

MEMORANDUM

To: Subscribers to *Compliance Guide to Bank Operations*

From: Sheshunoff Information Services

Subject: Highlights

Enclosed is the latest update to your *Compliance Guide to Bank Operations* manual. The following topics are included in your update.

- **In May 2008**, the Fed and the OTS jointly proposed to amend their respective rules regarding acts and practices that are considered unfair or deceptive. The proposals are substantively identical. The Fed's version would add two new subparts to Regulation AA: Subpart C and Subpart D. See Chapters 1, 3, and 5 for a discussion on these proposals.
- **In May 2008**, the Federal Reserve Board proposed to adopt amendments to Regulation AA that would mandate that banks offering overdraft services provide each consumer with the right to opt-out of the service, and to adopt amendments to Regulation DD (the Truth-in-Savings Act regulation) that would mandate the form, content and timing of such notices.

The Fed included two model forms in its proposal, which reflect both the form and content for these disclosures, are reproduced as Exhibits 2.34 and 2.35 See Chapters 2, 4, and 6.

- **In May 2008**, the Federal Reserve Board and the FTC jointly issued a proposed amendment to their respective Fair Credit Reporting Act regulations, addressing this requirement to provide a risk-based pricing notice in cases where the bank uses a consumer report to offer credit to a consumer on materially less favorable terms than the most favorable terms it makes available to a substantial proportion of its consumer customers. See Chapters 9 and 10.
- **In May 2008**, the Federal Reserve Board issued proposed amendments to Regulation DD that, if adopted, will address the way that consumer account balances are quoted through automated response systems. The proposal requires such systems to be programmed to reflect only the actual amount of funds available for consumer's immediate use or withdrawal, without the consumer incurring an overdraft. See Chapter 2, 4, and 6.
- **In July 2008**, the FDIC adopted a new rule that requires large FDIC-insured banks to adopt mechanisms that would, in the event of the bank's failure: 1) allow automatic posting of provisional holds on large liability accounts in any percentage specified by the FDIC on the day of failure; 2) provide the FDIC with deposit and customer account data in a standard format; and 3) allow automatic removal of the provisional holds and posting of the results of insurance determinations as specified by the FDIC. Appendices A through H to Part 360 provide specific details in the structuring of the "mechanisms" and formats required under this provision. See Chapters 2, 4, 6, and 8.