FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 80-81
April 24, 1980

AMENDMENTS TO REGULATION E
ELECTRONIC FUND TRANSFERS

TO ALL MEMBER BANKS
AND OTHERS CONCERNED IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors adopted amendments to Regulation E, implementing the Electronic Fund Transfer Act. The Board's actions relate to rules issued by the Board in January and to proposals made then with respect to sections of the EFT Act that become effective May 10.

The Board is delaying until August 10, 1980, the requirements that a financial institution disclose on periodic statements the name of any third party to or from whom electronic fund transfers were made, and the terminal location for transfers initiated at electronic terminals. All other requirements of the regulation will go into effect on May 10, 1980, as scheduled.

In taking this action the Board said:

The Board wishes to insure that consumers enjoy the major protections of the Act and regulation during the three-month delay. Consequently, a requirement previously stated in the Federal Register has been incorporated into the regulation. Where applicable, financial institutions must, upon the consumer's request and without cost, provide the consumer with evidence of proof of payment to another person. The Board reiterates that financial institutions must treat any request for additional information from the consumer as to an incompletely identified transfer as an "error" and comply with the error resolution procedures.

The Board also permanently "grandfathered" cash dispensers that do not generate a receipt at the time a withdrawal is made, on the condition that the consumer be sent a receipt on the next business day. The exception is available only to terminals that do not perform any electronic transfer function other than dispensing cash. It is also limited to machines that were purchased or ordered by the financial institution before February 6, 1980, the date on which the Board's final documentation rules were published. The exception is intended to permit the continuation of a service that is beneficial to consumers without loss of consumer protection. It will also enable financial institutions to replace these terminals in an orderly and cost-effective manner.

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

The Board adopted two other amendments. The first applies to deposits of cash or checks at electronic terminals. In January, the Board stated the opinion that such deposits are covered by the EFT Act and Regulation E. In response to comments asking that it reconsider the matter, the Board today reiterated its position, but exempted deposits made at electronic terminals from the requirement that the terminal location be shown on the periodic statement.

The second change relates to the charges that must be disclosed on the periodic statement. Under a rule adopted in January, institutions were required to disclose separately the total of charges related to electronic transfers, even if the cost was identical for electronic and paper transfers. The amendment now gives institutions the option of disclosing instead the total charges for account maintenance--including any per transaction charges. This change comports with the statutory language, and was made in response to comments pointing to the operational difficulty in segregating EFT charges--particularly with respect to accounts on which charges are based on minimum balances and may involve rebates. Consumers will continue to receive information about specific EFT charges on initial disclosures required by the regulation.

The Board's order and the slip sheet are enclosed. Member banks and others who maintain Regulations Binders should file the slip sheet in their binders. Any questions concerning Regulation E should be directed to the Consumer Affairs Section of our Bank Supervision and Regulations Department, Ext. 6171.

Sincerely yours,

Robert H. Boykin
First Vice President

Enclosures

FEDERAL RESERVE SYSTEM

[12 CFR Part 205]

[Reg. E; Docket No. R-0272]

ELECTRONIC FUND TRANSFERS

Definitions and Rules of Construction
Documentation of Transfers

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board is adopting in final form amendments to § 205.9 of Regulation E (Electronic Fund Transfers) to (1) exempt deposits of cash, checks, drafts, and similar paper instruments at electronic terminals from the requirement that the terminal location be disclosed on the periodic statement, (2) provide that institutions may disclose the charges for account maintenance or the charges for electronic fund transfers on periodic statements, (3) permit financial institutions operating certain cash-dispensing terminals to mail a terminal receipt on the next business day following the day the transfer was initiated, until financial institutions replace those terminals, and (4) delay until August 10, 1980, the requirements that the terminal location and name of any third party to or from whom funds were transferred be disclosed on the periodic statement. These amendments are intended to facilitate compliance with the requirements of Regulation E, while not diminishing the consumer protections that it provides. The Board is also issuing an analysis of the economic impact of the amendments adopted at this time.

EFFECTIVE DATE: May 10, 1980.

