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Opt-in overdraft regulation affects bank revenues

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Opt-in Overdraft Regulation Significantly Affects US Bank Revenues

by

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When the Board of Governors of the Federal Reserve System amended Regulation E, the Electronic Fund Transfer Act, they placed restrictions on a depository institution's ability to charge an overdraft fee. This act specifically prohibits banks to charge fees to consumers' accounts for one-time debit card transactions and automated teller machine (ATM) payments that overdraw an account unless the consumer explicitly consents or "opts-in" to this service. This change means that consumer accounts can no longer be automatically enrolled in these overdraft services. In addition, the regulatory changes require clear disclosure of the overdraft policy and overdraft fees, and consumers have the right under the regulation to opt-in or opt-out of the protection at any time.[1]

The opt-in date differed for new and existing accounts. Accounts created after the mandatory compliance date of July 1, 2010 were subject to the new opt-in procedure immediately. If an existing account holder did not opt-in to the overdraft protection service by August 15, 2010 then the institution was required to remove the consumer's account from enrollment in the service.[2]

This change in overdraft policy negatively affects bank revenue by reducing fee income. The objective of this thesis is to quantify this revenue loss. Such an assessment is particularly relevant today because of the current stress on bank revenues from a weak economy and ongoing weakness from the financial crisis. Lost revenue may further impair the ability of banks to lend, prolonging the economic weakness.

The amendment to Regulation E is indeed having a significant adverse effect on bank revenue. I find an opt-in rate for Arkansas banks of just 31%. Further, I estimate that the median US bank's decline in annual fee income from deposit service charges ranges between $61,000 and $101,000. Further, the annual revenue decline for the US banking sector as a whole ranges between $3.8 billion and $5.3 billion.

1. Data Sources

I utilized two main data sources to quantify the revenue effects of the amendment to Regulation E. The first was a survey sent to nearly all of the commercial banks in the state of Arkansas. This survey in its entirety is attached as Appendix 1. Responses to the survey were light with only 20 percent of banks responding. Moreover, few banks answered the more technical questions in the survey because of the heavy time and resource demands it placed on them.

To supplement the limited survey data, I used quarterly bank Call Report data from the fourth quarter of 2008 through the second quarter of 2011. These Reports of Condition and Income, also known as Call Report data, are the required regulatory reports of banks and they are publicly available through the Federal Financial Institutions Examination Council (FFIEC).[3]

The items from the Call Reports that I utilized in the analysis include service charges on deposit accounts, deposit balances (total, demand, transaction), average assets, and non-interest

1. United States. Federal Reserve Board. *Federal Reserve System 12 CFR Part 205 [Regulation E; Docket No. R–1343]* (2010) < http://edocket.access.gpo.gov/2009/pdf/E9-27474.pdf>.

2. What You Need to Know: New Overdraft Rules for ATM and Debit Cards (2010) <http://www.federalreserve.gov/consumerinfo/wyntk_overdraft.htm>

3. United States. FFIEC. About the Federal Financial Institutions Examination Council (FFIEC) Central Data Repository (CDR) Public Data Distribution (PDD) website and its data. (2011) < https://cdr.ffiec.gov/Public/HelpFileContainers/WelcomeAdditionalInfo.aspx>

transaction accounts of more than $250,000. Quarterly service charges on deposit accounts (called QDC in my analysis), is the amount of service charges in each quarter on deposit accounts for maintenance of the accounts, ATM withdrawals, overdraft charges, and other service related charges. Total deposits include all interest bearing and non-interest bearing deposits. Demand deposits are all deposits payable immediately on demand or that require less than seven days' notice to withdraw. Transaction deposits are defined as accounts from which the account holder can make withdrawals or transfers, and they include all demand deposits, NOW accounts, and ATS accounts.[4]

2. Survey Methodology and Results

The overdraft survey sent to nearly all of the 122 Arkansas commercial banks received 24 responses, and 75% of them indicated that they were affected by the overdraft regulation. The questions in the first part of the survey were aimed to find the percentage of accounts (new and existing) that opted in to the overdraft protection service. These responses are summarized in Table 1. Approximately 30% of existing accounts opted in to overdraft services while 39% of new accounts opted in. Overall, about 31% of all accounts opted in to the service. However, balances of the accounts that opted in to the service were lower than the percentage of accounts. For surveyed banks only about 16 % of account balances opted in to overdraft services.

