



New Overdraft Rules for ATM and Debit Cards

Overview

In November 2009, the Federal Reserve issued final rules to amend Regulation E. The new rules limit a bank's ability to charge overdraft fees on ATM withdrawals and one-time debit card purchases that overdraw a consumer's account, unless they have obtained the consumer's affirmative 'opt-in' consent.

The rules apply to all existing First Choice Bank customers beginning August 15, 2010. The rules will go into effect immediately upon account opening for any new accounts opened on or after July 1, 2010.

Basic Facts — General

What is an overdraft?

An overdraft occurs when you do not have sufficient funds in your checking account to pay a transaction.

What is a one-time debit card transaction?

A one-time debit card purchase includes any point of sale (for example, a grocery store purchase), online or telephone transaction that is not a pre-authorized recurring transaction.

What is First Choice Bank's General Overdraft Process?

First Choice Bank only authorizes one-time debit card purchases or ATM withdrawals if, at the time of the transaction, we determine that you have enough money to cover the transaction in your account. First Choice Bank does not authorize and pay overdrafts for ATM withdrawal transactions and one-time debit card purchases.

New Rules — Upcoming Changes

What is changing about how banks handle overdrafts?

Under new federal banking regulations, banks will soon be prohibited from charging overdraft fees for ATM withdrawals and everyday one-time debit card purchases that overdraw your account.

How will this affect you?

Our current process will not change. What this means is if you try to make a one-time debit card purchase at a retailer or a withdrawal at an ATM using your debit card and you do not have sufficient funds in your checking account to cover the transaction, your transaction will be declined. First Choice Bank will not approve a transaction in excess of your account balance or charge you an Overdraft fee for that transaction.

Does this rule apply to checks or other types of transactions?

No. The new rules do not cover checks or automatic bill payments that you have set up for paying bills such as your mortgage, rent, or utilities. The only transactions affected by this rule are ATM withdrawals and one-time debit card purchases.

If you have additional questions regarding New Overdraft Rules for ATM and Debit Cards?

Stop by or call any of our branch locations:

Cerritos Branch: 17414 Carmenita Road, Cerritos, CA 90703, or call 562.345.9092

Alhambra Branch: 407 West Valley Boulevard, Unit #1, Alhambra, CA 91803, or call 626.300.8987

Watch your mail or refer back to this site for updated information regarding how the new rules affect overdraft processing at First Choice Bank.