Managing Your Opt In/Opt Out Reg E Offering

Opt In/Opt Out Features in CU*BASE

INTRODUCTION

This booklet covers the screens used to configure your credit union's Opt In/Opt Out Reg E offering and the decisions your credit union needs to make. It then covers the various methods you can use to capture your members' selections, including while opening a new membership, updating a membership or through the Opt In/Opt Out Management screen.

NOTE: This booklet is about **overdraft services** covered in the Reg E. This is not to be confused with **overdraft protection**, where the overdraft protection system transfers funds from share accounts to cover a transaction, plus the fee, if configured by the credit union.

CONTENTS

CRAFTING AN OVERDRAFT SERVICES PROGRAM

Crafting your credit union's overdraft services program requires you to decide your philosophy about these services and where you want to position yourself. Are you in the "consumer protectionist" camp, the strict "rule compliance and interpretation" camp, or the "reality of needing the income stream and avoiding negative savings account losses" camp?

Given the volume of member transactions and the potentially complicated scenarios of when fees are charged, when they aren't, when items are covered and when they aren't...it can be difficult for a member to understand and for an MSR to explain. Therefore, your vision for the service you are selling – the service for which members are opting in – must be compelling and well understood by your organization.

Courtesy Pay – or, as it's referred to in CU*BASE, automated non-returns or **ANR** – can be a good service. It spares members extra fees and saves money when applied fairly. It spares members reputation risk and community standing by making the transaction conditions private, between the member and their financial institution. It lowers the cost of servicing negative accounts (return fees, collection fees, etc.). And it creates another service for credit unions to use to bond with the member: value exchanged and appreciated. This is an opportunity for credit unions to shine.

Approved vs. Non-Approved, Expected vs. Unexpected

When you think about your overall NSF and ANR income, you must segment how you make income on ATM and debit card negative balance postings. It's a mixed bag: remember that **all of these transactions are force paid** if they clear the initial approval process. Unlike checks, ATM and debit card transactions can't be returned once they are received by CU*BASE for posting.

In other words, once an item is received for posting, **opt in/out becomes more about whether or not you are allowed to charge a fee**, when there are not sufficient funds in the member's account to cover the item.

There are two ways to clear the approval process at the point of the transaction (at a merchant or ATM):

1. The member's transaction is verified and agreed to by the CU (live communication), or

2. The member's transaction is just passed to the CU. In this case there was no direct communication, or the item was posted against a static negative balance file (NBF) or positive balance file (PBF).

Either way the transaction now belongs to the credit union. Of course, a member just wants his transaction to be approved; he doesn't know (or probably care) which party approved it.

Conditions that Cause Negative Posting

So how do you get a negative posting on an ATM or debit card transaction?

1. The member's current balance is positive prior to posting, but short of the amount of an unexpected transaction (there was no verification or NBF or PBF).

2. The member's current balance is already negative prior to posting an unexpected transaction (no verification or NBF/PBF).

3. The member's current balance is positive, but the *available* balance is short due to other holds and not able to cover an unexpected transaction (no verification or NBF/PBF).*

4. The member's current balance is positive, but the *available* balance is short due to other holds and now not able to cover the amount of an *expected* transaction (even though there was verification).*

5. The member's current balance is negative and not able to cover the amount of an expected transaction (even though there was verification).**

Shortages in available *balance occur for various reasons even though the transaction was verified and the funds held. For example, other postings might occur between the verification and the hold, such as ANR limit postings, exceptions in hold processing, forced fees, unexpected transactions, overrides, etc.*

**A negative* current *balance can occur for various reasons even though the transaction was verified and the funds held. For example, other postings might occur between the verification and the hold, such as ANR limit postings, exceptions in hold processing, forced fees, unexpected transactions, overrides, etc.*

You have to remember that even if the member opted out of ATM/debit overdraft services, they may very well be part of your ANR program for checks and ACH items. Therefore, you are posting them into their negative limit for valid reasons, but when non-verified ATM or debit card activity shows up, the **member who opted out will *not* be charged the fee**, according to the rule.

What if Reg E is not for you?

Has your credit union decided that Reg E does not apply to how your credit union overdraft service works?

A selection on the OPER menu (for Self Processors: OPER 10, 1) allows you to turn off the Reg E selection features in CU*BASE. This includes the Workflow Controls option and any Opt In/Opt Out checkboxes mentioned throughout this booklet. These selectors will simply be removed from the screens. If you are interested in turning this option off for your credit union, contact a Client Service Representative.

CREDIT UNION CONFIGURATION SCENARIOS

WHAT CONFIGURATION DECISIONS DOES THE CREDIT UNION NEED TO MAKE?

Each credit union needs to define the configuration of their overdraft protection services. Will the negative balance limit be used to approve for authorization and posting or simply for posting?

The settings that control how this works are part of **Tool #558** *NSF/OD Transfer Configuration*, as part of the Overdraft Protection Activation screen. The flags: "Use Negative Balance Limits for Authorizations" and "Use Negative Balance Limits for Posting" control whether the member's negative balance limit is added when determining the available balance amount.

Additionally, the credit union can select which Opt In/Opt Out selection will be pre-checked when a new membership is opened. While the default is to not check either option, credit unions can pre-check either the In or Out checkbox. A credit union might feel, for example, that most members will want to Opt In and select this option. (Employees can always change this selection when speaking directly with the member.)

Following are scenarios that three credit unions have selected with different configuration and policies for overdraft protection. Credit Union A, B and C all have well defined Opt In/Opt Out Reg E policies, but each credit union has defined their policy in a slightly different way. Based on their decisions, each credit union has configured CU*BASE differently. Let's look at their decisions and their configurations. More complete discussion of the configuration screens follows this narrative.