Table 1. Survey Summary Statistics

	Existing Accounts	New Accounts	All Accounts
Accounts to opt in (%)	30.4	38.8	31.4
Dollar Balance to opt in (%)	15.1	23.1	15.9

The remaining survey questions were designed to discover the exact amount of one-time debit card and ATM fees, the change in those fees, and the account statistics that generated them. These responses were inconclusive and could not be summarized in a table.

To support the accuracy of our findings in Table 1, I reference a study done by the Center for Responsible Lending that surveyed a random sample of 916 adults in April 2011. That survey found that the opt-in rate for overdraft service was 33%. [5] Another survey done by the American Bankers Association found the opt-in rate to be 46%.[6] That survey, however, was done in August 2010, which was just after implementation of the regulation, and it included in the opt-in rate of those respondents who indicated that they *planned* to opt-in. Given these results, my estimate of the 31 percent opt-in rate seems reasonable. This low opt-in rate supports my hypothesis that banks are likely to see a significant negative impact on revenue as a result of Regulation E

4. Negotiable Order of Withdrawal (NOW accounts) are interest-bearing checking deposits, and Automatic Transfer Service (ATS) accounts are accounts that can automatically transfer amounts to another account to maintain a balance or make periodic payments.

5. *Banks Collect Overdraft Opt-ins Through Misleading Marketing*. Center for Responsible Lending. (2011) < http://www.responsiblelending.org/overdraft-loans/policy-legislation/regulators/CRL-OD-Survey-Brief-final-2-4-25-11.pdf>

6. *News Release: Half of Bank Customer Choose Overdraft Protection*. American Bankers Association. (2010) <http://www.aba.com/Press+Room/083110OverdraftProtection.htm>

because approximately two-thirds of banks' deposits no longer generate certain types of overdraft revenue.

3. Regression Methodology and Results

Table 2 displays the Call Report summary statistics for our key variables for US banks (Panel A) and Arkansas banks (Panel B). The dataset contains 7,034 unique US banks and 136 Arkansas banks. Most banks were in existence for the 11 quarters of the survey between the fourth quarter of 2008 and the second quarter of 2011; consequently, the full dataset contains 72,744 observations and the Arkansas dataset contains 1,393 observations. The mean (median) quarterly deposit service charge for US banks was \$1.4 million (\$0.1 million) while the mean (median) total deposits were \$1.2 billion (\$117.3 million). For Arkansas banks, the average quarterly deposit charge was \$0.2 million and median total deposits were \$134.8 million.

Table 2. Summary Statistics

2008:4 to 2011:2			US Banks			
Variable	N	Mean	Std dev	Median	Min	Max
QDC (\$M)	72774	1.38	33.92	0.08	(10.16)	3,013.09
Deposits (\$M)	72774	1,200.55	22,647.72	117.31	0.00	1,144,158.00
Transaction deposits (\$ M)	72774	131.05	2,190.94	26.44	0.00	155,050.33
Demand deposits (\$ M)	72774	97.03	1,828.95	14.05	0.00	126,651.96
QDC to deposits (%)	72774	0.09	0.10	0.08	(1.09)	4.21
QDC to transaction deposits (%)	72774	0.49	0.54	0.32	(2.97)	5.00
QDC to demand deposits (%)	72774	0.89	0.93	0.62	(4.15)	9.98
REG E	72774	0.35	0.48	0.00	0.00	1.00
Unemployment rate (%)	72774	8.33	2.03	8.23	3.23	14.90
Log of Average Assets	72774	5.20	0.56	5.15	3.14	9.24
Deposit Growth	72774	0.02	0.11	0.01	(9.24)	4.36
Log of Average TAG	72774	4.88	2.71	6.16	0.00	12.95
Date	72774	20096884	8650	20100331	20081231	20110630

