

REG E: Opt-in Research – Grand Rapids Financial Institutions

2010

Research date: June 17, 2010

Internet Research project: Reg E: Opt-in promotions posted on websites of Financial Institutions in the Grand Rapids, Michigan area. To qualify, the FI had to be identified in the online yellow pages as a Bank, Credit Union, or Commercial & Savings Bank.

There were 493 qualifying institutions in total. Banks such as Citibank, Fifth Third, Chase, JPMorgan Chase, and similar sized institutions were listed individually by branch. Some institutions counted in the 493 had no website at all and were ignored in this analysis.

Fifty nine financial institutions were examined, many of them page by page to find evidence that Reg E: Opt-in programs were available to customers and members. Twenty nine banks and credit unions posted a mechanism to choose Opt-in, leaving 30 which currently have nothing related to Opt-in visible on their site.

Approximately 10 of those boasting an Opt-in program, have a prominent badge or link inviting the account holder to click to read more or to fill in a form. Choice One Bank, on the other hand, has a tiny link labeled 'Opt-in' at the lower edge of their page which is completely inconspicuous. A few of the sites had newsletters which contained short notification of the impending changes to debit card and ATM overdrafts.

At least 2 credit unions use an outside organization to operate their program. First Community Federal Credit Union is one of them and there is a screen shot on page 3 of the Opt-in list showing the action when a member clicks the Opt-in link. Flagstar Bank also uses the services of Harland Clarke for their overdraft program.

There is no commonality among how banks or credit unions explained Opt-in and encouraged participation. Most explained the situations that would constitute and overdraft and compared the differences between how they are handled currently with what will happen after July 1 or August 13. None of the posted articles or descriptions used scare tactics. Wells Fargo posted a document titled, in huge letters, Federally-Required Notice.

Bank of America produced a dialog thread in their blog which offered well thought out answers to posed questions. Follow questions and answers here: <http://factsaboutfees.bankofamerica.com/learn-to-avoid-fees/overdraft-protection/> In fact Bank of America is a virtual encyclopedia of education on financial situations on how to avoid overdrafts in the first place. <http://factsaboutfees.bankofamerica.com/manage-banking-fees/overdraft-protection-transfer-fees/index.jsp>

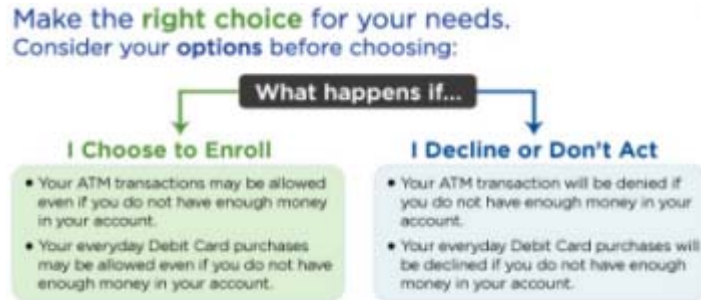
A few sites had videos, produced with people discussing this new regulation and why Opting In made sense for them. Fifth Third refers to their video as a tutorial found at this URL: <https://www.53.com/external/overdraftdemo/OverdraftCoverageDemo.html>

Some of the more sophisticated banks, like Chase, had online forms. Others had forms to print, complete and send. Still others had text with instructions on how to contact the institution to sign up or get more information.

Promoting Opt-in is expensive – even by the sheer magnitude of pages that were designed, written and posted. If there is a side benefit of this exercise it would be the opportunity to investigate the website and seek outdated materials, fee schedules, calendars of events that happened in 2007 (some even earlier).

Overall, the FIs who offer Opt-in choices promoted their preferences using persuasive language that says: We're on your side. This example comes from Fifth Third Bank.

Overdraft Coverage allows a payment to be made even if you don't have enough money in your account¹. Fifth Third extends standard Overdraft Coverage automatically to eligible accounts² to help cover the following types of payments:



Then the dialog box shows it more clearly

The research process itself is easy, but finding the information is time consuming. What was prominent and obvious on some websites, was completely obscure on others. To assure complete coverage and accurate information, the sites that had nothing posted for Reg E: Opt-in had to be examined more closely. Those without observable Opt-in content required a lot more time.

