

FIS Operations UPDATE

GEN 023

May 5, 2010

This Communication Affects

System(s): Pass-Through, EFT

Group(s): League

FIS Offering Mail Merge Support for Reg E Compliance Notices

Executive Summary

FIS is pleased to announce we can support the creation of print-ready mail merge files and mailing labels for disclosure and opt-in notices for debit and ATM accounts, as required by Regulation E changes that become effective **July 1, 2010 (August 15, 2010 for existing accounts)**.

Background

In previous communications, FIS has provided insight into how the CARD Act and other regulatory changes will affect our issuers. As Federal compliance initiatives continue through 2010, we will review all applicable compliance and regulation documentation, assess Pass-Through and EFT processing impact, and advise our issuers on upcoming changes to ensure compliance.

Your institution's database of record resides with your Core Data processing vendor. Please ensure that you provide them with copies of all Federal compliance communications so they are aware of FIS' approach as your EFT processing partner.

Regulation E Changes – (Debit/ATM) Regulation Change Overview: Effective July 1, 2010

The final ruling on changes to Regulation E, which limits a financial institution's ability to charge overdraft fees, was released on November 17, 2009. This change requires institutions to provide consumers with the right to opt in (provide affirmative consent) to the institution's overdraft service for ATM and one-time debit card payment transactions. This change applies to all accounts covered under Regulation E, including prepaid payroll cards and ATM cards. The deadline for compliance for new accounts is July 1, 2010, and for existing accounts, August 15, 2010.

Impacts to Deposit Systems – Opt-In for Overdraft Fees

The issuer needs to notify the cardholder of the opt-in choice, and keep track of the responses received, so that they do not charge overdraft fees on one-time POS or ATM transactions for which the consumer has not explicitly opted in.

FIS EFT (Pass-Through and EFT Platforms) Solution – Opt-In for Overlimit Fees

No FIS action is required at this time. Overlimit fee policies, fee schedules and opt-in tracking of cardholder agreements should be established on the Core processing system. As of July 1, 2010, issuers should not send/establish an over credit limit value for accounts that have not opted in to their overlimit fee and clearing policy.

Overview of Changes

FIS can now support the creation print-ready mail merge files and mailing labels for disclosure and opt-in notices for debit and ATM accounts, as required by Regulation E. Clients that would like to use this service will provide the actual wording of the letter or notice, and FIS will then run a mail merge using our system data to populate the details, such as name, address, account type, etc., based on issuer-provided criteria.



Next Steps

To request this service, complete the attached request form and submit it to FIS using the **Submit by E-mail** button at the end of the form. To save a copy of the completed form for your records, you may choose to print it or save it to your computer using the "Save As" function before clicking the **Submit by E-mail** button. Please also provide an electronic attachment of the letter or form content to be used in the mail merge process.

Requests will be processed within three business days. Completed, print-ready files will be returned via e-mail or mail, depending on file size. After we receive the request form and content attachment, the following will occur:

- Account selection from the monthly PD/PM 500 Cardholder Account Listing report, as defined by the issuer
- A merged letter file for printing will be created
- A prepared label file for printing will be created

The issuer will be responsible for printing and preparing the letters and envelopes for mailing. FIS recommends issuers create a process that facilitates the receipt and subsequent tracking of cardholder opt-in responses.

Pricing

The cost for this one-time, print-ready file creation process is \$100.

FIS Countdown to Compliance 2010 Web Page

Remember that you can find a wealth of materials related to upcoming compliance initiatives on a special page on our E-Library Web site at:

<http://e-library.fnfis.com/Compliance2010/PTEFT/>

The documents on this page can be viewed online or archived at your site for future reference. All FIS customers should have a current login for this site. If you do not have a login, or need assistance with access, please contact your Client Services representative. To maintain your E-Library password, visit <https://clientsp.fnfis.com/>.

Questions?

Please contact your League Client Services representative with any questions you may have.