2008:4 to 2011:2			Arkansas Banks			
Variable	N	Mean	Std dev	Median	Min	Max
QDC (\$M)	1393	0.53	2.29	0.16	(1.39)	27.01
Deposits (\$M)	1393	333.13	890.36	134.82	8.75	9,921.71
Transaction deposits (\$M)	1393	60.49	133.88	31.89	2.31	1,626.90
Demand deposits (\$M)	1393	32.00	90.13	15.12	0.86	1,095.80
QDC to deposits (%)	1393	0.12	0.08	0.11	(1.09)	0.62
QDC to transaction deposits (%)	1393	0.62	0.58	0.43	(1.61)	4.24
QDC to demand deposits (%)	1393	1.38	1.25	0.99	(2.79)	8.49
REG E	1393	0.35	0.48	0.00	0.00	1.00
Unemployment rate (%)	1393	7.50	0.58	7.80	6.03	7.97
Log of Average Assets	1393	5.26	0.46	5.22	4.05	7.07
Deposit Growth	1393	0.02	0.07	0.01	(0.47)	0.78
Log of Average TAG	1393	5.12	2.57	6.23	0.00	7.77

I scaled QDC for each quarter by total deposits, transaction deposits, and demand deposits, respectively. The median QDC to deposits for US banks was 0.08% and for Arkansas banks, 0.11%. To quantify the loss experienced by banks because of Regulation E, I created an indicator variable named Regulation E, which takes a value of "zero" for every observation before implementation of the regulation, and "one" for every observation after. I also included the unemployment rate which averaged 8.3% for US banks and 7.5% for Arkansas banks and the quarterly deposit growth rate which averaged 2.6% for US banks and 1.5% for Arkansas banks.

I use multiple linear regression to quantify the revenue effect of Regulation E. QDC to deposits, QDC to demand deposits and QDC to transaction deposits serve as dependent variables. Explanatory variables include the Regulation E indicator variables, unemployment rate, log of average assets, and quarterly deposit growth. I expect the coefficients on the indicator variable and the unemployment rate to be negative because the regulation and a weaker economy should hurt bank fees. The coefficient on the log of average assets controls for any separate effect from bank size, and it could be positive or negative. The coefficient on quarterly deposit growth could also take either sign, but it would be negative if it takes time for banks with quickly growing deposits to generate significant fee income from these deposits.

Two significant factors could affect the relationship between transaction deposits and deposit service charges. The first is the deposit insurance ceiling which was raised from $100,000 to $250,000 by Congress on October 3, 2008. I control for this by beginning the sample period in the fourth quarter of 2008 just as the new insurance limits were put in place. The second factor is the Transaction Account Guarantee (TAG) Program which was implemented by the FDIC on October 14, 2008. This program provided unlimited deposit insurance coverage for non-interest bearing transaction accounts of participating banks. The TAG program was eventually extended through 2010. Since then, complete coverage for these accounts is provided by the FDIC through a provision in the Dodd-Frank Act, which is set to expire at year-end 2012.

Because of TAG, the possibility exists that some depositors may have taken advantage of the increased deposit insurance on transaction accounts by holding larger balances. However, the deposit service charge fees may not have increased at the same rate. I account for the effects of TAG by including in the regression the log of each bank's average amount of non-interest bearing transaction accounts of more than $250,000 per account. I compute this ratio for each bank and each quarter by dividing the amount of non-interest bearing transaction accounts of more than $250,000 by the number of such accounts. The call reports include these variables beginning in the fourth quarter of 2008. If a bank's transaction deposits rise due to large transaction deposits insured under TAG or the Dodd- Frank Act, there should be a negative relationship between QDC and the average transaction balance.