CREDIT UNION A: POST AND AUTHORIZE, OPT IN ALL

Credit Union A feels that their overdraft funds are a service that members should always have access to when using their ATM or debit cards, for both the authorization of purchases as well as for the purchase of items. The credit union has fees for both NSF and Non-Return items to cover times when the member brings the account negative. The credit union also wants all members to Opt In and feels that all its members will want this service. Because of this, it always wants to begin with the Opt In box checked when an employee opens a new membership. Following are the configuration settings that this credit union would select (see full screens beginning on page 9):

Posting and Authorization Configuration

Session 0 - Overdraft Protection / ANR Activation - UPDATE

Origin/Process	Overdraft Protection — Use ODP Balances for		ANR/Courtesy Pay — Use Negative Balance Limit for		Reg DD Fees	Charge NSF Fees	ANR/NSF Fee (Stats) — Based on Avail/Curr	
01 Teller withdrawals	☐ Posting		☑ Posting				◉ Avail	○ Current
01 Teller inhouse checks	☑ Posting		☑ Posting		☑ Yes	N/A	◉ Avail	○ Current
11 ACH	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail	○ Current
02 Checks	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail	○ Current
13 PIN ATM/debit	☑ Posting	☑ Authorization	☑ Posting	☑ Authorization	☑ Yes	☑ Yes	◉ Avail	○ Current
16 Debit card (Signature)	☑ Posting	☑ Authorization	☑ Posting	☑ Authorization	☑ Yes	☑ Yes	◉ Avail	○ Current
20 Bill Pay/P2P	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail	○ Current

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On Aug 11, 2021

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Fee Configuration

NSF-Returned Items	
NSF fee amount	35.00
NSF fee G/L	134.00
NSF fee per	○ N/A ○ Days ◉ Items

Non-Returned Items	
Non-return fee	35.00
Non-return fee G/L	135.00
Transaction description	BOUNCE PROTECT FEE
Non-fee tolerance within	5.00 of available balance

Opt In/Out Default for Membership Open

Reg E opt in/out functionality ◉ Default all new members to opt in   ○ Default all new members to opt out   ○ No default but selection is required

Credit Union B wants its members to be able to access their overdraft funds for debit and ATM purchases, but does not want these funds to be accessible for debit card authorizations and when a member is asking for money at an ATM. The credit union has fees for both NSF and Non-Return items to cover times when the member brings the account negative. Credit Union B also want the Opt In/Opt Out selection to be a result of a discussion between the member and its employee; it does not want to pre-check any Opt In/Opt Out checkboxes when opening a new membership. Following are the configuration settings that this credit union would select (see full screens beginning on page 9):

Posting and Authorization Configuration

Session 0 - Overdraft Protection / ANR Activation - UPDATE

Origin/Process	Overdraft Protection — Use ODP Balances for		ANR/Courtesy Pay — Use Negative Balance Limit for		Reg DD Fees	Charge NSF Fees	ANR/NSF Fee (Stats) — Based on Avail/Curr	
01 Teller withdrawals	☐ Posting		☑ Posting				◉ Avail	○ Current
01 Teller inhouse checks	☑ Posting		☑ Posting		☑ Yes	N/A	◉ Avail	○ Current
11 ACH	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail	○ Current
02 Checks	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail	○ Current
13 PIN ATM/debit	☑ Posting	☑ Authorization	☑ Posting	☐ Authorization	☑ Yes	☑ Yes	◉ Avail	○ Current
16 Debit card (Signature)	☑ Posting	☑ Authorization	☑ Posting	☐ Authorization	☑ Yes	☑ Yes	◉ Avail	○ Current
20 Bill Pay/P2P	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail	○ Current

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Fee Configuration

NSF-Returned Items	
NSF fee amount	35.00
NSF fee G/L	134.00
NSF fee per	○ N/A ○ Days ◉ Items

Non-Returned Items	
Non-return fee	35.00
Non-return fee G/L	135.00
Transaction description	BOUNCE PROTECT FEE
Non-fee tolerance within	5.00 of available balance

Opt In/Out Default for Membership Open

Reg E opt in/out functionality ○ Default all new members to opt in ○ Default all new members to opt out ◉ No default but selection is required

CREDIT UNION C: POST ONLY AND OPT ALL MEMBERS OUT

Similar to Credit Union B, Credit Union C also wants its members to be able to access their overdraft funds for debit and ATM purchases, but does not want these funds to be accessible for debit card authorizations and when a member is asking for money at an ATM. The credit union has fees for both NSF and Non-Return items to cover times when the member brings the account negative. Unlike Credit Union B, however, Credit Union C feels that most members will select to Opt Out and wants to pre-check this option when opening a new membership. Following are the configuration settings that this credit union would select (see full screens beginning on page 9):

Posting and Authorization Configuration

Session 0 - Overdraft Protection / ANR Activation - UPDATE

Origin/Process	Overdraft Protection — Use ODP Balances for		ANR/Courtesy Pay — Use Negative Balance Limit for		Reg DD Fees	Charge NSF Fees	ANR/NSF Fee (Stats) — Based on Avail/Curr	
01 Teller withdrawals	☐ Posting		☑ Posting				⦿ Avail	○ Current
01 Teller inhouse checks	☑ Posting		☑ Posting		☑ Yes	N/A	⦿ Avail	○ Current
11 ACH	☑ Posting		☑ Posting		☑ Yes	☑ Yes	⦿ Avail	○ Current
02 Checks	☑ Posting		☑ Posting		☑ Yes	☑ Yes	⦿ Avail	○ Current
13 PIN ATM/debit	☑ Posting	☐ Authorization	☑ Posting	☐ Authorization	☑ Yes	☑ Yes	⦿ Avail	○ Current
16 Debit card (Signature)	☑ Posting	☐ Authorization	☑ Posting	☐ Authorization	☑ Yes	☑ Yes	⦿ Avail	○ Current
20 Bill Pay/P2P	☑ Posting		☑ Posting		☑ Yes	☑ Yes	⦿ Avail	○ Current

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Fee Configuration

NSF-Returned Items	
NSF fee amount	35.00
NSF fee G/L	134.00
NSF fee per	○ N/A ○ Days ⦿ Items

Non-Returned Items	
Non-return fee	35.00
Non-return fee G/L	135.00
Transaction description	BOUNCE PROTECT FEE
Non-fee tolerance within	5.00 of available balance

Opt In/Out Default for Membership Open

Reg E opt in/out functionality   ○ Default all new members to opt in   ⦿ Default all new members to opt out   ○ No default but selection is required

CONFIGURATION SCREENS

NSF AND OVERDRAFT CONFIGURATION SCREENS

The NSF/OD Transfer Configuration allows the credit union to determine when overdraft funds are used and also allows them to configure the fee information.

