

**FDIC Overdraft Protection Survey I
Institution Programs and Practices
Final Version: January 22, 2007**

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Definitions

A. Programs

(1) **Linked Transfer Accounts**

A contractual agreement between a bank and a customer, linking the customer's transactions account with other accounts within the bank, including savings and credit card accounts. In the event of an overdraft, the bank will fulfill the customer's obligations by transferring funds from the customer's other accounts linked to his transactions account.

(2) **Overdraft Lines of Credit**

A contractual agreement between a bank and a customer that the bank is willing to lend up to a specified amount over a specified future period to cover overdrafted items. These programs DO NOT include line of credit programs that do not specifically cover overdrafted items, for example, home equity lines of credit. The bank extends the line of credit after reviewing a customer using standard underwriting criteria; the line is considered a loan and requires standard Truth-in-Lending (Regulation Z) disclosures.

(3) **Automated Promoted Overdraft Protection**

A program or policy where a bank generally honors a customer's overdrafted obligations, and customers ARE informed of the existence of the overdraft protection program. The program is uniformly offered to qualifying customers. Excluded are all overdraft programs where an APR is required. The program is automated in the sense that standardized procedures or a "matrix" is used to determine whether the NSF item qualifies for the overdraft protection. Automated programs are typically, but not necessarily, computerized.

(4) **Automated Non-Promoted Overdraft Protection**

A program or policy where a bank generally honors a customer's overdrafted obligations; however, customers are NOT informed of the existence of the overdraft protection program. The program is automated in the sense that standardized procedures or a "matrix" is used to determine whether the NSF item qualifies for the overdraft protection. Automated programs are typically, but not necessarily, computerized.

(5) **Non-Automated Non-Promoted Ad Hoc Overdraft Protection**

These include truly incidental and discretionary accommodations to customers by banks to honor overdrafted items. These decisions are made independent of or override the programs described in (1) through (4).

B. Terms

Grace Period – The period of time an account holder has to bring an overdrafted account back to a positive balance without incurring any fees other than the initial per item/per occurrence fee.

Initiation Fee vs. Maintenance Fee – An initiation fee is a one time charge to begin/establish a customer in a program. A maintenance fee is a recurring fee to maintain the customer in the program. It is typically a monthly or annual fee.

Overdraft Item vs. Occurrence – For example, if a customer had two bounced checks in a given day and was charged two separate fees, that would be considered a fee "per item." On the other hand, if the customer was charged one lump sum to cover both checks in the same day, that would be considered a fee "per occurrence."

Workout Phase – When a customer cannot return an account to a positive status and works with the bank to develop a repayment schedule.

Survey I	
A. Institution	
Bank Name	
Headquarter City	
Headquarter State	
Region	
FDIC Certificate Number	
B. FDIC	
Examiner Name	
Examination Type	
Examination Date	
Survey I Completion Date	
C. Coverage	
As of July 1, 2006, was the institution subject to the revisions of Regulation DD?	

I. General	
B. Aggregate Income & Losses	
1. For each year below, what was the TOTAL dollar amount of the institution's <u>total gross income</u> from all fees related to NSF items? This <u>includes</u> fee income for paid overdrafted items, for returned overdrafted items, from initiation fees, and from maintenance fees.	
1.1	2006
1.2	2005
1.3	2004*
1.4	2003*
1.5	2002*
2.* For each year below, what was the dollar amount of the institution's <u>total gross income</u> from per item/per occurrence PAID NSF items? This <u>excludes</u> fee income for returned overdrafted items, initiation fees, and maintenance fees.	
2.1	2006
2.2	2005
2.3	2004
2.4	2003
2.5	2002
3.* For each year below, what was the dollar amount of the institution's <u>total gross income</u> from per item/per occurrence RETURNED NSF items? This <u>excludes</u> fee income for paid overdrafted items, initiation fees, and maintenance fees.	
3.1	2006
3.2	2005
3.3	2004
3.4	2003
3.5	2002
4. How many deposit accounts were charged off in 2006?	
5. What was the total dollar amount of these charge-offs?	
6. How many deposit accounts were converted to workout loans in 2006?	
7. What was the total dollar amount of these workout loans?	

*Note: If data readily available.