Before running the regression, I scrubbed the dataset for outliers by eliminating observations where the dependent variable was outside of the 99th percentile on both the high and low end. This effectively eliminated QDC to deposits and QDC to demand deposits that were greater than 10% or less than -10%, and QDC to transaction deposits that were greater than 5% or less than -5%. I also mean-differenced each regression variable by bank. This procedure is econometrically identical to running a fixed-effects model, which creates a unique intercept for each bank. These intercepts control for time-invariant differences across banks in deposit fee policies.

The regression results are in Table 3. Panel A displays the regression for each QDC variable segmented by total US and Arkansas banks. The statistical significance is listed as the

P-value below the variable name and is bolded for variables that are significant at the 10 percent level. All of the models overall are statistically significant at the 5 percent level and the explanatory power can be observed as the R^2. The model for QDC to transaction deposits at US banks explains 6.0% of the variation in the dependent variable. QDC to transaction deposits at Arkansas banks explain 10.5% of the variation.

All six regressions in Panel A find the coefficient on the Regulation E indicator variable to be negative and statistically significant, supporting the hypothesis that banks are adversely impacted by the regulation. Also, the unemployment rate is significant and negative for all but

Table 3. Results of Regressing QDC on Regulation E Indicator Variable

	ARKANSAS SAMPLE			**US SAMPLE**		
Dependent Variable:	QDC to Deposits	QDC TO Demand Deposits	QDC TO Transaction Deposits	QDC to Deposits	QDC TO Demand Deposits	QDC TO Transaction Deposits
RegE	-0.000097	-0.002510	-0.001110	-0.000123	-0.001580	-0.000863
	(0.0001)	**(0.0001)**	**(0.0001)**	**(0.0001)**	**(0.0001)**	**(0.0001)**
Unemployment Rate	0.000008	-0.000577	-0.000288	-0.000016	-0.000104	-0.000104
	(0.7046)	**(0.014)**	**(0.0067)**	**(0.0001)**	**(0.0001)**	**(0.0001)**
Log Average Assets	-0.001540	-0.001860	-0.003050	-0.000196	0.001410	0.000301
	(0.0001)	(0.4572)	**(0.0069)**	**(0.0001)**	**(0.0001)**	**(0.0178)**
Deposit Growth	-0.000087	-0.000283	0.001190	-0.000230	-0.000901	-0.000621
	(0.6089)	(0.8829)	(0.1704)	**(0.0001)**	**(0.0001)**	**(0.0001)**
Log Average TAG	-0.000003	0.000010	0.000041	-0.000002	-0.000056	-0.000023
	(0.7211)	(0.8994)	(0.2552)	**(0.0001)**	**(0.0001)**	**(0.0001)**
R2	0.058600	0.090100	0.105300	0.048000	0.055000	0.060200
N	1392	1392	1392	72773	72773	72773

	ARKANSAS SAMPLE With Affected		
Dependent Variable:	QDC to Deposits	QDC TO Demand Deposits	QDC TO Transaction Deposits
RegE	-0.000044	0.000029	-0.001040
	(0.278)	(0.9636)	(0.403)
Affected * RegE	-0.000107	-0.001390	-0.002650
	(0.0178)	**(0.0533)**	**(0.0577)**
Unemployment Rate	-0.000036	-0.000446	-0.000698
	(0.0001)	**(0.0013)**	**(0.0098)**
Log Average Assets	-0.000400	-0.001060	0.004360
	(0.0001)	(0.4449)	(0.1065)
Deposit Growth	-0.000703	-0.007760	-0.007270
	(0.0001)	**(0.0036)**	(0.1594)
R2	0.326200	0.124900	0.110300
N	375	375	375

one regression in Panel A. The log of average assets coefficients switch signs and all but one are significant. For both deposit growth and TAG coefficients, no coefficients are significant in the Arkansas sample, but all are negative and significant in the US banks models.

In Panel B, I linked information from the survey with Call Report data. Using only call report data from the banks that responded to the survey, I created an additional variable, *Affected*, which took into account a bank's response to whether or not it was affected by Regulation E. The variable equals one for banks that were affected, and zero for banks that were not affected, most likely because they previously had not allowed ATM and one-time debit transaction overdrafts. I then multiplied *Affected* by the Regulation E indicator variable to create the interaction variable called *Affected*Reg E*.[7] The coefficient on this variable should capture the marginal effect of Regulation E on Arkansas banks that were affected by the changes in the overdraft legislation. Note that the coefficient on the Regulation E variable itself should not be statistically different from zero because it captures the effect on banks that reported they were not affected by the regulation.

