Conversations on ANR/NSF Fees

January 10, 2023



CU*Answers Collaboration Groups

Agenda

Reviewing the Latest Buzz

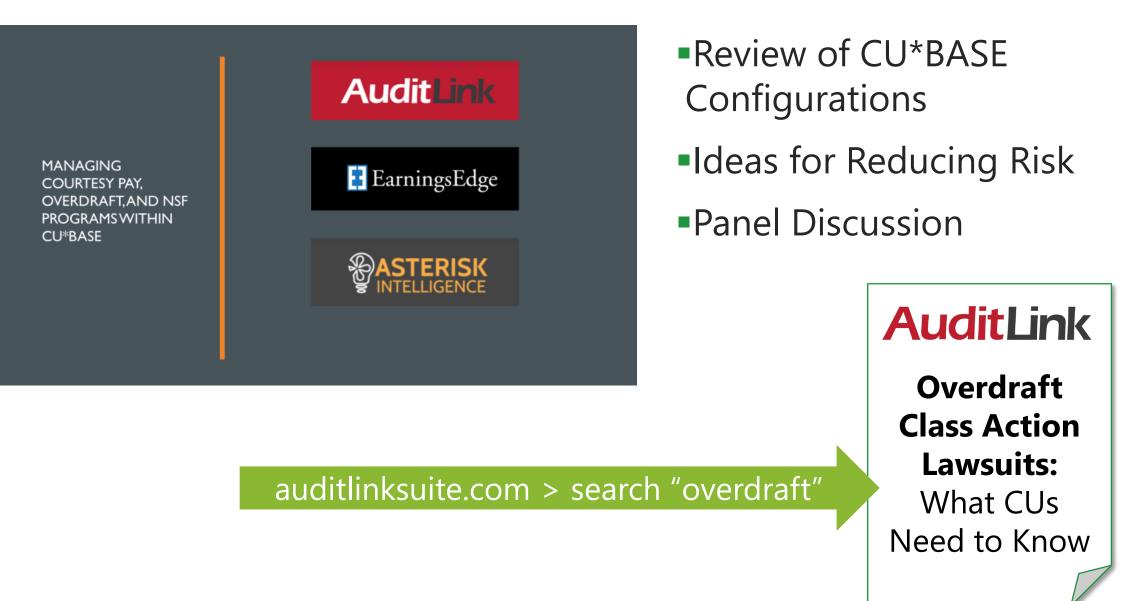
What are CUs Thinking?

Ideas from some creative CUs

What's on your mind?

Other Ideas We've Heard

ondemand.cuanswers.com/managing-courtesy-pay-overdraft-and-nsf-programs-within-cubase/



"Authorize positive, post negative"

- Unless you tell us to authorize based on negative balance limit, all trans are authorized positive
- •We have an flag in the ISO data that says we used ANR/ODP to authorize Should we base our fee decision on that?
- Also includes ODP would we need a separate flag for ANR vs. ODP? Might require work with all vendors

"Failed ODP transfer fees" Means charging both an ODP and NSF fee, when the ODP transfer isn't enough to cover the item

Do you still charge fees for ODP transfers?

Trend is to eliminate these (Reg D changes helped)

"Junk fees" and "Surprise fees"

NCUA and CFPB Considering Overdraft, Late Fee Proposals

By David Baumann - January 06, 2023



M in

Regulatory agencies provide overview of proposed and final rules under consideration.

Confirming the fears of credit union trade groups, the NCUA and CFPB on Wednesday revealed they are considering proposals that would change the way financial institutions may charge for overdrafts and late payments.

The proposals were included in the fall version of the Unified Agenda of Regulatory and Deregulatory Actions. Twice a year, federal agencies provide a catalog of proposed and final rules they plan to issue. The agencies additionally provide details of potential rules in a "pre-rule" section of the agenda.

The CFPB and President Biden have called overdraft and similar payments "junk fees." Many Republicans on Capitol Hill

 Fee can be based on current, not available balance if you wish

Ignores other purchases the member made

•Are these really a surprise?

How much disclosure is enough? When must the disclosure happen?

"Same transaction presented multiple times" Other than the \$ amount, all other details around the trans are different We don't know it's a try-again

- •Works the same as ACH, share drafts, all other channels
- •We can't even Query to catch it after the fact

Let's hear from a few CUs

- Don @ Alpena Alcona
- Suzanne @ River Valley Ohio
- Linda @ Element

•What about you?

Other ideas we've heard

- •ODP transfers from an LOC Back to basics!
- •Fee cap per day for NSF items
- Caps per day for NSF fees Caps per week/month/quarter/year?
- Monthly service charge, then lower NSF fees
- Marketing club service charges

Monthly credits to members posted via Mail/Direct

Subscription service?

Just refunds, or per-fee tracking?

Secondary tran description on ODP transfers?

Might include multiple items

 Expand delivery channel options for fees by channel

Add new origin codes recently added/to be added

•24-hour grace period (a la Huntington) Lots of caveats, and is it even a solution?

Daily/monthly refunds? Remember Reg Z Interested in ideas for recovering ANR/NSR fee income? **Join the conversation!**

Conversations on X



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What else should we be considering related to overdraft fees?