I. General

C. General Processing Practices

1. In what order are transactions typically paid? (Please rank beginning from "1" and mark "NA" if not applicable.)	
a. Cash transactions (e.g. teller services)	
b. In-house ATM transactions	
c. System ATM transactions	
d. On us	
e. Online payments	
f. ACH	
g. POS	
h. Other (please describe below)	
2. For those items which the institution batch processes, which method best describes in what order transactions are typically paid?	
1 = By size, starting with largest	
2 = By size, starting with the smallest	
3 = By check number	
4 = By order of presentation	
5 = Other (please describe below)	
3. If an account is covered by two or more of the (1) through (4) overdraft protection programs described under "Definitions - A. Programs," please rank the order in which a customer's applicable overdraft protection programs are invoked. (Please rank beginning from "1" and mark "NA" if not offered.)	
a. Linked Transfer Accounts	
b. Overdraft Lines of Credit	
c. Promoted Overdraft Protection	
d. Automated Non-Promoted Overdraft Protection	
3.1 If necessary, please make comments below.	

I. General	
D. Program Selection	
<p>1. How does the institution determine which overdraft protection program to offer new customers?</p> <p>1 = Offers all programs available for the type of account</p> <p>2 = Uses software to determine which customers are offered which programs</p> <p>3 = Offers only automated promoted overdraft protection unless other options solicited by customer</p> <p>4 = Other (please describe below)</p>	
<p>2. Does the institution provide information that allows consumers to compare the features and costs of alternative types of overdraft protection? 1 = Yes, 2 = No</p>	
<p>2.1 If yes, with what means are customers informed of alternative types of overdraft protection offered by the institution? (Mark <u>each</u> that applies.)</p> <p>a. Deposit account agreement</p> <p>b. Brochure about accounts</p> <p>c. Bank personnel informs customers</p> <p>d. Do not inform customers</p> <p>e. Other (please describe below)</p>	
<p>3. Does the institution offer any educational information that helps customer use overdraft protection wisely/efficiently? 1 = Yes, 2 = No</p>	
<p>3.1 If yes, with what means are customers assisted in selecting an overdraft protection program? (Mark <u>each</u> that applies.)</p> <p>a. Comparison chart</p> <p>b. Fee sheets</p> <p>c. Example of costs</p> <p>d. Overdraft protection brochure</p> <p>e. Other (please describe below)</p>	

II. Program Details					
	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated Promoted Overdraft Protection	Automated Non- Promoted Overdraft Protection	Non- Automated Non- Promoted Ad Hoc Overdraft Protection
A. Policies	Complete this section if you answered "Yes" for Question:				
	IA1	IA2	IA3	IA4	IA5
1. Has the institution adopted written policies and procedures to address the operational and other risks associated with the program? 1 = Yes, 2 = No					
1.1 If yes, does this policy set a cap on the total dollar amount of advances per customer that the bank will extend through the program, which is consistent with the institution's ability to absorb losses? 1 = Yes, 2 = No					
1.1.1 If yes, what is that dollar limit?					
1.2 What other features of the program are established in this written policy? (Mark <u>each</u> that applies.)					
a. All associated fees					
b. APR					
c. The process for providing disclosures to customers					
d. A timeline of customer notification					
e. positive					
f. A timeline for charge-off of unpaid advances					
g. Workout loan procedures					
h. Other (please describe below)					
2. Was this program reviewed for compliance with applicable laws prior to implementation? (Mark <u>each</u> that applies.)					
a. Yes, by bank counsel					
b. Yes, by independent counsel					
c. Yes, by bank management only (no counsel)					
d. Yes, by bank board					
e. Not reviewed					
f. Other (please describe below)					

II. Program Details					
	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated Promoted Overdraft Protection	Automated Non-Promoted Overdraft Protection	Non-Automated Non-Promoted Ad Hoc Overdraft Protection
	Complete this section if you answered "Yes" for Question:				
B. Monitoring	IA1	IA2	IA3	IA4	IA5
1. Does the institution maintain customer-level information about usage, and fees and interest accrued under the particular overdraft program? 1 = Yes, 2 = No					
2. How many times in 2006 did senior management evaluate the program, including items such as reviewing overdraft activity, heavy usage, income and losses?					
3. What best describes how the institution monitors and evaluates the performance of the program? 1 = Vendor provides reports 2 = Self evaluation 3 = Hire consultant to conduct evaluation 4 = Do not regularly evaluate 5 = Other (please describe below)					
4. Does the institution monitor the program for extensive usage? 1 = Yes, 2 = No					
4.1 If yes, please describe.					
5. In 2006, did the institution ever <u>NOT</u> cover an NSF item for a customer in good standing, where there were sufficient funds within the institution's policy limits?					
6. In 2006, how many complaints were received by the institution for the particular program?					