The Panel B results in Table 3 show that the coefficient on the interacted variable is negative and statistically significant in all three regression models. Banks that indicated they were affected had a significant negative impact from the regulation. In addition, and as expected, the separate Regulation E variable is statistically insignificant in these models. This confirms that banks which indicated they were not affected by the regulation did not show a statistically significant decline in deposit service charges.

4. Annual Revenue Loss Estimates

To provide estimates of the annual revenue loss from Regulation E, I multiply the various coefficients on the Regulation E variable in Panel A of Table 3 by the appropriate deposit account balances as of the second quarter of 2011, and then multiply that value by four to annualize. Table 4 reports the estimated median and total change in annual deposit service charge revenue for US and Arkansas banks.

Table 4.	**Estimates of change in annual deposit service charge revenue obtained from the regression using QDC scaled by:**		
Change in Annual Deposit Service Charge Revenue ($000s)	**Transaction Deposits**	**Demand Deposits**	**Total Deposits**
Median US bank	-$101	-$100	-$61
All US banks	-$3,759,109	-$5,262,686	-$4,349,988
Median Arkansas bank	-$154	-$168	-$55
All Arkansas banks	-$39,017	-$45,112	-$17,840
Deposit Used in Computation ($000s)	**Transaction Deposits**	**Demand Deposits**	**Total Deposits**
Deposits at median US bank	$29,377	$15,817	$123,875
Aggregate U.S. deposits	$1,089,015,914	$832,703,530	$8,855,117,503
Deposits at median bank	$34,753	$16,685	$142,095
Aggregate Arkansas deposits	$8,787,505	$4,493,231	$45,978,295

[7] Typically, the variables interacted in a regression would also be included as separate explanatory variables. I omit the variable *Affected* in this fixed-effects regression because this variable is always the same for a given firm and therefore its effect is fully captured in the bank-specific intercept.

For the median US bank, the estimated revenue loss is between $61,000 and $101,000. These declines equal 20 and 32 percent, respectively, of median deposit service charges. For the median Arkansas bank, the estimated annual revenue loss is between $55,000 and $168,000, amounts equal to 9 and 28 percent, respectively, of median deposit service charges. Note that part of the reason the U.S. and Arkansas estimates differ is because the median bank in Arkansas has slightly more deposits than the median bank nationwide; hence, the loss estimates are larger.

I estimate the total annual impact of Regulation E on the US banking sector range between $3.8 billion and $5.3 billion. In Arkansas the estimated impact on the entire state banking industry ranges between $17.8 million and $45.1 million.

I view transaction deposits as the most accurate estimates to consider because this group of deposits is where most overdraft charges occur. Consequently, the most likely effect of the opt-in changes on the US banking industry is a drop in annual revenue of *$3.8 billion*. Again, I would like to compare these finding to those in similar studies. Unfortunately, no rigorous estimates are available. One report by Market Rates Insight in June 2011 reported that changes to Regulation E had cost banks $1.6 billion during the first three quarters of implementation.[8] This report, however, does not account for the rapid 19.4 percent annualized increase in transaction deposits between June 2010 and March 2011; therefore, it likely understates the drop in fee income.

5. Conclusion

Changes to Regulation E significantly and adversely affected bank revenue in both the state of Arkansas and the total United States. A low opt-in rate decreased the number of depositors from which certain overdraft fees were generated. I estimate that total US bank revenue was negatively impacted between $3.8 billion and $5.3 billion. Revenue at Arkansas banks was negatively impacted between $17.8 million and $45.1 million. The overall lost revenue in the United States is quite sizeable, accounting for between 12 and 16 percent of the quarterly fee income from service charges. It would not be surprising if banks attempt to recover this lost income through cutting overhead expenses or raising fees elsewhere.

