

Regulation DD - Truth In Savings Examination Checklist

This worksheet can be used to review audit work papers, to evaluate bank policies, to perform transaction testing, and to train as appropriate. Complete only those aspects of the worksheet that specifically relate to the issue being reviewed, evaluated, or tested, and retain those completed sections in the work papers.

When reviewing audit or evaluating bank policies, a “No” answer indicates a possible exception/deficiency and should be explained in the work papers. When performing transaction testing, a “No” answer indicates a possible violation and should be explained in the work papers.

If a line item is not applicable within the area you are reviewing, indicate “NA.”

Underline the applicable use: Audit Bank Policies Transaction Testing

	Yes	No	NA
Section 230.3 - General Disclosure Requirements			
1. Does the institution make the required disclosures clearly and conspicuously in writing and in a form the consumer may keep? (§ 230.3(a))			
2. If the disclosures are combined with other account disclosures, is it clear which disclosures are applicable to the consumer's account? (§ 230.3(a))			
3. Do the disclosures reflect the terms of the legal obligation of the account agreement between the consumer and the institution? (§ 230.3(b))			
4. If the disclosures are provided in a language other than English, are disclosures also available in English upon request? (§ 230.3(b))			
5. Do the disclosures use consistent terminology when describing terms or features that are required to be disclosed? (Commentary)			
6. Does the institution substitute disclosures required by Regulation E for disclosures required by this regulation? (§ 230.3(c))			
7. Does the institution provide disclosures to at least one account holder if there are multiple holders? (§ 230.3(d))			
8. Do the institution's oral responses to a consumer's inquiry about interest rates payable on accounts state the annual percentage yield (APY)? If the institution chooses, it may state the interest rate, but no other rate. (§ 230.3(e))			
9. Are the APY, annual percentage yield earned (APYE), and the interest rate rounded to the nearest one-hundredth of one percentage point (.01%) and expressed to two decimal places? (§ 230.3(f)(1))			
<ul style="list-style-type: none"> • For account disclosures, is the interest rate expressed to two or more decimal places? (§ 230.3(f)(1)) 			
10. Are the APY and APYE not more than one-twentieth of one percentage point (.05%) above or below the APY and APYE determined in accordance with appendix A of Regulation DD? (§ 230.3(f)(2))			
Section 230.4 - Account Disclosures			
Delivery of Account Disclosures			
Account Opening			
1. Does the institution provide initial disclosures before an account is opened or a service provided, whichever is earlier? (§ 230.4(a)(1))			

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<ul style="list-style-type: none"> If the consumer is not present when the account is open or a service is provided (and has not already received the disclosures), does the institution mail or deliver the disclosures no later than ten business days after the account is opened or the service is provided, whichever is earlier? (§ 230.4(a)(1)(i)) 			
Consumer Request			
2. Does the institution provide account disclosures to consumers upon request? (§ 230.4(a)(2)(i))			
<ul style="list-style-type: none"> If the consumer who is not present at the institution makes a request, does the institution mail or deliver the account disclosures within a reasonable time after it receives the request (generally no more than 10 days)? (§ 230.4(a)(2)(i)) 			
3. In providing disclosures upon request, does the institution choose one of the following options when providing rate information: (§ 230.4(a)(2)(ii))			
<ul style="list-style-type: none"> Specify an interest rate and APY that were offered within the most recent seven calendar days? (§ 230.4(a)(2)(ii)(A)) 			
<ul style="list-style-type: none"> State that the rate and yield are accurate as of an identified date? (§ 230.4(a)(2)(ii)(A)) OR 			
<ul style="list-style-type: none"> Provide a telephone number that consumers may call to obtain current rate information? (§ 230.4(a)(2)(ii)(A)) 			
4. For a time deposit account, does the institution choose to state the maturity of the time account as a term rather than a date? (§ 230.4(a)(2)(ii)(B))			
Content of Disclosures			
Rate Information			
5. Do account disclosures include, as applicable: (§ 230.4(b))			
<ul style="list-style-type: none"> The “annual percentage yield” and interest rate, using those terms? (§ 230.4(b)(1)(i)) 			
<ul style="list-style-type: none"> For fixed-rate accounts, the period of time the interest rate will be in effect? (§ 230.4(b)(1)(i)) 			
6. For variable-rate accounts, do account disclosures include the following information: (§ 230.4(b)(1)(ii))			
<ul style="list-style-type: none"> The fact that the interest rate and APY may change? (§ 230.4(b)(1)(ii)(A)) 			
<ul style="list-style-type: none"> How the interest rate is determined? (§ 230.4(b)(1)(ii)(B)) 			
<ul style="list-style-type: none"> The frequency with which the interest rate may change? (§ 230.4(b)(1)(ii)(C)) AND 			
<ul style="list-style-type: none"> Any limitation on the amount the interest rate may change? (§ 230.4(b)(1)(ii)(D)) 			
Compounding and Crediting			
7. Do the account disclosures describe the frequency with which interest is compounded and credited? (§ 230.4(b)(2)(i))			
8. If consumers will forfeit interest if they close the account before accrued interest is credited, do the account disclosures include a statement that interest will not be paid in such cases? (§ 230.4(b)(2)(ii))			
Balance Information			
9. As applicable, do the account disclosures: (§ 230.4(b)(3)(i))			
<ul style="list-style-type: none"> Describe the minimum balance required to: <ul style="list-style-type: none"> Open an account? (§ 230.4(b)(3)(i)(A)) 			