Work Breakdown Schedule

Planning	30 minutes
Internet Research	11 hours
Printing	3 hours
Sorting & Binding	4 hours
Summarizing	2 hours

Future projects could take less time, based on the size of the city, the status of Opt-in for the institution, the organization of the site and the ability to search on key words. There are variables that increase or reduce time, but always unique to the project.

*A service of Education Services / CU*Answers*

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Financial Institutions in Grand Rapids with Opt-in program offered on their website.

1. AAC Credit Union	FAQ – apply for overdraft LOC	Yes
2. ATL Credit Union	Links are broken	Yes
3. Bank of America		Yes
4. Bank of Holland	Overdraft Line of Credit	yes
5. Bank of Hudsonville * West Michigan Community Bank		yes
6. Byron Bank		Yes
7. Charter One		Yes
8. Chase	Covered in FAQ and pages of doc	yes
9. Chemical Bank		Yes
10. Choice one	(tiny link in bottom of page)	Yes
11. Citizens		Yes
12. FedCom Credit Union	Reg E page	Yes
13. Fifth Third	Overdraft program	yes
14. First Community	Opt in registrations goes off-site	Yes
15. First Financial Bank	Opt in page with description	Yes
16. Flagstar	Harland Clarke hosts their program	Yes
17. GR Consumers Credit Union		Yes
18. Huntington Bank	Overdraft – 2 types, not updated	yes
19. Isabella Bank	Well documented Reg E	Yes
20. Lake Michigan Credit Union	Overdraft program	Yes
21. Mercantile Bank	FAQ describes Reg E	Yes
22. My Personal Credit Union	Form to print and fill in manually	Yes
23. North Park Community Credit Union	Overdraft program description	Yes
24. Option 1 Credit Union	Video	Yes
25. PNC / National City	Description and Video	yes
26. Union Bank	Bounce plan	Yes
27. Wells Fargo	Posted a Federally-required notice	Yes
28. West Michigan Community Bank	Overdraft program	Yes
29. Western Districts Credit Union	Watch for letter in the mail	Yes

FIFTH THIRD BANK
The things we do for dreams.

CLOSE WINDOW

It's a Safeguard



Overdraft Coverage Overdraft Protection Fifth Third Early Access Account Monitoring Tools

ACT NOW 00:22 / 01:42

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FIFTH THIRD BANK
The things we do for dreams.

CLOSE WINDOW

LINKS YOUR Checking Account

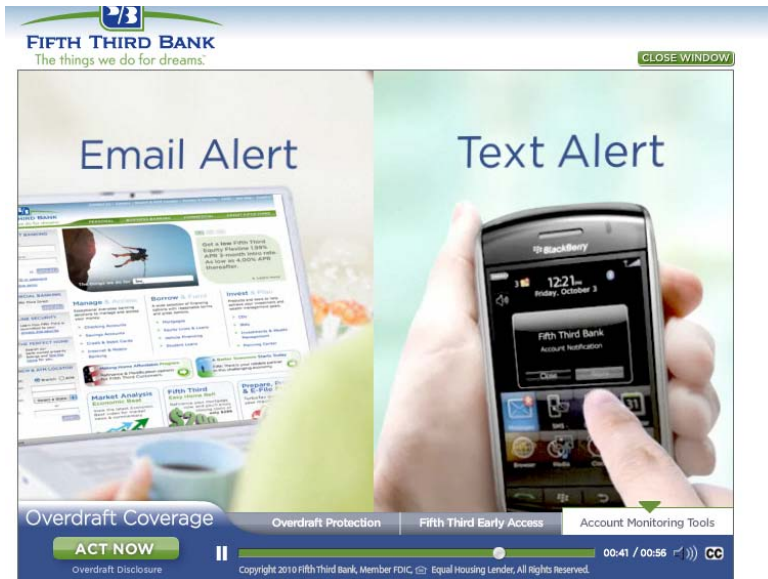


Savings Account Credit Card Line of Credit

Overdraft Coverage Overdraft Protection Fifth Third Early Access Account Monitoring Tools