FOR FURTHER INFORMATION CONTACT: Regarding the regulation: Dolores S. Smith, Section Chief, or Lynne B. Barr, Senior Attorney (202-452-2412), Division of Consumer and Community Affairs, Board of Governors of the Federal Reserve System, Washington, D.C. 20551. Regarding the economic impact analysis: Frederick J. Schroeder, Economist (202-452-2584), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

SUPPLEMENTARY INFORMATION: (1) Sections 205.2(g) and 205.9(b)(1)(iv) -- Definition of electronic fund transfer and disclosure of terminal location. The Board has been asked to reconsider its opinion that deposits of cash, checks, drafts, or similar paper instruments at electronic terminals are encompassed by the definition of "electronic fund transfer" in § 205.2(g), and that the requirements of the Act and regulation apply to them. Commenters contended that such transfers are not initiated electronically and should therefore be excluded. Commenters also stated that operational problems make it difficult and costly to treat deposits at ATMs and other terminals as electronic fund transfers.

The Board believes that the protections provided by the Act, particularly error resolution procedures, should be given to consumers using this type of service. It remains the Board's opinion that deposits at terminals are electronic fund transfers within the meaning of the Act. This view is supported by the Report of the Senate Committee on Banking, Housing and Urban Affairs (Report No. 95-915) which states that "automated teller machine transactions, such as cash withdrawals or deposits" are encompassed within the definition.

Certain specific operational problems were raised by the commenters. First, concern was expressed that all accounts held at a financial institution will be subject to the regulatory requirements (such as initial disclosures, documentation requirements, and error resolution) because it is possible for a consumer to deposit money to accounts for which there is no EFT agreement. It is the Board's opinion that a deposit by a consumer at an electronic terminal does not make an account subject to the requirements of Regulation E, absent an agreement (by encoding accounts on the access device, marketing the deposit service, or specific agreement) between the consumer and the financial institution to permit deposits to the account. The Board's position on this issue is similar to that taken with respect to which accounts are subject to the requirements of § 205.9(b) (see 45 FR 8250). Institutions may limit the accounts to which deposits may be made by consumers and thus limit their exposure. Institutions may also limit the permissible dollar amount of deposits, provided disclosure is made pursuant to § 205.7(a).

Another concern of financial institutions relates to the difficulty of processing these deposits. It is the Board's understanding that deposits at terminals, because the amount of the deposit must be verified and availability of the funds determined, are generally processed with other deposits rather than with other terminal transfers, and that the terminal location is generally not captured. After the effective date of the regulation, the financial institution would have to capture and store the terminal location for disclosure on the periodic statement. In order to do so, according to commenters, institutions would have to verify and manually process ATM deposits separately from, not only other ATM transfers, but also other deposits. The Board is concerned that these increased processing steps and costs would result in loss of depository services to consumers and interfere with the development of such EFT services; it has therefore adopted an amendment to § 205.9(b)(1)(iv) exempting deposits at terminals from the requirement that the terminal location be disclosed on the periodic statement. It should be noted that the Board considers this an interim exemption that will become unnecessary as methods to process these transfers electronically become readily available to financial institutions.

The Board believes that this amendment will not decrease the significant consumer protections provided to consumers by the error resolution and other requirements of the regulation, which remain in effect as to deposits at electronic terminals. If a consumer requests additional information about a deposit within the time periods prescribed in § 205.11(b), for example, the institution must comply with the error resolution requirements.

This amendment and the one discussed in section (2) below are being adopted without an opportunity for further public comment on the specific wording because the Board believes that there has been ample opportunity for comment on the issues, and because a prompt resolution is necessary in view of the time remaining until the effective date of the regulation. Accordingly, the expanded rulemaking procedures set forth in the Board's policy statement of January 15, 1979 (44 FR 3957), will not be followed in connection with these two amendments.

One commenter asked whether § 906(f), which provides that any documentation provided pursuant to the Act constitutes prima facie proof of payment to another person, would apply to terminal receipts for deposits at terminals. The Board believes that § 906(f) does not apply to deposits to the consumer's account, since no payment is being made to another person. If a deposit is made to another person's account, and, because of an agreement between the consumer making the deposit and the financial institution as to deposits to that account, the other person's account is subject to Regulation E, the receipt would constitute prima facie proof of payment.

Financial institutions have asked what their responsibility will be under the regulation when the amount of a deposit as verified by the institution is more or less than the amount entered by the consumer into the terminal. Although financial institutions may wish to notify consumers immediately of any discrepancy, the Board believes that a financial institution is not required by the regulation to notify the consumer of the different amount until the periodic statement is sent. The statement should reflect the proper amount, or, depending on the institution's system, a correction of the erroneous amount. The financial institution must, of course, comply with the error resolution procedures when an error in a deposit is alleged by the consumer.

