

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

June 9, 2010

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

**Federal Reserve Announces Clarifications to Regulation E and Regulation DD Final Rules
Pertaining to Overdraft Services**

The Federal Reserve Board announced on May 28, 2010 final 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 final clarifications address questions that have arisen and provide further guidance regarding compliance with certain aspects of the final overdraft rules. In particular, the final clarifications explain 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 final rules also make certain technical corrections and conforming amendments.

The Federal Register notices are attached.

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>.

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Attachment: *Federal Register* notice--Regulation DD clarification: [HTML](#) | [57 KB PDF](#)

Federal Register notice--Regulation E clarification: [HTML](#) | [80 KB PDF](#)