II. Program Details

	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated Promoted Overdraft Protection	Automated <u>Non-Promoted</u> Overdraft Protection	Automated Non-Promoted <u>Ad Hoc</u> Overdraft Protection
C. Information Provided to Consumers	Complete this section if you answered "Yes" for Question:				
	IA1	IA2	IA3	IA4	IA5
1. When does the institution inform its customers of the program? (Mark <u>each</u> that applies.)					
a. When account is opened					
b. Periodically with account updates					
c. When asked by customer					
d. Do not inform customers					
e. Other (please describe below)					
2. What is the <u>primary</u> means by which customers are informed of the features of the program?					
1 = Deposit account agreement					
2 = Brochure about accounts					
3 = Bank personnel informs customer					
4 = Letter or special mailing to customer					
5 = Do not inform customers					
6 = Other (please describe below)					
3. Which features are customers informed of when they enroll or are included in the program? (Mark <u>each</u> that applies.)					
a. The schedule of fees charged					
b. APR					
c. Which transactions are covered					
d. How transactions are processed in determining account balances and fees					
e. The available dollar limit covered					
f. Other (please describe below)					
4. Do balances provided at proprietary ATM's show the overdraft coverage limit?					
1 = No, the overdraft limit is not shown in any ATM balance					
2 = Yes, the overdraft limit is included in the only balance shown					
3 = Yes, the overdraft limit is shown but listed separately from the actual balance					

	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated Promoted Overdraft Protection	Automated <u>Non-Promoted</u> Overdraft Protection	Automated Non-Promoted Ad Hoc Overdraft Protection
C. Information Provided to Consumers, con't	Complete this section if you answered "Yes" for Question:				
	IA1	IA2	IA3	IA4	IA5
5. Do balances provided at non-proprietary ATM's show the overdraft coverage limit? 1 = No, the overdraft limit is not shown in any ATM balance 2 = Yes, the overdraft limit is included in the only balance shown 3 = Yes, the overdraft limit is shown but listed separately from the actual balance 4 = Do not know					
6. When an ATM transaction results in an NSF, when is the customer notified? 1 = At the time of the transaction, prior to completion of the transaction 2 = At the time of the transaction, after the completion of the transaction 3 = Subsequent to the time of transaction (e.g. via customer notification such as mail or email) 4 = Other (please describe below)					
7. When a POS transaction results in an NSF, when is the customer notified? 1 = At the time of the transaction, prior to completion of the transaction 2 = At the time of the transaction, after the completion of the transaction 3 = Subsequent to the time of transaction (e.g. via customer notification such as mail or email) 4 = Other (please describe below)					
8. In 2006, how many times did the institution advertise in print, radio, or television?					
8.1 If the institution had print, radio, or television advertisements, how many featured the program?					
8.2 Of these advertisements which featured the program, how many were primarily to promote the program or prominently featured the program?					
9. In 2006, of all the institution's customer mailings, how many primarily or prominently featured the program?					

II. Program Details

	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated Promoted Overdraft Protection	Automated Non- Promoted Overdraft Protection	Non- Automated Non- Promoted Ad Hoc Overdraft Protection
D. Fees	IA1	IA2	IA3	IA4	IA5
1. What is the initiation fee associated with the program? (If none enter \$0.)					
2. What is the maintenance fee to maintain the program? (If none enter \$0.)					
2.1 How often is this fee assessed? 1 = Monthly 2 = Yearly 3 = Other					
3. How are overdraft items charged? a. Per item b. Per daily occurrence c. Other (please describe below)					
4. Fees and interest charged: 4.1 For the institution's <u>linked accounts</u> and <u>lines of credit</u> programs, what is the fee to transfer or advance funds?					
4.2 For the institution's <u>lines of credit</u> program, what is the typical APR on the outstanding balance?					
4.3 What is the fee charged to PAY an NSF item?					
4.4 What is the fee charged to RETURN an NSF item?					
5. Does the per item/occurrence fee change with the number of items/occurrences with insufficient funds? 1 = Yes, 2 = No					
5.1 If yes, please describe the program's fee schedule.					
6. How are overdraft funds typically 1 = As needed to meet overdrafts 2 = As needed with a minimum draw 3 = Round lots 4 = Other					
6.1 If "Round lots" was chosen, in what denomination are the round lots? (e.g. \$50, \$100)					
7. Once an account is overdrawn, are additional fees or interest assessed subsequent to regular per item/per occurrence fees for being in overdraft status? 1 = Yes, 2 = No					
7.1 If yes, please describe.					
7.2 Is yes, what is the grace period before the additional fees are charged, in days?					
8. In the context of fees, does the institution define days by: 1 = Business Days, 2 = Calendar Days					