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○ Avoid the imposition of a fee? (§ 230.4(b)(3)(i)(B))			
○ Obtain the APY disclosed? (§ 230.4(b)(3)(i)(C))			
• Describe how the minimum balance requirement is determined to avoid the imposition of a fee or to obtain the APY disclosed? (§ 230.4(b)(3)(i))			
• Explain the balance computation method used to calculate interest on the account? (§ 230.4(b)(3)(ii))			
• State when interest begins to accrue on noncash deposits? (§ 230.4(b)(3)(iii))			
Fees			
10. Do the account disclosures state the amount of any fee that may be imposed in connection with the account (or an explanation of how the fee will be determined) and the conditions under which the fee may be imposed? (§ 230.4(b)(4))			
• Regardless of whether the institution promotes overdraft payment, does it disclose specific categories of transactions that may cause an overdraft fee to be imposed on the accountholder? (§ 230.4(b)(4) Commentary)			
Transaction Limitations			
11. Do the account disclosures state any limits on the number or dollar amount of withdrawals or deposits? (§ 230.4(b)(5))			
Features of Time Accounts			
12. For time accounts, do the account disclosures also include the following, as applicable: (§ 230.4(b)(6))			
• The maturity date? (§ 230.4(b)(6)(i))			
• A statement that a penalty will or may be imposed for early withdrawal, how it is calculated, and the conditions for its assessment? (§ 230.4(b)(6)(ii))			
• If compounding occurs during the term and the interest may be withdrawn prior to maturity, a statement that the APY assumes that interest remains on deposit until maturity and that a withdrawal will reduce earnings? (§ 230.4(b)(6)(iii))			
• A statement that interest cannot remain on deposit and that payout of interest is mandatory for accounts with the following features: (§ 230.4(b)(6)(iii))			
○ With a stated maturity greater than one year			
○ That do not compound interest on an annual or more frequent basis			
○ That require interest payouts at least annually, and			
○ That disclose an APY determined in accordance with section E of Appendix A of Regulation DD			
• A statement of whether or not the account will renew automatically at maturity? (§ 230.4(b)(6)(iv))			
○ If the account will renew automatically at maturity, a statement of whether or not a grace period is provided, and if so, the length of the grace period?			
○ If the account does not renew automatically, a statement of whether interest will be paid after maturity if the consumer does not renew the account?			
Bonuses			

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13. Do account disclosures state the amount or type of any bonus, when the bonus will be provided, and any minimum balance and time requirements to obtain the bonus? (§ 230.4(b)(7))			
Section 230.5 - Subsequent Disclosures			
Change in Terms Notice			
1. Does the institution provide advance change in terms notices to consumers of any change to a term, required to be disclosed under section 230.4(b), that may reduce the annual percentage yield or that otherwise adversely affects the consumer? (§ 230.5(a)(1))			
• Does the notice include the effective date of the change? (§ 230.5(a)(1))			
• Is the notice mailed or delivered at least 30 days before the effective date of the change? (§ 230.5(a)(1))			
2. Are exceptions to the notice requirements limited to the following: (§ 230.5(a)(2))			
• Variable-rate changes? (§ 230.5(a)(2)(i))			
• Check-printing fees? (§ 230.5(a)(2)(ii))			
• Short-term time accounts (one month or less)? (§ 230.5(a)(2)(iii))			
Pre-Maturity Notices – Renewable Accounts			
3. For time accounts with maturities longer than one month and that automatically renew, does the institution: (§ 230.5(b))			
• Mail or deliver subsequent disclosures at least 30 calendar days before maturity of existing account? (§ 230.5(b)) (Alternatively, if grace period of at least five calendar days is allowed, disclosures may be mailed or delivered at least 20 calendar days before the end of grace period).			
• For accounts with maturities longer than one year, include in the disclosures: (§ 230.5(b)(1))			
○ The account disclosures outlined in section 230.4(b) for the new account?			
○ The date the existing account matures?			
○ If the interest rate and APY for the new account have not been determined:			
1. The fact that the rates have not yet been determined?			
2. The date that the rates will be determined?			
3. A telephone number to call for the interest rate and APY that will be paid on the new account?			
• For accounts with maturities of one year or less, include in the disclosures: (§ 230.5(b)(2))			
○ The account disclosures required under section 230.5(b)(1) for accounts with maturities of more than one year? (§ 230.5(b)(2)(i))			
OR			
○ The date the existing account matures and the new maturity date if the account is renewed? (§ 230.5(b)(2)(ii)(A))			
○ The interest rate and APY for the new account, if known? (§ 230.5(b)(2)(ii)(B))			

