

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-18
January 28, 1983

REGULATION E
ELECTRONIC FUND TRANSFERS

(Amendments)

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

In our Circular No. 82-145, dated November 10, 1982, you were furnished the text of amendments to Regulation E, Electronic Fund Transfers, effective October 12, 1982. Enclosed is a copy of the amendments in slip sheet form and should be filed in Volume 2 of the Regulations Binders.

Any questions regarding these amendments should be directed to this Bank's Legal Department, Extension 6171.

Additional copies of this circular and enclosure will be furnished upon request to the Public Affairs Department, Extension 6289.

Sincerely yours,



William H. Wallace
First Vice President

Enclosure

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

ELECTRONIC FUND TRANSFERS

AMENDMENTS TO REGULATION E †

The text of the following sections of the regulation incorporates amendments to those sections adopted by the Board as of October 12, 1982. For the specific dates of the various amendments, refer to Title 12, *Code of Federal Regulations*, Part 205, or the index to the daily issues of the *Federal Register*, or write to the Division of Consumer and Community Affairs, Federal Reserve Board, Washington, D.C. 20551.

SECTION 205.3—EXEMPTIONS

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(d) **Certain automatic transfers.*****

(2) Into a consumer's account by the financial institution, such as the crediting of interest to a savings account;^{1a}

(3) From a consumer's account to an account of the financial institution, such as a loan payment;^{1a} or

(4) From a consumer's account to an account of another consumer, within the financial institution, who is a member of the transferor's family.

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(g) **Preauthorized transfers to small financial institutions.** (1) Any preauthorized transfer to or from an account if the assets of the account-holding financial institution are \$25 million or less on December 31.^{1a}

(2) If the account-holding financial institution's assets subsequently exceed \$25 million, the institution's exemption for this class of transfers shall terminate one year from the end of the calendar year in which the assets exceed \$25 million.

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^{1a} The financial institution remains subject to § 913 of the act regarding compulsory use of electronic fund transfers. A financial institution may, however, require the automatic repayment of credit that is extended under an overdraft credit plan or that is extended to maintain a specified minimum balance in the consumer's account. Financial institutions also remain subject to §§ 915 and 916 regarding civil and criminal liability.

SECTION 205.5—ISSUANCE OF ACCESS DEVICES

(a) **General rule.** A financial institution may issue an access device to a consumer only:

(1) In response to an oral or written request or application for the device;^{1b} or

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SECTION 205.9—DOCUMENTATION OF TRANSFERS

(a) **Receipts at electronic terminals.*****

(3) The type of transfer and the type of the consumer's account(s)^{3***}

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

(1) ***

(iv) For each transfer initiated by the consumer at an electronic terminal.^{4a***}

(A) ***⁵

(v) The name of any third party to or from whom funds were transferred.⁹

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^{1b} In the case of a joint account, a financial institution may issue an access device to each account holder for whom the requesting holder specifically requests an access device.

³ If more than one account of the same type may be accessed by a single access device, the accounts must be uniquely identified unless the terminal is incapable of such identification and was purchased or ordered by the financial institution prior to February 6, 1980. The type of account need not be identified if the access device may access only one account at that terminal.

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

⁵ The city and state may be omitted if all the terminals owned or operated by the financial institution providing the statement (or by the system in which it participates) are located in the same city. The state may be omitted if all the terminals owned or operated by the financial institution providing the statement (or by the system in which it participates) are located in that state. The state may also be omitted for transfers occurring at terminals within 50 miles of the financial institution's main office.

† For this Regulation to be complete retain:

1) Printed Regulation pamphlet dated May 10, 1980.

2) This slip sheet. (Destroy slip sheets dated May 1980 and January 1981.)

(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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(c) **Documentation for certain passbook accounts.** In the case of a consumer's passbook account which may not be accessed by any electronic fund transfers other than preauthorized transfers to the account.^{9a***}

(d) **Periodic statements for certain non-passbook accounts.** If a consumer's account other than a passbook account may not be accessed by any electronic fund transfers other than preauthorized transfers to the account.^{9a***}

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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.

^{9a} Accounts that also are accessible by the intra-institutional transfers described in paragraph (h) of this section may continue to be documented in accordance with paragraph (c) or (d) of this section.

(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.

(h) **Periodic statements for certain intra-institutional transfers.** A financial institution need not provide the periodic statement required by paragraph (b) of this section for an account accessed only by electronic fund transfers initiated by the consumer to or from another account of the consumer for which the financial institution documents transfers in compliance with paragraph (b) of this section.

(i) **Documentation for foreign-initiated transfers.** Failure to provide the terminal receipt and periodic statement required by paragraphs (a) and (b) of this section for a particular electronic fund transfer shall not be deemed a failure to comply with this regulation, if:

(1) the transfer is not initiated in a state as defined in § 205.2(k); and

(2) in accordance with § 205.11, the financial institution treats an inquiry for clarification or documentation as a notice of error and corrects the error.

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SECTION 205.11—PROCEDURES FOR RESOLVING ERRORS

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(c) **Investigation of errors.**^{***}

(4) If a notice of an error involves an electronic fund transfer that was not initiated in a state as defined in § 205.2(k), the applicable time periods for action in subsections (c), (e), and (f) shall be 20 business days in place of 10 business days, and 90 calendar days in place of 45 calendar days.

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