The first option allows the credit union to define whether the negative balance limit is used for authorizations and posting debit and ATM transactions or just authorizations.

NSF/OD Transfer Configuration (Tool #558) > Overdraft protection and activation

(Both Authorization and Posting)

Notice how the Posting flags for ATM and Debit Card transactions are checked, as well as the Authorization checkboxes.

This Origin 13 (ATM) Authorization check box controls whether a member can take out the money as a withdrawal.

This configuration determines whether the fee charged when a member's balance falls below available balance or current balance. It has no effect on authorizations or postings.

Session 0 - Overdraft Protection / ANR Activation - UPDATE

Origin/Process	Overdraft Protection Use ODP Balances for		ANR/Courtesy Pay Use Negative Balance Limit for		Reg DD Fees	Charge NSF Fees	ANR/NSF Fee (Stats) Based on Avail/Curr	
01 Teller withdrawals	☐ Posting		☑ Posting				⦿ Avail	○ Current
01 Teller inhouse checks	☑ Posting		☑ Posting		☑ Yes	N/A	⦿ Avail	○ Current
11 ACH	☑ Posting		☑ Posting		☑ Yes	☑ Yes	⦿ Avail	○ Current
02 Checks	☑ Posting		☑ Posting		☑ Yes	☑ Yes	⦿ Avail	○ Current
13 PIN ATM/debit	☑ Posting	☑ Authorization	☑ Posting	☑ Authorization	☑ Yes	☑ Yes	⦿ Avail	○ Current
16 Debit card (Signature)	☑ Posting	☑ Authorization	☑ Posting	☑ Authorization	☑ Yes	☑ Yes	⦿ Avail	○ Current
20 Bill Pay/P2P	☑ Posting		☑ Posting		☑ Yes	☑ Yes	⦿ Avail	○ Current

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The configuration in the screen above would be used by a credit union who has decided to authorize and pay the transaction as an approved negative balance transaction, and that they use the negative balance limit in the ATM or debit card authorization of the transaction, and approve the **transaction posting negative.**

- NOTE: ACH items also automatically use Negative Balance Limits for posting and authorization when they are posted via the ACH Exceptions screen using the Account Adjustment option.

If posting causes the account to go below the available balance, if it is still within the negative balance limit, assess the Negative Balance fee with CU-defined description; otherwise use the NSF fee and standard description ("NSF FEE").

- **IMPORTANT NOTE FOR BATCH (PBF) PROCESSING:** Remember that if your credit union uses batch ATM/debit card processing, that authorizations are controlled by the custom PBF settings you have set up with your batch provider. The Authorization Flag explained above does NOT apply for batch processing.

NSF/OD Transfer Configuration (Tool #558) > Overdraft protection and activation

(Authorization Only)

Notice how the Posting flags for ATM and Debit Card transactions are checked, but the Authorization boxes are not.

Session 0 - Overdraft Protection / ANR Activation - UPDATE					
	Overdraft Protection	**ANR/Courtesy Pay**	**Reg**	**Charge**	**ANR/NSF Fee (Stats)**
Origin/Process	**Use ODP Balances for**	**Use Negative Balance Limit for**	**DD Fees**	**NSF Fees**	**Based on Avail/Curr**
01 Teller withdrawals	☐ Posting	☑ Posting			◉ Avail ○ Current
01 Teller inhouse checks	☑ Posting	☑ Posting	☑ Yes	N/A	◉ Avail ○ Current
11 ACH	☑ Posting	☑ Posting	☑ Yes	☑ Yes	◉ Avail ○ Current
02 Checks	☑ Posting	☑ Posting	☑ Yes	☑ Yes	◉ Avail ○ Current
13 PIN ATM/debit	☑ Posting ☐ Authorization	☑ Posting ☐ Authorization	☑ Yes	☑ Yes	◉ Avail ○ Current
16 Debit card (Signature)	☑ Posting ☐ Authorization	☑ Posting ☐ Authorization	☑ Yes	☑ Yes	◉ Avail ○ Current
20 Bill Pay/P2P	☑ Posting	☑ Posting	☑ Yes	☑ Yes	◉ Avail ○ Current

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The configuration above would be used by a credit union that has decided to use the courtesy pay limit to pay ATM and debit card transactions, but does not use the limit as part of the authorization balance in approving transaction prior to the posting.

If posting causes account to go below available balance, if it is still within the negative balance limit, assess the ANR Fee with CU-defined description; otherwise use the NSF fee and standard description ("NSF FEE").

- **IMPORTANT NOTE FOR BATCH (PBF) PROCESSING:** Remember that if your credit union uses batch ATM/debit card processing, that authorizations are controlled by the custom PBF settings you have set up with your batch provider. The Authorization Flag explained above does NOT apply for batch processing.

NSF/OD Transfer Configuration (Tool #558) > Overdraft protection & NSF configuration

These two sections of the screen configure the NSF and Non-Return Fee. The fee, associated G/L, and transaction description are configured here.

The second NSF/OD option configures the fee the member is charged and the statement description, regardless of the previously shown screen's configuration.

PRE-CHECKING A SELECTION AT MEMBERSHIP OPEN

Your credit union may select to set the default setting for the Opt In/Opt Out checkbox so that either the In or Out checkbox is pre-selected when an employee opens a new membership. If no change is made to this configuration, no box will be pre-checked. (See the image below for an example when no checkbox is pre-checked.)

