funds?

If the balance includes overdraft funds, how is the required disclosure provided?

«o64»

* Does the customer’s online banking account disclose balances that do not include overdraft funds? If the balance contains overdraft funds, how is the required disclosure provided?

«o65»

* If a customer calls the branch or Call Center and requests their balance, does the balance disclosed include overdraft funds? If yes, how is the customer notified?

«o66»

* May a customer who is opted into the program overdraw their account at the teller line? If yes, how is the customer notified?

«o67»

* How does the Bank define excessive use?

«o68»

* What is the process for handling customers that are considered to have excessive usage of the overdraft program, if any?

«o69»

* + Will the Bank contact the customer?

«o70»

* + How is this contact documented?

«o71»

* + What options are customers provided? (opt-out of the program, stay in the program, etc.)

«o72»

* + At what point and how is the customer provided with a notice such as; “You have been paying multiple overdraft fees and there may be a less expensive alternative product that may better suit your needs. Please contact a Customer Service Representative at 508-627-4266 to discuss other options or visit your local branch.”

«o73»

* + How is it documented that this message has been delivered to the customer?

«o74»

* In what order does the Bank process its transactions?

«o75»

***Collections***

* How does the Bank monitor overdrawn customers?

«o76»

* Is the process the same for customers that are not enrolled in the Overdraft Privilege Program?

«o77»

* What is the process?

«o78»

* Are there any reports used, and if so, please explain.

«o79»

* Is there any third party vendor used to manage the collection process?

«o80»

* If so, discuss, explain, obtain samples of all document’s and review the system with the individual responsible for this piece of testing

«o81»

* At what point does the collections process begin?

«o82»

* Are letters provided to the customer during collection proceedings?

«o83»

* If so, how, when and by whom?

«o84»

* At any point, is the customer suspended from the overdraft program?

«o85»

* + Is this an automated or manual process?

«o86»

* + How is the system coded if a customer is suspended from the program?

«o87»

* + Are any other services suspended when collection proceedings begin or during the collections process?

«o88»

* What if the customer clears the overdrawn balance on his or her own, what happens if anything?

«o89»

* + Will the Bank reinstate the customer’s overdraft service?

«o90»

* At what point are the accounts charged off?

«o91»

* What is the process?

«o92»

* Are accounts charged off no later than 60 days for Banks and 45 days for a federal credit union?

«o93»

* Does the Bank report customers to EFunds, ChexSystems, or the credit bureaus? If so, when and how?

«o94»

* For those customers that are in the fresh start program, does the Bank not delay the charge off process for these customers?

«o95»

* How are overdrafts included in the call report? (Should be Allowance for Loan and Lease Losses)

«o96»

* What is the Board involvement in overdrafts, awareness, i.e. safety & soundness considerations?

«o97»

***Repayment Programs***

* Does the Bank offer a formal overdraft repayment program?

«o98»

* + If so, what are the characteristics of the program and processing?

«o99»

* + Is the account charged off? Credits Only? Brought to zero?

«o100»

* + Is the repayment period no more than 4 payments?

«o101»

* + What is the process if the customer fails to repay the debt?

«o102»

* + May a customer re-enroll in overdraft privilege once they have paid their debt?

«o103»

***Advertisements***

* Does the bank promote overdrafts?

«o104»

* If yes, how does the Bank ensure that the proper disclosures are provided on each advertisement?

«o105»