[8] "Reg E lowered account service fees by $1.6 billion since enactment," *National Pricing Indicators*, June 20, 2011, published by Market Rates Insight. < http://www.marketratesinsight.com/docs/NPI6.20.11.PDF>

Appendix 1: Survey

The Effect of the New Overdraft Regulations on Arkansas Banks

Overview and Purpose of the Survey: The following survey is being given to all commercial banks with headquarters in Arkansas. Participation is entirely voluntary. The survey is being conducted by Dr. Tim Yeager, the Arkansas Bankers Association Chair in Banking at the University of Arkansas. All responses will be kept confidential to the extent allowed by law and University policy. Only aggregate and summary statistics will be reported in a public release of these survey results, which will be available to you at no charge in the fall of 2011.The time your bank will need to complete this survey may vary from a few minutes to several hours depending upon the bank's reporting systems. The deadline for the completion of the survey is August 15, 2011. In the following questions, we are assessing the effects of the changes to overdraft regulation as specified by the Federal Reserve's Regulation E that took effect July 1, 2010. The new regulations required banks to have customers with consumer (personal) accounts explicitly opt in to overdraft protection on ATM payments or one-time debit card transactions. Some questions may ask for data that you cannot provide because your reporting systems do not capture that data. For example, we require banks to report fee income from ATM overdrafts and one-time debit card transactions. If you cannot answer any of the questions due to data limitations or because they would pose an unreasonable burden, please state so in the response. If you have questions or concerns about this study, you may contact Tim Yeager at (479) 575-2992 or by e-mail at tyeager@walton.uark.edu. For questions or concerns about your rights as a research participant, please contact Ro Windwalker, the University's IRB Coordinator, at (479) 575-2208 or by e-mail at irb@uark.edu.

Background Questions

i. What is the FDIC cert number of your bank? (Answer is required in order to proceed.)

ii. Is your bank unaffected by the new overdraft rules because you have never allowed ATM or one-time debit card overdrafts, or you have never charged fees on ATM or one-time debit card overdrafts? If you answer yes, you may submit this survey without answering any further questions. (Answer is required in order to proceed.)

- ☐ Yes
- ☐ No

iii. (To answer this question, it will be helpful for you to preview the 17 quantitative survey questions so that you can determine what information you will need to complete the survey. Please refer to the document provided in the survey email or use the 'Next" and 'Back' buttons to view the survey questions.) The new overdraft regulation applies to all consumer accounts including checking, savings, and MMDA accounts. However, your reporting system may make it impossible or extremely costly to aggregate across multiple accounts to answer the survey questions. Please identify ALL of the consumer accounts that you are using to answer the survey questions below by checking as many boxes as appropriate. If one or more account types that you are using to fill in this survey are not specified, please list them.

- Checking (Demand and NOW accounts)
- Savings
- MMDA
- Other (please specify) ____________________

iv. (To answer this question, it will be helpful for you to preview the 17 quantitative survey questions so that you can determine what information you will need to complete the survey. Please refer to the document provided in the survey email or use the 'Next" and 'Back' buttons to view the survey questions.) Although the new overdraft regulation applies only to consumer accounts and excludes business accounts, your bank may be unable to break out balances and fees associated with just these accounts because your reporting systems aggregate the data for these accounts. Please identify the account type that you are using to answer the survey questions below.

- My bank can identify consumer accounts separately for purposes of this survey so all responses pertain only to consumer accounts.
- My bank cannot identify consumer accounts separately for purposes of this survey, so all responses pertain to consumer AND business accounts.

v. Because your bank's responses include information from business accounts as well as personal accounts, please provide the percentage of the total number of accounts used to answer these survey questions that are business accounts as of June 30, 2011 .

______ Percentage of accounts that are business accounts

Survey Questions

1. As of June 30, 2011, how many consumer accounts affected by the new overdraft policy also existed on June 30, 2010? In other words, how many accounts are at least 1 year old?