ACT NOW 00:14 / 00:41

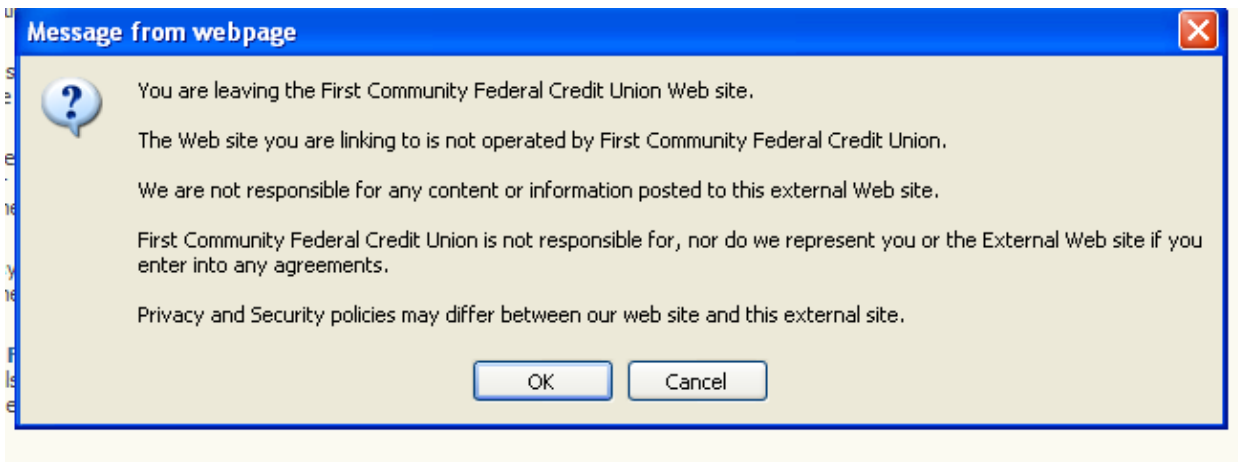
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Choice One Bank – Opt-in is way at the bottom of the page



First Community (and others) send you offsite to register for their Opt-in



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Financial Institutions in Grand Rapids without visible Opt-in program offered on their website.

It's possible that they have the option, but I would have to have an account to access their online banking area.

Name of Financial Institution	Checking/Debit/ATM: Overdraft	Opt-in option
30. Community West Credit Union	Can't display website	?
31. Big Dutch Fleet		No
32. Bissell		No
33. CitiBank	Search on Opt-in resulted in website error saying 'temporarily down'	No
34. Comerica	Overdraft definitions	No
35. Community Shores Bank		No
36. Credit Union One	Fees schedule and disclosures	No
37. DFCU (merging with MidWest Financial Credit Union of Ann Arbor)	Outdated	No
38. Educational Community Credit Union	Overdraft line of credit	No
39. First United Federal Credit Union	Not much information	No
40. Founders Bank & Trust	Website remarks say: need content	No
41. Grand Rapids Family		No
42. Grand Valley Coop	Fee schedule from August 2005	No
43. Hastings City Bank		No
44. Independent Bank	Disclosures and agreements	No
45. Kenowa Community Federal Credit Union		No
46. Kent County Credit Union		No
47. Lake Trust Credit Union	Outdated descriptions	No
48. Macatawa Bank		No
49. Meijer Credit Union		No
50. Michigan Coastal CU		No
51. Michigan Commerce Bank		No
52. Northern Trust	Form Electronic Services agreement	No
53. River Valley Credit Union		No
54. Rivertown Community	Agreements and Disclosures	No
55. Rogue River	Schedule of Fees	No
56. Service 1 Credit Union		No
57. Sidney State Bank	Very scant website	No
58. State Farm Bank	Fee schedules and disclosures	No
59. Tradewinds Credit Union	Simple site	No