

Conversations on ANR/NSF Fees

January 10, 2023

Conversations on*

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

MANAGING
COURTESY PAY,
OVERDRAFT, AND NSF
PROGRAMS WITHIN
CU*BASE



The image shows three logos stacked vertically on a dark grey background. The top logo is 'AuditLink' in white text on a red rectangular background. The middle logo is 'EarningsEdge' in white text on a black rectangular background, with a blue square icon containing a white plus sign to the left. The bottom logo is 'ASTERISK INTELLIGENCE' in white text on a dark grey rectangular background, with a white lightbulb icon to the left.

- Review of CU*BASE Configurations
- Ideas for Reducing Risk
- Panel Discussion

auditlinksuite.com > search "overdraft"

AuditLink

**Overdraft
Class Action
Lawsuits:
What CUs
Need to Know**

The buzz:

“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

The buzz:

“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)

The buzz:

"Junk fees" and "Surprise fees"

- 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?

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NCUA and CFPB Considering Overdraft, Late Fee Proposals

By David Baumann - January 06, 2023



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

The buzz:

“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 *

Deposit Operations
& Member Service

A CU*Answers Collaboration Group

What else
should we be
considering
related to
overdraft fees?