Use the Workflow Controls to automatically check one of these two checkboxes when opening a new membership.

This setting is set in the Workflow Controls, accessed via **Tool #1004** ***Workflow Controls: Open Mbrships/Accts***. Using this option, credit unions can leave the selection as is and simply require a selection (No default but selection is required). Other selections are to check either the "In" box (Default all members to Opt In) or the "Out" box (Default all members to Opt Out).

Workflow Controls: Open Mbrships/Accts **(Tool #1004)**

Credit unions may choose one of these three Opt In/Opt Out selections for membership open. Credit unions that want *No Default selection is required* to be the default, do not need to visit this screen.

OPT IN/OPT OUT AUTHORIZATIONS AND POSTING

The table below explains when ANR negative balance limits are used for authorizations and postings, and how the member's Reg E Opt In/Opt Out status affects this process.

Overdraft Protection/ANR Activation Configuration (Tool #558 *NSF/OD Transfer Configuration*)

Session 0 - Overdraft Protection / ANR Activation - UPDATE							
	Overdraft Protection		**ANR/Courtesy Pay**		**Reg**	**Charge**	**ANR/NSF Fee (Stats)**
Origin/Process	**Use ODP Balances for**		**Use Negative Balance Limit for**		**DD Fees**	**NSF Fees**	**Based on Avail/Curr**
01 Teller withdrawals	☐ Posting		☑ Posting				◉ Avail ○ Current
01 Teller inhouse checks	☑ Posting		☑ Posting		☑ Yes	N/A	◉ Avail ○ Current
11 ACH	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail ○ Current
02 Checks	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail ○ Current
13 PIN ATM/debit	☑ Posting	☑ Authorization	☐ Posting	☐ Authorization	☑ Yes	☑ Yes	◉ Avail ○ Current
16 Debit card (Signature)	☑ Posting	☑ Authorization	☑ Posting	☑ Authorization	☑ Yes	☑ Yes	◉ Avail ○ Current
20 Bill Pay/P2P	☑ Posting		☑ Posting		☑ Yes	☑ Yes	◉ Avail ○ Current

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AUTHORIZATIONS

To authorize an ATM or debit card transaction, CU*BASE first has to determine whether the member's available funds calculation should include the ANR/Courtesy Pay negative balance limit and/or any ODP (overdraft protection) balances, by looking at the "Authorization" options in the ODP/ANR Activation configuration (shown above).

> *NOTE: The decision as to whether or not the balances from the member's ODP accounts are included is driven solely by this configuration.* **The member's Reg E Opt In/Out status has no bearing on ODP.** *So, if authorizations are supposed to include ODP balances, and the member has ODP accounts set up that have money in them, then those balances will be included when determining available funds for the authorization.*

Where the Reg E Opt In/Out status does come into play is when determining whether or not the negative balance (ANR) limit on the member's account should be included as part of their available funds calculation. This is determined by the configuration flag *and* the member's opt in/out status, as well as the type of transaction:

♦ If the item is a **non-recurring** (normal) debit card transaction, the negative balance limit will be included as part of available funds only for members who are opted in. That limit is never included for members who are opted out, regardless of the CU's configuration.

- ♦ If the item is a **PIN-based ATM transaction** (this includes items run as "credit" by the member but processed as "Pinless PIN" transactions by the merchant), the negative balance limit will be used to determine available funds only for members who are opted in.
- ♦ If the item is a **recurring** debit card transaction, the system will ignore the member's opt in/out status altogether and only follow the CU's configuration setting.

Therefore, if a member is opted in for overdraft services and the CU's configuration says to use ANR limits for authorizations, then the member's negative balance limit will be included when calculating how much money is available to be authorized.

POSTING

When posting an ATM or debit card transaction, CU*BASE starts by determining whether the member's available funds calculation should include the ANR/Courtesy Pay negative balance limit and/or any ODP (overdraft protection) balances, by looking at the "Posting" options in the ODP/ANR Activation configuration (shown above).

> *Again, the decision as to whether or not the balances from the member's ODP accounts are included is driven solely by this configuration. The member's Reg E Opt In/Out status has no bearing on that. So, if postings are supposed to include ODP balances, and the member has ODP accounts set up that have money in them, then those balances will be included when determining available funds. **If ODP transfers are actually made, then the member** will be **charged the CU's configured ODP transfer fee**, regardless of their Reg E opt in/out status.*

Since these transactions must be posted when they are received, where the member's opt in/out status comes into play is when determining whether or not to charge an NSF or ANR fee, should the member not have sufficient funds to cover a transaction. **In a nutshell, if the member isn't opted in, you can't charge a fee** for normal ATM or debit card transactions, even if they didn't have sufficient funds at the time of posting (because after all the item was *authorized*, despite the member's wishes not to be opted in for overdraft services).

Like authorizations, there is slight difference based on the transaction:

- ♦ If the item is a **non-recurring** (normal) debit card transaction, ANR or NSF fees will be charged only for members who are opted in. ANR/NSF fees are never charged for members who are opted out, no matter what the CU's configuration is.
- ♦ If the item is a **PIN-based ATM transaction** (this includes items run as "credit" by the member but processed as "Pinless PIN" transactions by the merchant), ANR or NSF fees will be charged only for members who are opted in.
- ♦ If the item is a **recurring** debit card transaction, the system will ignore the member's opt in/out status altogether and only follow the CU's configuration setting. **ANR or NSF fees *will* be charged if they apply.**

Therefore, if a member is opted in for overdraft services and the CU's configuration says to use ANR limits for posting, then the member will be

charged your configured ANR fee if the negative balance limit is used when posting the item, or your configured NSF fee if there is no negative balance limit or the member had already exceeded it.

RECORDING MEMBERS' OPT IN/OPT OUT PREFERENCES

OPENING A NEW MEMBERSHIP

While opening a membership, your employees will see new Opt In/Opt Out checkboxes, very prominently displayed at the bottom of the screen.