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○ If the rates are not known: (§ 230.5(b)(2)(ii)(B))			
1. The fact that the rates have not yet been determined?			
2. The date they will be determined?			
3. A telephone number to call for the interest rate and APY that will be paid on the new account?			
○ Any difference in the terms of the new account, compared to the existing account? (§ 230.5(b)(2)(ii)(C))			
Pre-Maturity Notices – Nonrenewable Accounts			
4. For time accounts with maturities longer than one year and that do not automatically renew, does the institution: (§ 230.5(c))			
• Disclose the maturity date?			
• Disclose whether interest will be paid after maturity?			
• Mail or deliver the disclosures at least 10 calendar days before the maturity of the existing account?			
Section 230.6 - Periodic Statement Disclosures			
1. If an institution mails or delivers a periodic statement, do the statements include the following: (§ 230.6(a))			
• The “annual percentage yield earned” during the statement period, using that term and calculated in accordance to Appendix A of Regulation DD? (§ 230.6(a)(1))			
• The amount of interest earned during the statement period? (§ 230.6(a)(2))			
• Any debited fees required to be disclosed under section 230.4(b)(4), itemized by dollar amount and type? (§230.6(a)(3))			
NOTE: Except as required in section 230.11(a)(1) for overdraft payment fees, if fees of the same type are imposed more than once in a statement period, an institution may itemize fees separately or group them together and disclose a total dollar amount for all fees of the same type. Even if an institution does not promote overdrafts, section 230.11(a)(1) requires an institution to itemize separately fees for returned items unpaid and for paying overdrafts.			
• The total number of days in the statement period, or the beginning and ending dates of the period? (§ 230.6(a)(4))			
2. If the institution uses the average daily balance method and calculates interest for a period other than the statement period, does the institution: (§ 230.6(b))			
• Calculate and disclose the APYE and the amount of interest earned based on the other period rather than the statement period?			
• State the information required in section 230.6(a)(4), specifying the period length for the other period as well as for the statement period?			
Section 230.7 – Payment of Interest			
1. Does the institution calculate interest on the full amount of principal in the account each day by use of either the daily balance method or the average daily balance method? (§ 230.7(a)(1))			

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<p>2. For deposit accounts that require a minimum balance to earn interest, does the institution use the same method to determine any minimum balance as it uses to determine the balance on which interest is calculated?</p> <p>NOTE: An institution may use an additional method that is unequivocally beneficial to the consumer. (§ 230.7(a)(2))</p>			
<p>3. If an institution chooses not to pay accrued interest if the consumer closes an account prior to the date accrued interest is credited, does the institution disclose this practice in the initial account disclosures? (§230.7(b) and Commentary)</p> <p>NOTE: An institution is not required to compound or credit interest at any particular frequency but, if it does, it may compound or credit interest annually, semi-annually, quarterly, monthly, daily, continuously, or on any other basis.</p>			
<p>4. Does interest begin to accrue no later than the business day specified for interest-bearing accounts in section 606 of the Expedited Funds Availability Act and implementing Regulation CC? (§230.7(c))</p>			
<p>5. Does interest accrue until the day the funds are withdrawn? (§230.7(c))</p>			
Section 230.8 - Advertising Requirements			
General			
<p>1. Do the types of advertising that the institution uses, including visual, oral, or print, meet the regulatory definition of an advertisement?</p>			
<p>2. Do the advertisements refrain from misleading or inaccurate statements, and from misrepresenting the institution's deposit contract? (§230.8(a)(1))</p>			
<p>3. Do the advertisements refrain from using: (§230.8(a)(2) and Commentary)</p> <ul style="list-style-type: none"> • The terms "free" or "no cost" (or similar term) if any maintenance or activity fee may be imposed? • The word "profit" when referring to interest paid on an account? • The term "fees waived" if a maintenance or activity fee can be imposed? 			
<p>4. For an institution that promotes the payment of overdrafts in an advertisement, does the advertisement include the disclosures required by section 230.11(b)? (§ 230.8(f))</p>			
Permissible Advertisement Rates			
<p>5. If the institution advertises a rate of return: (§ 230.8(b))</p> <ul style="list-style-type: none"> • Is the rate stated as "annual percentage yield," using that term, and no other rate except "interest rate"? • If the advertisement uses the abbreviation "APY," has the term "annual percentage yield" been stated at least once in the advertisement? • If the advertisement states the interest rate, using that term, is it stated in conjunction with, but not more conspicuous than, the annual percentage yield to which it relates? • Are the annual percentage yields and interest rates rounded to the nearest one-hundredth of one percentage point (.01%) and expressed to two decimal places? 			
<p>6. If the institution advertises tiered-rate accounts, does the advertisement state an annual percentage yield for each tier, along with corresponding minimum-balance requirements? (§ 230.8(b) Commentary)</p>			