Financial institutions also expressed concern about potential consumer fraud. Financial institutions are concerned that they will be unable to resolve error allegations within the 10-business-day period prescribed by § 205.11, and will have to provisionally recredit the consumer's account for the amount alleged to be in error during the investigation. The Board believes that a financial institution completes its investigation responsibilities under § 205.11 by examining the questioned deposit, verifying the amount, and reporting to the consumer in accordance with the regulation's requirements.

The Board has also been asked whether cash payments made at electronic terminals are subject to the Act. It is the Board's opinion that such payments are not electronic fund transfers because they do not debit or credit an "account" as that term is defined in the Act.

(2) Section 205.9(b)(3) -- Charges for electronic fund transfers. The Board has adopted an amendment to § 205.9(b)(3) to permit a financial institution to disclose on periodic statements the total charges (a) for electronic fund transfers or the right to make transfers, or (b) for account maintenance assessed against the account during the statement period. This amendment comports with the statutory language. It permits disclosure on the periodic statement of the total charges assessed against the account during the statement period, including any transaction charges. No change has been made to § 205.7(a)(5), however, and financial institutions must separately disclose the EFT charges,

including transaction charges, when the initial disclosures are made. The amendment is being adopted in response to comments on the final regulation that raised significant operational obstacles to separate disclosure of EFT and non-EFT charges, particularly for accounts where the charges are identical for electronic and paper transfers. The Board believes that the amendment more closely approximates the congressional intent with respect to such charges, will not reduce the information given to the consumer (who will be told what the separate EFT charges are in the initial disclosures required by § 205.7), and will result in cost savings to financial institutions.

The Board does not believe that overdraft or stop payment charges are EFT charges or charges for the right to make electronic fund transfers. They need not be disclosed under §§ 205.7(a) or 205.9(b).

(3) Section 205.9(f) -- Receipt requirements for certain cash-dispensing terminals. Section 205.9(a) of the regulation, which becomes effective May 10, 1980, provides that a financial institution must make a written receipt available to the consumer at the time any transfer is initiated at an electronic terminal. It came to the Board's attention that some financial institutions operate cash-dispensing electronic terminals that are incapable of generating a receipt to the consumer at the time the transfer is initiated. In response to concerns that financial institutions would take these terminals out of service on May 10 because of non-compliance and that a valuable service would thus be unavailable to consumers, the Board proposed an amendment to Regulation E to permit financial institutions with such terminals until January 1, 1981, to replace the terminals, provided that in the interim the financial institution mails or delivers a receipt to the consumer on the next business day after the transfer was initiated (45 FR 8268, February 6, 1980). The proposed deferral of the effective date was intended to give financial institutions adequate opportunity to replace existing terminals.

The vast majority of the comments favored some delay in the May 10 effective date of the requirement that a receipt be made immediately available. However, most financial institutions operating the terminals in question argued that the seven-month extension would be an insufficient period in which to make the capital expenditure necessary to replace the affected terminals. These institutions argued that no loss in consumer protection would occur as a result of a permanent "grandfathering" of such terminals, because the consumer would receive the required information in the mail shortly after the transfer has taken place. In fact, these commenters argued, the possibility of detecting unauthorized use of an access device would be enhanced by the practice of mailing the receipt to the consumer on the next business day.

The Board has adopted an amendment (§ 205.9(f)) that will permit financial institutions operating certain cash-dispensing terminals to mail or deliver a written terminal receipt to the consumer on the next business day after the transfer is initiated. The amendment applies to terminals that (a) do not permit transfers other than cash withdrawals, (b) cannot make a receipt available to the consumer at the time the transfer is initiated, (c) cannot be modified to provide a receipt at that time, and (d) were purchased or ordered prior to February 6, 1980, the date the final regulation was published (45 FR 8264). The Board considered but rejected requests that it totally exempt such cash dispensers from the receipt requirement.

This is a permanent exception as to terminals purchased or ordered by the financial institution before February 6, 1980. There is no specific date by which these terminals must be replaced. Section 904 of the Act permits the Board to "provide for such adjustments and exceptions for any class of electronic fund transfers, as in the judgment of the Board are necessary or proper to effectuate the purposes" of the Act. The amendment adopted by the Board will permit financial institutions to phase out these terminals in an orderly and cost-effective manner, and to continue providing what appears to be a beneficial service to consumers. The Board believes that the consumer protection provided by the receipt requirement will not be significantly changed by the amendment.

The Board believes that the amendment permits financial institutions to reinstall their present cash-dispensers in new locations. It should be noted that the exception may only be used by the financial institution that presently owns or operates the terminals; terminals sold to other financial institutions will not remain within the exception.