At this time, the member can have a conversation with the member about his or her selection and check the appropriate checkbox. If a checkbox is pre-flooded, the employee can change the selection at the member's request. Once a selection is made, the date of the selection and the Employee ID making the selection are recorded.

- **NOTE:** An Opt In/Opt Out selection is required when opening a membership. Your employee must make a selection to advance to the next screen.

Opening a Membership

One of these Opt In/Opt Out checkboxes must be checked to advance to the next screen.

- **NOTE:** As mentioned earlier in this document, your credit union can select to have either the In or Out checkboxes pre-checked to assist your employee. (See Pre-Checking a Selection at Account Open on page 12.)

If an employee forgets to make a selection, helpful messaging will also appear at the bottom of the screen.

No Selection Made on Membership Open

When no selection is made, helpful messaging will appear at the bottom of the screen.

If the member selects to Opt In, the member is selecting to Opt in for all sub accounts created for this membership.

- You can allow the member to Opt Out for selected sub accounts. This process is done after the membership is opened. See page 21.

MAKING A SELECTION DURING SUB ACCOUNT CREATION

When opening a sub account, such as a savings or checking account, the employee will have the opportunity to collect the member's Opt In/Opt Out preference. This selection is at the membership level.

Sub Account Open Selection Options

This selection is a membership level selection.

If an Opt In/Opt Out selection is not made after leaving this screen or the member selects to Opt In, the Opt In/Opt Out Maintenance screen (covered in the next section) will appear later in the account open process. This will remind the employee to collect a selection or allow for members to Opt Out of selected sub accounts.

OPT IN/OPT OUT MAINTENANCE SCREEN OVERVIEW

Your front-line staff can record preferences on the Opt In/Opt Out Maintenance screen, which can be accessed through Inquiry, Phone Operator and Member Personal Banker. It also may be accessed while opening a sub account.

The screens used to access to this the Maintenance screen are covered following the explanation of this screen.

Opt In/Opt Out Maintenance Screen – Opt Out Selected

Save/Done (F10) must be used to record a change on this screen. Pressing Enter will show a change only if the In box is checked. (See following image.) This adds additional controls that the correct change is made.

Using this Maintenance screen, an employee can record the member's Opt In/Opt Out selections. Membership level selection is made by checking the In or Out checkboxes at the top of the screen (more on sub account selection in a moment). Messaging alerts the employee if an initial selection has not been made. Once the box is checked, the employee can press Enter to review the changes, but will need to use **Save/Done** (F10) to finalize the change. This added control ensures that the correct selection is made.

Opt In/Opt Out Maintenance Screen – Opt In Selected

Once a member selects to Opt In, you can select to Opt Out for individual sub accounts here.

If the member wishes to Opt In the employee checks *Opt in* and presses Enter to view the above screen. (NOTE: The warning message that no selection continues to appear because *Save/Done* (F10) has not been selected to complete the update.) The employee must then use *Save/Done* (F10) to complete the selection.

NOTE ON SUB ACCOUNT OPT OUT SELECTION

An Opt In selection on the Opt In/Opt Out Maintenance screen allows the member to Opt Out of select sub accounts (see above screen). The employee simply selects a *Reg E Preference* of *Opt out* for that select sub account. This is intended to be used in rare cases where a member specifically asks to Opt In to your overdraft services, but wants to exclude a certain individual account, such as a member who has an account that she uses for a small home business flower shop and doesn't want that account to be handled the same way as her personal accounts. (NOTE: The member *must* first "Opt In" at the membership level in order to set this exception.)

The idea is to make it easy to sell the member on opting in for your overdraft services then only handle sub-account exceptions on an as-needed basis for certain situations.

You can make changes to a member's Opt In/Opt Out status through **Tool #20 *Update Account Information***. See page 24.

- NOTE: In order to change the Membership Designation of a membership, all individual accounts need to be set to the "opt-in" status.

ACCESSING THE MAINTENANCE SCREEN THROUGH INQUIRY OR PHONE OPERATOR

Inquiry Screen (Same Access via Phone Operator)

From the Inquiry or Phone Operator screen select *OTB/Cards* (F17) to access a screen listing the cards held by the member.

Member's ATM and Debit Cards (accessed via "OTB/Cards" (F17))

Helpful messaging alerts you that member has not made a selection.

From Card Listing screen the employee then selects *Reg E Settings* (F13) to access the Opt In/Opt Out Maintenance Screen (shown on page 20) where the employee can record the member's selection.
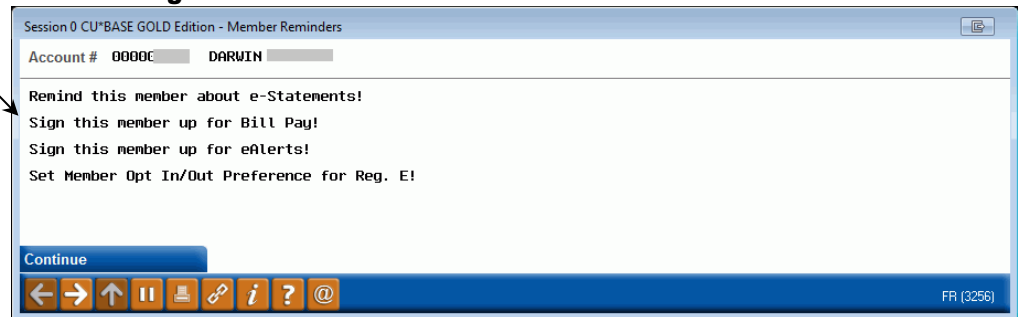
ACCESSING THE OPT IN/OPT OUT MAINTENANCE SCREEN THROUGH MEMBER PERSONAL BANKER

Access the Opt In/Opt Out Maintenance Screen through a new Reg E Opt In/Out Preference selection in Member Personal Banker. If the member has not made a selection, the employee will be reminded to do so with a helpful alert.

