

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

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To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, and Foreign Bank Offices
in the Twelfth Federal Reserve District

Board Releases Online Publication on New Overdraft Rules for Debit and ATM Cards

Bank account overdraft fees can be a source of unexpected costs for consumers. A new online Federal Reserve Board publication will help consumers better understand rules that provide additional protection when a debit card or automated teller machine (ATM) transaction causes an account to be overdrawn.

Federal Reserve Board rules that take effect on July 1, 2010, prohibit financial institutions from charging overdraft fees for ATM and one-time debit card transactions unless a consumer consents, or opts in, to the overdraft service for those types of transactions. *What You Need to Know: New Overdraft Rules for Debit and ATM Cards* provides an explanation of how the rules will affect existing and new account holders. It contains basic information about types and typical costs of overdraft services and defines common terms consumers may encounter in communications from their bank about overdrafts.

Under the Board's rules, financial institutions must provide consumers a notice that explains the financial institution's overdraft services, including the fees associated with the service, and the consumer's choices. Institutions will soon begin providing these notices, and this publication will help consumers understand how to use the information to make the best choices regarding overdraft services.

The publication is available online at: http://www.federalreserve.gov/consumerinfo/wyntk_overdraft.htm.

Additional Information

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's website, at <http://www.frbsf.org/banking/letters>.

For additional information, please contact:

Federal Reserve Bank of San Francisco
Banking Supervision and Regulation
(415) 974-2955