

# InfoSight Newsletter

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## League InfoSight Highlight

### Overdraft Opt-In Documentation

I remember working at the credit union 14 years ago (July 1, 2010, to be exact) when the mandatory compliance date for the opt-in rules for ATM or one-time debit card overdraft transactions became effective! It was quite the initiative reaching out to our membership informing them of the change, documenting their affirmative consent, and sending them written confirmation.

Just this week, the CFPB refreshed that memory with a [new circular regarding improper overdraft opt-in practices](#). This circular focused on the violation of Regulation E (and the Electronic Fund Transfer Act) when there is no proof of affirmative consent to enroll and opt-in the consumer to overdraft services for ATM or one-time debit card transactions.

Regulation E requires that members must specifically opt-in, providing affirmative consent to allow for overdraft coverage for their ATM or one-time debit card transactions. Credit unions are also required to provide the member with written confirmation of that authorization (after the opt-in) before charging any overdraft fees for those services.

The CFPB found that the institutions under its supervision were unable to show policies and procedures were being followed with respect to these requirements, and records were not maintained to prove consumers affirmatively consented to enroll in covered overdraft services.

With overdraft practices under scrutiny in general, it's a good time to review your credit union's program to make sure your processes are well documented and evidenced. Validate that you are properly maintaining your member's opt-in and can furnish the documentation and the written confirmation you are obligated to provide (yes, this can be electronically submitted). Make sure your policies and procedures are also well-

documented and maintained. We have several resources available to help ensure your program is comprehensive.

- [InfoSight](#)
  - ACH/Electronic Payments – Electronic Fund Transfers - Regulation E – Overdraft Fees for ATM and One-Time Debit Card Transactions
  - Accounts – Overdraft Payment Programs
- [CU PolicyPro](#)
  - Policy 7215 – Overdraft Protection
  - Policy 2615 – ATM or Debit Cards

Have questions? We are always here to help at [info@leagueinfosight.com](mailto:info@leagueinfosight.com).

**Glory LeDu**

CEO, League InfoSight and CU Risk Intelligence

## News and Alerts!

### Member Fraud Prevention

The Federal Trade Commission recently released a consumer article, *Three Ways to Protect the Personal Info on Your Phone*.

Imagine carrying a written copy of all your conversations with you everywhere you went. Or copies of your account numbers, usernames, and passwords. Or all the photos and videos you've ever taken.

[Read More](#)

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### NCUA Releases Q2 2024 State-Level Credit Union Data Report

Total assets, shares and deposits, and membership at federally insured credit unions declined at the median over the year ending in the second quarter of 2024, while loans outstanding increased, according to the latest [Quarterly U.S. Map Review](#) released today by the National Credit Union Administration.

[Read More](#)

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### High Interest Rates Set to Increase the Cost of Student Loans in 2024

On July 1, interest rates for new federal student loans rose to their highest levels since before the Great Recession. Interest rates for undergraduate loans have increased to 6.53% this year, nearly a 19% increase over last year and a 44% increase from just five years ago.

[Read More](#)

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## **FTC Sends More Than \$2.6 Million to Consumers Harmed by FloatMe's Deceptive and Discriminatory Lending Practices**

The Federal Trade Commission is sending more than \$2.6 million in refunds to consumers harmed by online cash advance provider FloatMe. The company deceived consumers with false promises of “free money” and discriminated against some consumers who applied for cash advances.

[Read More](#)



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