(4) Section 205.9(g) -- Delayed effective date for certain periodic statement requirements. The Board has adopted an amendment (§ 205.9(g)) which provides that a financial institution's failure to describe an electronic fund transfer in accordance with certain periodic statement requirements shall not constitute a violation of the Act or regulation as to any transfer that occurs before August 10, 1980. These requirements relate to § 205.9(b)(1)(iv), which requires disclosure of the terminal location for each transfer, and § 205.9(b)(1)(v), which requires disclosure on the statement of the name of any third party to or from whom funds were transferred.

The Board proposed the delay in the effective date of these portions of the regulation because it had become aware that financial institutions were expecting to experience serious difficulty in complying with these two requirements by May 10. The Board issued the final portions of Regulation E on February 6, 1980, slightly more than three months before the effective date of the regulation. The Board was concerned that rushed compliance efforts to meet the deadline and non-compliance after that date would result in substantial costs to financial institutions.

The comments received by the Board, with one exception, favored the adoption of a delayed effective date. Financial institutions responded to a request for specific estimates of costs that would be incurred if they had to comply by May 10, and subsequent reductions in those costs should the delay be adopted. Their estimates are discussed in detail in section (5) below. Significant obstacles to compliance by May 10 cited by commenters included the necessary modifications in computer software; redesign, reprinting, and distribution of statement forms; training of personnel; and the pretesting of new statement programs and formats.

The Board has determined, based on the comments received and its own analysis, that a brief delay in the effective date of these two periodic statement requirements will result in cost savings to financial institutions and will not result in a significant reduction in the consumer protections afforded by the Act.

The Board considered, but rejected, suggestions to delay the effective date for a longer period and to extend the delay to other requirements. Most financial institutions commented that this brief delay, limited to the two most difficult provisions in the documentation requirements, was adequate.

The Board wishes to insure that consumers enjoy the major protections of the Act and regulation during the three-month delay. Consequently, a requirement previously stated in the Federal Register has been incorporated into the regulation. Where applicable, financial institutions must, upon the consumer's request and without cost, provide the consumer with evidence of proof of payment to another person (as provided by § 906(f) of the Act). The Board reiterates that financial institutions must treat any request for additional information from the consumer as to an incompletely identified transfer as an "error" under § 205.11(a) and comply with the error resolution procedures.

(5) Economic impact analysis. Section 904(a)(2) of the Act requires the Board to prepare an analysis of the economic impact of the regulation that the Board issues to implement the Act. The following economic analysis accompanies sections of the regulation that are being issued in final form.1/

The analysis must consider the costs and benefits of the regulation to suppliers and users of electronic fund transfer (EFT) services, the extent to which additional documentation, reports, records, or other paperwork would be required, the effects of the regulation on competition in the provision of electronic fund transfer services among large and small financial institutions, and the effects of the regulation on the availability of EFT services to different classes of consumers, particularly low-income consumers.

The regulation in part reiterates provisions of the statute and in part amplifies the statute. Therefore, the economic analysis considers impacts of both the regulation and the statute, and throughout the analysis a distinction will be made between costs and benefits of the regulation and those of the statute. The following analysis assumes that the regulation and the Act have no relevant economic impact if they are less restrictive than current industry practices or state law. In this case, the regulation will not affect costs, benefits, competition, or availability and will not inhibit the market mechanism. The following analysis of the regulation and the Act is relevant only if their provisions are more constraining than those provisions under which institutions would otherwise operate.

Section 205.9(b)(1)(iv) is amended so that deposits of cash, checks, drafts, or similar paper instruments at electronic terminals are not subject to the terminal location documentation requirement. Commenters pointed out that

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1/ The analysis presented here is to be read in conjunction with the economic impact analysis that accompany the Board's final rules at 44 FR 18474 (March 28, 1979), at 44 FR 33838 (June 13, 1979), at 45 FR 46433 (August 8, 1979), at 44 FR 59468 (October 15, 1979), and at 45 FR 8259 (February 6, 1980).

deposits made at electronic terminals are usually processed in the same way as deposits made at night depositories, at lobby drop boxes, and through the mail. Many financial institutions do not segregate deposits made at electronic terminals from other deposits and have no way of identifying at which electronic terminal a deposit was made. Costly changes in operating procedures and separate manual processing would be necessary to capture terminal location information for such deposits. The amendment is expected to reduce compliance costs and prevent the elimination of terminal deposit services by some institutions that could not comply in the absence of the amendment. Consumers will continue to receive receipts for deposits at electronic terminals and be protected by the error resolution procedures and other provisions of the Act and regulation.