Member Personal Banker (Tool #14)
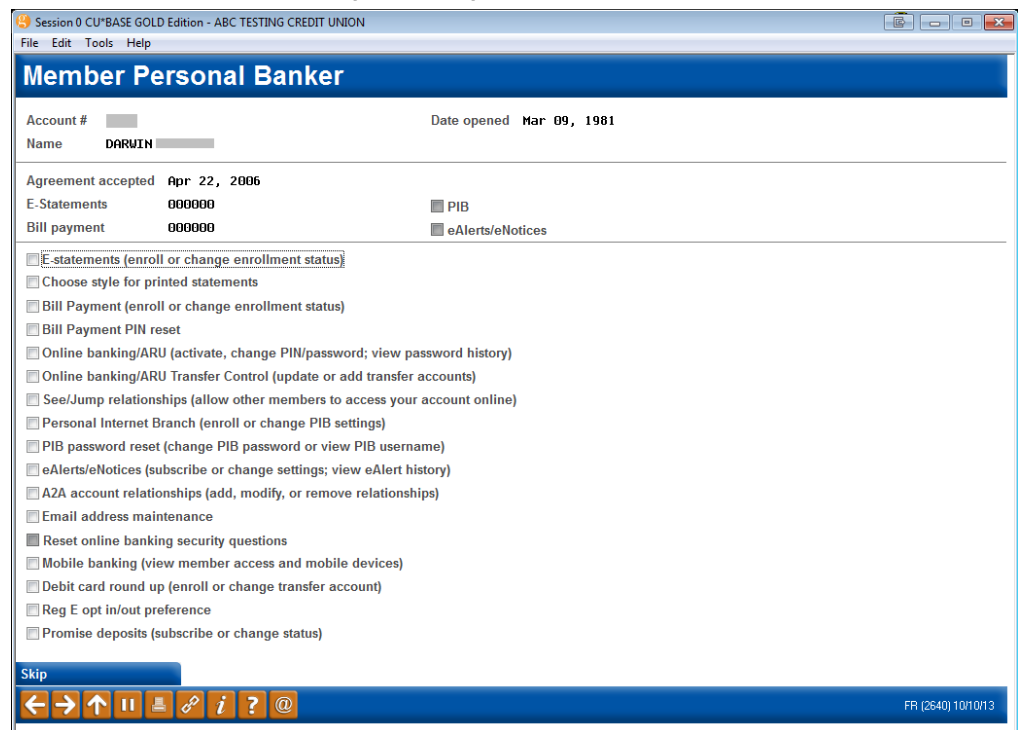
Alert Message

The employee receives an alert reminding him or her to record the member's Opt In/Opt Out preference.

Pressing Enter from the Alert Screen will move you to the Member Personal Banker Selection Screen.

Member Personal Banker (Tool #14)

Use *Reg E opt in/out preference"* to move to the Opt In/Opt Out Maintenance Screen (shown on page 20) where you can then record the member's selection.

CHANGING OR SELECTING A PREFERENCE THROUGH MEMBERSHIP UPDATE

Membership Update is another route for "Opt In/Opt Out" selection. This screen contains the same prominent "Opt In/Opt Out" checkboxes you see when you open a membership; however, when you access the membership screen through Update, a selection is not *required*. (You might just be changing a member's email address and not have the member right in front of you to ask for his or her preference.)

Update Membership Information (Tool #15)

When no selection is made, messaging will appear in red.

Employees can also note exceptions at the sub-account level by using *Reg E Exceptions* (F13) from this screen. This takes them to the Opt In/Opt Out Maintenance Screen (shown on page 20).

MEMBER SELECTING PREFERENCE THROUGH "IT'S ME 247"

CONFIGURING MARKETING TEXT

If a credit union has activated the **It's Me 247** Opt In/Opt Out feature, members can indicate their preference through Online Banking. A credit union can activate online selection by members by checking *Allow member to change Reg E opt in/opt out choice* in the Online/Mobile Web Banking screen (shown below). Once this box is checked, members will see an Overdraft Services page in the Preferences section in **It's Me 247**. What the member sees is shown in the next section of this booklet.

Online/Mobile/Text Banking VMS Config (Tool #569) > **Online/Mobile Web Banking**

Check this box to allow members to select their Opt In/Out choice online. Click the Member Instructions button to customize the text the member sees when making this selection.

IMPORTANT: Before activation, enter text the member will see online. Enter the text by clicking the "Member Instructions" button.

Member Instructions

Enter the text that your members will view online when they select to either opt in or opt out of your program. (See the following section for examples of what this looks like to a member.)

Sample text:

> Courtesy pay coverage does not automatically cover one-time debit card and ATM transactions and requires you to opt-in to the additional coverage as can be seen below. Once you agree to opt-in, the credit union at its discretion will pay these transactions up to the maximum of your courtesy pay limit based on your available (current) balance. You will be charged $XX each time this service is provided, and your account is overdrawn; there are no limits to the number of times the credit union may provide this service and charge your account. To opt-out of this feature in the future simply come back to this site or call a credit union representative.

IMPORTANT NOTE: The text above is provided as a sample only. Refer to your legal team for assistance with the exact wording to use for your credit union's offering.

IMPORTANT NOTE: No marketing information can be included in this area.

IMPORTANT NOTE: Refer to http://www.ecfr.gov/graphics/pdfs/er27de11.000.pdf for more information on what to enter in this screen.

GRANTING ACCESS TO OPT IN/OPT OUT ONLINE

For the member to record their Opt-in/Opt-out preference online, you must grant them access points to the feature using ItsMe247 Manager.

For more information contact the Internet Retailer Support Center at irsc@cuanswers.com. To purchase ItsMe247 Manager go to the CU*Answers store at https://store.cuanswers.com/store/irsc/cupublisher-self-service/

MEMBER'S EXPERIENCE WHEN SELECTING ONLINE

Once you have granted the access to the Opt in/Opt out feature online, the member will be able to select their preference.