II. Program Details					
E. Account Coverage	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated Promoted Overdraft Protection	Automated Non-Promoted Overdraft Protection	Non-Automated Non-Promoted Ad Hoc Overdraft Protection
	Complete this section if you answered "Yes" for Question:				
	IA1	IA2	IA3	IA4	IA5
1. For which of the following accounts is the program offered? (Mark <u>each</u> that applies.)					
a. Checking					
b. Money Market					
c. NOW					
d. Savings					
2. Which transactions are covered by the program in the event of an overdraft?					
a. Paper checks/Equivalents					
b. ATM withdrawals					
c. Debit cards/POS					
d. Electronic billpay					
e. Automated debit					
f. ACH					
g. Other (please describe below)					
3. Is the program:					
1 = Completely Opt-in					
2 = Completely Opt-out					
3 = Other (please describe below)					
4. In 2006:					
4.1 How many accounts opted in to the program?					
4.2 How many accounts opted out of the program?					
5. What rules/procedures are used to determine whether a customer qualifies for the program? (Mark <u>each</u> that applies.)					
a. Credit check					
b. Minimum balance					
c. Age of account					
d. History with institution					
e. Recurring deposit (e.g. direct deposit)					
f. Other (please describe below)					

II. Program Details					
	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated Promoted Overdraft Protection	Automated Non-Promoted Overdraft Protection	Non-Automated Non-Promoted Ad Hoc Overdraft Protection
Complete this section if you answered "Yes" for Question:					
F. Vendors	IA1	IA2	IA3	IA4	IA5
1. Is the institution's current overdraft program implemented/managed by a vendor or other third party? 1 = Yes, 2 = No					
If the answer to Question 1 is "Yes," please answer the following vendor-related questions below.					
2. How long has the institution used a vendor-supplied program, in months (MM)?					
3. What was the original term of the institution's current contract with the vendor, in months (MM)?					
4. Which of the following best describes the institution's program? 1 = A standardized program obtained from a vendor (off-the-shelf) 2 = A customized program obtained from a vendor where the institution sets the program's parameters 3 = Other (please describe below)					
5. Did the institution first establish or expand its overdraft protection program with the adoption of a vendor program? 1 = Yes, 2 = No					
6. Which vendor does the institution use? 1 = Allied Solutions Group Inc. 2 = Fiserv Inc 3 = Impact Financial Services 4 = Jack Henry 5 = John M. Floyd & Associates 6 = MEA Financial Services 7 = Moebs Services Inc. 8 = Pinnacle Financial Strategies 9 = Strunk & Associates L.P. 10 = Other (please list below)					
7. Does the vendor receive a percentage of income/fees generated by the product? 1 = Yes, 2 = No					

	(1)	(2)	(3)	(4)	(5)
	Linked Transfer Accounts	Lines of Credit	Automated <u>Promoted</u> Overdraft Protection	Automated <u>Non- Promoted</u> Overdraft Protection	Non- Automated Non- Promoted <u>Ad Hoc</u> Overdraft Protection
	Complete this section if you answered "Yes" for Question:				
	IA1	IA2	IA3	IA4	IA5
F. Vendors, con't					
7.1 If yes, in 2006, what share of fees (in %, e.g. 15, 25) from the institution's overdraft protection program was the vendor paid?					
8. Does the vendor's compensation depend on a minimum level of usage by bank customers? 1 = Yes, 2 = No					
9. Does the vendor's compensation depend on features of the program such as its fee structure or how transactions are cleared? 1 = Yes, 2 = No					

Comments

The space below is provided for any additional comments the institution may desire to make regarding its overdraft protection policies, programs and practices.

A large, empty yellow rectangular area with a black border, intended for providing additional comments. It occupies the majority of the page's vertical space below the introductory text.