

News Now

ATMs must have proper Reg E fee disclosures: CMG alert

ST. LOUIS (3/22/11)--Nationwide, attorneys are looking at financial institutions, including credit unions, to see if the signage required by Regulation E is properly affixed to ATMs. If it is not, litigation could ensue and a violation of Regulation E may result in a fine of up to \$500,000 plus costs and attorney fees based on the class action filing, warns the Missouri Credit Union Association (MCUA).

Regulation E requires that if a credit union operates an ATM and charges members or nonmembers a fee for transactions and/or balance inquiries, it must ensure all ATMs comply with the fee disclosure requirements (*The Missouri difference* March 18).

When an ATM fee is charged, credit unions should provide the following three disclosures as recently stated in a CUNA Mutual Risk Alert:

1. Notice at ATM: Post a sign in a prominent and conspicuous location on or at every ATM operated by the credit union stating that a fee will (or may) apply. It is not necessary to state the amount of the fee on the sign.
2. Terminal screen: Display the amount of the fee on the ATM screen. Once notified, ATM users must be able to cancel the transaction to avoid the fee.
3. Receipt: Disclose the fee on the transaction receipt.

To ensure compliance, credit unions should follow their written procedures consistently and regularly inspect their ATM signage and functionality. Credit unions must document and retain evidence of Regulation E compliance efforts, MCUA said.

Resource Links

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