2. As of June 30, 2011, what number of consumer accounts that existed as of June 30, 2010 have opted into the overdraft protection service? (Answers to questions 1 and 2 allow us to compute the percentage of accounts at least 1 year old that have opted in.)

3. What is the dollar balance (in $000s) as of June 30, 2011 in the current consumer accounts that existed as of June 30, 2010?

4. What is the dollar balance (in $000s) as of June 30, 2011 in the current consumer accounts that existed as of June 30, 2010 that opted into the overdraft protection service? (Answers to questions 3 and 4 allow us to compute the dollar percentage of account balances more than 1 year old that have opted in.)

5. How many consumer accounts as of June 30, 2011 were established after June 30, 2010?

6. As of June 30, 2011, what number of current consumer accounts that were established after June 30, 2010 have opted into the overdraft protection service? (Answers to questions 5 and 6 allow us to compute the percentage of new accounts less than 1 year old that have opted in.)

7. What is the dollar balance (in $000s) as of June 30, 2011 in the current consumer accounts that were established after June 30 , 2010?

8. What is the dollar balance (in $000s) as of June 30, 2011 in the current consumer accounts that were established after June 30, 2010 that opted into the overdraft protection service? (Answers to questions 7 and 8 allow us to compute the dollar percentage of account balances less than 1 year old that have opted in.)

9. What was the total dollar amount ($000s) of noninterest income generated by one-time debit card and ATM overdraft fees on consumer accounts between July 1, 2009 and June 30, 2010? (If your bank cannot separate fees by these categories please state so.)

10. What was the total dollar amount ($000s) of noninterest income generated by ALL fees on consumer accounts (including the one-time debit card fees, ATM overdraft fees, recurring payment fees, insufficient funds fees, etc.) between July 1, 2009 and June 30, 2010? (Answers to questions 9 and 10 allow us to compute the percentage of fees that came from one-time fees and ATM overdraft fees in the year prior to the change in the regulation.)

11. What was the average (daily, weekly, or monthly) balance of consumer accounts ($000s) between July 1, 2009 and June 30, 2010? (This information allows us to compute the debit card fees in questions 9 and 10 as a percentage of the account balances.)

12. What was the total dollar amount ($000s) of noninterest income generated by one-time debit card and ATM overdraft fees on consumer accounts between July 1, 2010 and June 30, 2011? (If your bank cannot separate fees by these categories please state so.)

13. What was the total dollar amount ($000s) of noninterest income generated by ALL fees on consumer accounts (including the one-time debit card fees, ATM overdraft fees, recurring payment fees, insufficient funds fees, etc.) between July 1, 2010 and June 30, 2011? (Answers to questions 12 and 13 allow us to compute the percentage of fees that came from one-time fees and ATM overdraft fees in the year after the change in the regulation.)

14. What was the average (daily, weekly, or monthly) balance of consumer accounts ($000s) between July 1, 2010 and June 30, 2011? (This information allows us to compute the debit card fees in questions 12 and 13 as a percentage of the account balances.)

15. As of June 30, 2010, how many consumer accounts had in place any other type of overdraft service besides a fee charged for overdrafting accounts? Examples of other overdraft service would include services such as overdraft lines of credit or ties to savings accounts.

16. As of June 30, 2011, how many consumer accounts had in place any other type of overdraft service besides a fee charged for overdrafting accounts? Examples of other overdraft service would include services such as overdraft lines of credit or ties to savings accounts. (Answers to questions 15 and 16 allow us to compute the number of accounts that established alternative overdraft services after the new regulations were put in place.)

17. Excluding any actual changes to noninterest income, what was the estimated total cost ($000s) to your bank to implement the new overdraft regulations? Charges include changes to software programs, billing statements, added personnel and overhead to comply with the policies, etc.)

18. If desired, please provide any comments here regarding your bank's experience regarding the new overdraft regulations including specific actions taken to offset revenue lost as a result of the regulations (for example, eliminating free checking, increasing monthly service charges or NSF fees, etc.).

Thank you for completing this survey. Results will be shared this fall 2011. Click the Submit button to exit the survey.