Section 205.9(b)(3) is amended to provide that financial institutions may show on the periodic statement the total amount of all fees or charges assessed against the account during the statement period. Total fees or charges assessed only for EFTs or the right to make such transfers need not be reported separately, as had been previously required. Commenters pointed out that most data processing systems are not now capable of segregating the information needed to compute charges associated only with electronic transfers. Reprogramming accounting systems would be very expensive. Furthermore, many institutions assess fees or charges for service packages that include EFT services, so that isolation of charges related only to EFT would not be possible. This amendment is expected to reduce compliance costs substantially. Consumers will continue to be assured of receiving documentation of account fees and charges so that they can use that information to shop for the best of the different types of accounts available in the market.

Section 205.9(f) grants financial institutions a permanent exemption from the § 205.9(a) terminal documentation requirements for certain cash dispensers. A recent survey of all insured commercial banks revealed that the number of cash dispensers in operation was 623 in 1974, 437 in 1976, and 395 in 1979; and that the number of automated teller machines in operation was 1476 in 1974, 3032 in 1976, and 6215 in 1979.2/ It is apparent that the number of cash dispensers in use at commercial banks has declined in absolute terms and as a percentage of all automated retail banking machines. Similar trends in equipment use are expected to obtain for other types of financial institutions.

In response to its request for information, the Board received comments from 11 financial institutions that were each operating at least one cash dispenser incapable of issuing receipts to consumers. All of these commenters requested a delay of the effective date or a permanent exemption from the requirements under consideration. Commenters cited customer satistion with existing cash dispensers, some of which have been in place for over 10 years, and the high costs associated with abandoning or replacing

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2/ David A. Walker, "An Analysis of Financial and Structural Characteristics of Banks with Retail EFT Machines," Working Paper No. 79-1. Washington, D.C.: Federal Deposit Insurance Corporation, 1979, p. 3.

cash dispensers. Costs of replacing a non-complying machine were estimated to range from $20,000 to $50,000, depending on the type of replacement equipment, in addition to site preparation, reprogramming, and card base replacement costs. Furthermore, given the long lead times required to order and secure delivery of new equipment, some financial institutions could not replace non-complying machines by May 10, 1980.

This information, together with the realization that the stock of existing cash dispensers is declining as machines are retired and replaced with machines capable of issuing receipts when transfers are made, leads the Board to grant a permanent exemption from the § 205.9(a) documentation requirements for cash dispensers that were purchased or ordered prior to February 6, 1980. While the number of financial institutions and consumers affected by the exemption is relatively small, the impact of the exemption on them will be significant and provide a net benefit.

Consumers will retain the documentation protections afforded by the Act because of the provision that financial institutions must mail or deliver, on the business day following the transfer, a written receipt detailing the required transfer information. At the same time, financial institutions will not be forced to abandon cash-dispenser service or replace existing service with more costly service. The costs of any premature abandonment or replacement would be passed on to consumers to some degree.

Although the requirement to mail or deliver a written transaction document will increase the paperwork and record-keeping burden of institutions that do not now provide that service for cash-dispenser transactions, the burden will be much smaller than that imposed by the Act were the regulatory exception not granted. Without the exemption, equipment replacement costs and costs of civil liabilities for noncompliance would be greater. The exemption will provide greater relief from the statutory compliance burden for small financial institutions because they are less able than larger institutions to bear fixed costs associated with meeting the Act's compliance deadline.

The exemption is expected to have some influence on the availability of EFT services to different income classes of consumers. Certain of the affected cash dispensers are the only form of EFT service offered in the low-income rural areas they serve, and the exemption will permit the continued operation of those machines. Furthermore, some low-income consumers might be priced out of the market for EFT services if higher transaction charges were imposed because of cash dispenser replacement.

Section 205.9(g) delays until August 10, 1980, the effective date of two periodic statement requirements, §§ 205.9(b)(1)(iv) and (v). The delay applies to all financial institutions. Commenters provided compliance cost estimates that demonstrate that documention of terminal locations and of third-party names are among the most burdensome requirements of the Act. Most commenters indicated that they would have to incur substantial system development costs in order to capture the necessary information and reproduce it on periodic statements.

Some institutions and contract processors stated that the necessary reprogramming efforts could not be completed by May 10, 1980, regardless of cost, because sufficient human resources are not available and because new systems require time for field testing and modification. Rushed compliance efforts would probably require much greater expenditures and more costly revisions than efforts directed toward an August 10, 1980, or later compliance deadline. Many commenters were unable to provide estimates of cost savings from the three-month delay. For the 25 commenters that gave cost estimates, the delay was expected to save a total of over $1 million.