Selecting to Opt Out via Online Banking

In the initial screen, the member will either be opted "In" or "Out." This member has selected "Opt In." This member can also select to "Opt Out" for certain suffixes. If the member selects to Opt Out of select account(s) and checks the box, the member will view a list of accounts to specify exclusions. This list includes all savings and checking accounts (from MEMBER1 and MEMBER2 with an Application Type of "SH" or "SD").

Online Banking – "Opt In" Selected

To complete the process of selecting to "Opt In," the member must select the Update button.

Online Banking – "Opt Out" Selected

To opt out, the member would select the "No" option and the click the Update button.

INFORM YOUR MEMBERS HOW THEY CAN SELECT ONLINE

Your members may not discover the **It's Me 247** option to Opt In or Opt Out on their own and you may want to send them an email or online banking message alerting them of this change. You may also want to give them a little explanation of your credit union offering when activating this feature.

Here are some ways to get the word out to members.

- Use the Member Connect Software to send emails or online banking messages to your members who use online banking. This involves creating a Query of these members and the Member Connect software tools in CU*BASE. Refer to the "Marketing Campaigns with Member Connect" booklet on the CU*BASE Reference Page for more details.

- Xtend is offering assistance with sending email and online banking messages, or with making outbound calls to members. For more information, email info@xtendcu.com or call 866-981-4XTD.

NOTE: Memberships of all membership designation may select to Opt Out via **It's Me 247** once the credit union selects to activate the feature,

including organizational accounts. A credit union may select not to send emails and online banking messages to these accounts, and it is unlikely an organization would stumble across this feature otherwise. If concerned, a credit union can monitor the AUDTMBRDT file. (See next section for a description of what is included in this file.)

"OPT IN" SELECTED MEMBERSHIP DESIGNATIONS

Credit unions can choose to deactivate Reg E Opt In/Opt Out functionality for memberships with specific Membership Designation codes. If the *Exempt from Reg E. Opt In/Out Requirements* box is checked in the Membership Designation Configuration (**Tool #523 *Membership Designation Configuration***), all new memberships with this Designation (and accounts for that membership) will automatically be set to "Opt In." Employees will not even see the Opt In/Opt Out checkboxes at the bottom of the screen. (Existing memberships will need to be manually maintained first before changing an existing designation.)

Membership Designation Configuration (Tool #523)

Employees will also not be able to change any affected membership or accounts to "Opt Out" since access points to change the status (via Phone Operator, Membership Update, Inquiry and Phone Operator) will be either removed or blocked. (*Reg E Settings* (F13) from Inquiry, Phone Operator and Membership Update will be removed and Member Personal Banker access will not allow access). On affected accounts, messaging reading, "This membership is exempt from Reg E Requirements." will appear on the screen to alert your employees of this status.

The exemption also blocks members' ability to change their "Opt In/Opt Out" status online. Members with an exempted membership will not see *Overdraft Services* under the "Info Center" of **It's Me 247**.

SENDING OPT IN OR OPT OUT NOTICES TO MEMBERS

Credit unions can automatically generate member notices when a member changes their Opt In/Opt Out status. When a change is made to a member's Opt In/Opt Out status (either to Opt In or Opt Out) a notice event will be triggered for that member. This event is generated either by a member changing his or her status in **It's Me 247** or by a credit union employee changing the status for the member in CU*BASE.

ADDING THE NOTICE EVENT TO A NOTICE

To send notices to members, add either one or both of the Event Notice Codes (ANRIN and ANROUT) to a new or existing notice through standard Notice Configuration.

Configure Laser Notices (Tool #258) > Configure Notice Forms - Screen 1

This is the main notice configuration screen, the first of three used to design the layout and contents of printed Member Notice forms. From this initial screen you can create, edit, or delete a form, as well as set up the text and account detail information that will appear for each notice event included on the form.

- To edit an existing form, select the form and use **Change** (2). The screen shown on page 32 will appear.

- To change the account details that are printed with each Event ID, or to modify the text associated with the events, use **Define Event Details** (F10).

- To create a new notice form, use **Add** (F6). The following window will appear.

Enter a Form ID (numbers and letters, both uppercase and lowercase, can be used) and use Enter to proceed to the screen shown on page 32.

> **CU*TIP:** *Event IDs cannot be associated with more than one form. Therefore, if you would like to create a new form that uses events that are currently on another form (such as the default form), first edit that form to delete the event code(s)—or delete the entire form if appropriate—before creating a new form and attaching event codes to it.*

- To delete an existing form, select the form and use **Delete**. One confirmation message will appear; use Enter again to delete the entire form. All events that have been associated with that form will now be available to be connected to another form. (Use *Define Event Details* (F10) to view a list of event codes with associated forms.)

The second screen is used to name the form and specify a title to print just below the member name and address. Use the bottom half of the screen to enter any explanatory text or instructions to print either before or after the events themselves. Start by entering any Introduction Text to appear before the first event.

> **IMPORTANT: Two lines of text on this screen will combine to form one complete line of text on the printed form.** *The spacing and bold fields denote the beginning of a printed line of text (see below for instructions on using these fields for spacing and bold highlight).*

Configure Notice Forms - Screen 2

HINT: On some printers, you may need to use a vertical bar (|) wherever you wish to see an exclamation point (!) on the printed form. Use **Print Sample** (F14) to verify the results on your printer.

> *Check the checkbox in front of "Include website address" to include the website address entered on the Chart of Accounts Maintenance screen on the notice.*

Then, use **Conclusion Text** (F11) to toggle the screen and enter any Conclusion Text to print at the bottom of the notice.

Conclusion Text (Toggle – F11)

When done, use Enter to proceed to the third and final screen.

Configure Notice Forms - Screen 3

Event IDs <u>are</u> case-sensitive; use *Display Event IDs* (F12) or click the blue lookup button to see the exact spelling.

This third and final screen is used to define which of the Notice Events should be printed as part of this form. **To print the Opt In and Opt Out Event ID on your Notice add ANRIN and/or ANROUT.**

Use the *Sequence* column to enter a sequential number then enter the Event ID (text is case-sensitive) into the *Event* column. Use Enter to confirm and display a description of the event. Use Enter again when done to return to the initial form configuration screen.

