

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

March 19, 2010

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

**Federal Reserve Announces Proposed Clarifications to Final Rules under Regulations E and DD**

The Federal Reserve Board proposed on February 19, 2010 clarifications to aspects of its November 2009 final rule under Regulation E (Electronic Fund Transfers) and its December 2008 final rule under Regulation DD (Truth in Savings) pertaining to overdraft services.

The proposals are intended to address questions that have arisen and to provide further guidance regarding compliance with certain aspects of the final overdraft rules. In particular, the proposals would clarify that the prohibition in Regulation E on assessing overdraft fees without the consumer's affirmative consent applies to all institutions, including those with a policy and practice of declining automated teller machine (ATM) and one-time debit card transactions when an account has insufficient funds. The proposals would also make certain technical corrections and conforming amendments.

The Federal Register notices are attached. Comments on the proposals must be submitted by March 31, 2010.

**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  
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(415) 974-2955

**Attachments:**

*Federal Register* notices:

Regulation E: [HTML](#) | [68 KB PDF](#)

Regulation DD: [HTML](#) | [62 KB PDF](#)