Other costs are associated with the terminal location and third-party name documentation requirements. These include costs of the addition of data storage capacity to handle the increased volume of transaction information, costs of retraining employees who use the new systems, and costs of discarding obsolete periodic statement forms and other supplies. The more time financial institutions and processors have in which to comply, the more efficiently resources can be allocated.

In consideration of the cost estimates furnished by commenters, the Board is extending the compliance deadline 3 months beyond the effective date of the Act. This regulatory provision is expected to yield a significant cost savings to financial institutions as a group and, for many individual institutions, prevent either widespread curtailments of EFT services or extensive violation of the statutory documentation requirements in case services are not curtailed. No significant loss of consumer benefits is expected, because consumers will have access to all information, proof of payments, and error resolution procedures required by law.

Although financial institutions will be spared substantial costs by the extension, commenters stated that many institutions, most of them small, will not be in compliance by August 10, 1980. Commenters anticipated that these institutions may have to suspend consumer EFT services, some of which have been successfully offered for many years, in order to protect themselves from civil liability under the Act. Even if compliance could be achieved soon after August 10, 1980, any disruption, however short, in EFT services would harm these institutions by causing loss of service with consequent loss of customers, by necessitating mailings of explanations to customers, and by requiring the use of managerial resources for discontinuing and later reinstating services. For many small financial institutions there will be little opportunity to control the process because they rely on outside processors, many of which cannot complete program modifications and client retraining by August 10, 1980. Low-income customers who have only savings accounts and who use EFT services will be adversely affected by the Act to the extent that their institutions will not be able to document the names of third-party payors or payees on periodic statements.

The delay in the effective date will reduce paperwork and documentation costs for those institutions that, in the absence of a delay, would continue to offer EFT services and would seek to comply by manually inserting transfer documentation into periodic statements.

(6) Pursuant to the authority granted in 15 U.S.C.A. 1693b, the Board hereby amends 12 CFR Part 205, effective May 10, 1980, by adding a footnote to paragraph (b)(1)(iv), amending paragraph (b)(3), and adding paragraphs (f) and (g) to § 205.9, to read as follows:

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

ELECTRONIC FUND TRANSFERS

AMENDMENTS TO REGULATION E †

Effective May 10, 1980, § 205.9 is amended, by adding a footnote to paragraph (b)(1)(iv), by revising paragraph (b)(3), and by adding paragraphs (f) and (g), to read as follows:

SECTION 205.9—DOCUMENTATION OF TRANSFERS

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(b) **Periodic statements.** ***

(1) ***

(iv) For each transfer initiated by the consumer at an electronic terminal,[4a] ***

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(3) The total amount of any fees or charges, other than a finance charge under 12 CFR 226.7(b)(1)(iv), assessed against the account during the statement period for electronic fund transfers or the right to make such transfers, or for account maintenance.

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(f) **Receipt requirements for certain cash-dispensing terminals.** The failure of a financial institution to comply with the requirement of paragraph (a) of this section that a receipt be made available to the consumer at the time an electronic fund transfer is initiated at an electronic terminal shall not constitute a violation of the Act or this regulation, provided

(1) The transfer occurs at an electronic terminal that

(i) Does not permit transfers other than cash withdrawals by the consumer,

(ii) Cannot make a receipt available to the consumer at the time the transfer is initiated,

(iii) Cannot be modified to provide a receipt at that time, and

(iv) Was purchased or ordered by the financial institution prior to February 6, 1980; and

(2) The financial institution mails or delivers a written receipt to the consumer that complies with the other requirements of paragraph (a) of this section on the next business day following the transfer.

(g) **Delayed effective date for certain periodic statement requirements.** The failure of a financial institution to describe an electronic fund transfer in accordance with the requirements of paragraphs (b)(1)(iv) and (v) of this section shall not constitute a violation of the Act or this regulation unless the transfer occurs on or after August 10, 1980, if, when a transfer involves a payment to another person, the financial institution, upon the consumer's request and without charge, promptly provides the consumer with proof that such a payment was made.

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[4a] A financial institution need not identify the terminal location for deposits of cash, checks, drafts, or similar paper instruments at electronic terminals.

† For this Regulation to be complete retain:
1) Printed Regulation pamphlet dated May 10, 1980.
2) This slip sheet.