> IMPORTANT: *Event text and account details will only print on the form if that activity actually applies to the member when the notice is printed. For example, if your notice includes both ATM and Debit card events, and the member has an ATM NSF transaction, only that event will be shown on that member's printed form. Another member may perform both an ATM and Debit Card NSF transaction on the same day and would therefore see both events recorded on the same form.*

When you select to print your notices following standard credit union practices (**Tool #653 *Print Laser Member Notices***), your member will receive either a printed notice or an e-Notice (if the member is signed up for them). An Audit Tracker is generated whenever a Notice or an e-Notice is sent.

EDITING THE NOTICE EVENT TEXT

Xtend has assisted with the text of these Event Notice Codes, but your credit union can edit the text to fit your credit union requirements as needed.

To change the account details that are printed with each Event ID, or to modify the text associated with the events, use ***Define Text and Account Details for Notice Events*** (F10) from the first Notice Configuration screen

Configure Notice Events - Screen 1

This is the first of several screens used to change the account details that are printed with each Event ID, and to control the text associated with the

events. When a form is configured, you can choose to include as many of these events as you wish.

To work with the text and account details associated with an event (**such as ANRIN or ANROUT**), select the event and use *Change* to proceed to the second screen.

Configure Notice Events – ANRIN - Screen 2

The second screen is used to define an event title and choose which account data should be included as part of the event to see how the configuration shown above will appear on the printed form.

Place a checkmark in front of any item you wish to include for this event, choose the column (Left or Right) where text should appear, then enter a sequential line number to indicate the order in which the items should be listed. If you do not wish to include a particular field on the form, simply clear all the fields for that item.

Press Enter to view the text that will appear on the notice, which can be edited to meet the needs of the credit union. It is as follows:

ANRIN Notice Event Text

This letter serves as confirmation of your consent to authorize the Credit Union to pay ATM and one-time debit card transactions when there are insufficient funds available to cover the transactions. This includes all accounts associated with your request.

You have the right to revoke this consent at any time. Simply complete and return this form – stop by the credit union or mail it to the address listed above. We will discontinue payment of such overdrafts as soon as possible after receiving notice of your revocation. Any joint owner of the account may revoke the agreement.

_____ I revoke my earlier consent for the payment of overdrafts on ATM and one-time debit card transactions on the account identified above.

Configure Notice Events – ANOUT - Screen 2

Text for this notice event can also be changed but as a default is as follows:

ANROUT Notice Event Text

This letter serves as a confirmation that you have elected not to authorize the Credit Union to pay ATM and one-time debit card transactions when there are insufficient funds available to cover the transactions, which means your transactions could be declined in these situations.

Please contact us at any time you wish to reactivate this service.

PRINTING THE NOTICE

Print Laser Member Notices (Tool #653)

This number represents the number of *events* that have been recorded in the notice file. When the notices are printed, the system may be able to combine events for a specific member onto a single notice, resulting in a smaller number of actual printed notices.

This screen is used to print notice forms for events that have occurred since the last time notices were printed. Notices are listed according to Form ID and date generated. The *Date Generated* represents the day when the events were compiled into the notice file.

> NOTE: If it has been configured in **Tool #523 Membership Designation Configuration**, the DBA label will appear above the address instead of the member's or organization's name.

To print, specify a printer and paper drawer, then place a checkmark next to each batch you wish to print, and use Enter to begin printing.

IMPORTANT: Be sure to print ALL batches of the same form name at the same time. This way, if the same event occurred for a member multiple times during that period (such as several NSF checks over a weekend), all will be printed on the same form.

For example, say you print notices on Thursday morning, then don't print them again until the following Monday afternoon. Member John Doe changes his Opt In/Opt Out status on Friday, and changes again on Monday morning. On Monday afternoon, this screen will show separate batches of notices for events that occurred on Thursday, Friday, Saturday, Sunday (if applicable), and Monday morning. If all batches of the form were printed at the same time, John's notice form would include both events on the same printed form.

PURGE RULES

To keep the notice file clean, notices will automatically be purged according to the following rules:

- Notices that have <u>not</u> yet been printed will be deleted automatically after 10 calendar days from the *Date Generated.*

- Notices that have already been printed will be deleted automatically after 10 calendar days from the *Date Last Printed* recorded on the notice batch. (Use <u>Previously Printed</u> (F11) to see these notices).

REPRINTING A PREVIOUS BATCH OF NOTICES

To reprint notices after they have already been printed, use ***Previously Printed*** (F11) to view a list of batches printed previously. Printed notices are listed according to Form ID and date printed. The *Last Date Printed* represents the date on which the notices were last printed and may represent a batch of notices generated on several different days (such as when you print notices on Monday and they include events generated Saturday and Monday).

> *If the configuration of the notices is altered in between printings, the reprint of the notices will marry with the new configuration and print notices with the updated configuration.*

Notices can be reprinted as many times as needed until they are purged. Use *Previously Printed* again to return to the list of notices waiting to be printed.

WHAT DID MY MEMBERS SELECT?

You may wish to review the number of members who have selected to Opt In or Opt Out, or even to review the selection of an individual member at the membership level or at the sub account level. You also may wish to review which employee recorded this change or if the member made the change within **It's Me 247**.

To research this information, use Report Builder to query the file AUDTMBRDT. This will allow you to review your members' selections. This file includes the membership of the member, sub account if selected, the Employee ID who recorded the change, the date the change was made, and which option (I for In and O for Out) the member selected.

- IMPORTANT NOTE: All members begin as "Opt Out." No record is created (or written to the file) if the member selects an "Opt In/Opt Out" status online because that is same as the original selection. If the member selects to "Opt In" or changes back and forth, a record is then written to the **AUDTMBRDT** file.

If you have any concerns regarding the selection of your members, first review this file before sending any paperwork on to Client Services for review.