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7. If the institution advertises stepped-rate accounts, does the advertisement state all the interest rates and the time period that each rate is in effect? (§ 230.8(b) Commentary)			
Required Additional Disclosures			
8. With the exception of broadcast, electronic, or outdoor media, telephone-response machines, and indoor signs, if the annual percentage yield is stated in the advertisement, is the following information, as applicable, stated clearly and conspicuously: (§ 230.8(c))			
• For a variable rate account, that the rate may change after account opening? (§ 230.8(c)(1))			
• The time period that the annual percentage yield will be offered, or a statement that it is accurate as of a specified date? (§230.8(c)(2))			
• The minimum balance required to earn the advertised annual percentage yield? (§ 230.8(c)(3))			
• For tiered-rate accounts, the minimum balance required for each tier stated in close proximity and with equal prominence to the applicable APY, if applicable? (§ 230.8(c)(3))			
• The minimum deposit to open the account, if it is greater than the minimum balance necessary to obtain the advertised annual percentage yield? (§ 230.8(c)(4))			
• A statement that fees could reduce the earnings on the account? This applies only to maintenance or activity fees. (§ 230.8(c)(5) and Commentary)			
• For time accounts, the following features: (§ 230.8(c)(6))			
o Term of the account? (§ 230.8(c)(6)(i))			
o A statement that a penalty will or may be imposed for early withdrawal? (§ 230.8(c)(6)(ii))			
o A statement that interest cannot remain on deposit and that payout of interest is mandatory for noncompounding time accounts with the following features: (§ 230.8(c)(6)(iii))			
1. A stated maturity greater than one year			
2. Interest is not compounded on an annual or more frequent basis			
3. Interest is required to be paid out at least annually, and			
4. The APY is determined in accordance with section E of Appendix A.			
Bonuses			
9. Unless an exception applies in section 230.8(e), if a bonus is stated in an advertisement, does the advertisement state the following information, as applicable, clearly and conspicuously: (§ 230.8(d))			
• The “annual percentage yield,” using that term? (§ 230.8(d)(1))			
• The time requirement to obtain the bonus? (§ 230.8(d)(2))			
• The minimum balance required to obtain the bonus? (§ 230.8(d)(3))			
• The minimum balance required to open the account, if it is greater than the minimum balance necessary to obtain the bonus)? (§ 230.8(d)(4))			
• When the bonus will be provided? (§ 230.8(d)(5))			
Exemptions for Certain Advertisements			

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10. Do advertisements made through broadcast, electronic, or outdoor media, and telephone-response machines contain the following information, as applicable, clearly and conspicuously: (§ 230.8(e)(1) and Commentary)			
<ul style="list-style-type: none"> • The minimum balance required to earn the advertised annual percentage yield? For tiered accounts, the minimum balance required for each tier stated in close proximity and with equal prominence to the applicable APY, if applicable? (§ 230.8(c)(3)) 			
<ul style="list-style-type: none"> • For time accounts: <ul style="list-style-type: none"> ○ Term of the account? (§230.8(c)(6)(i)) ○ A statement that interest cannot remain on deposit and that payout of interest is mandatory for noncompounding time accounts with the following features: (§230.8(c)(6)(iii)) <ol style="list-style-type: none"> 1. A stated maturity greater than one year 2. Interest is not compounded on an annual or more frequent basis 3. Interest is required to be paid out at least annually, and 4. The APY is determined in accordance with section E of Appendix A of Regulation DD. 			
<ul style="list-style-type: none"> ○ The “annual percentage yield,” using that term? (§ 230.8(d)(1)) ○ The time requirement to obtain the bonus? (§ 230.8(d)(2)) ○ The minimum balance required to obtain the bonus? (§ 230.8(d)(3)) 			
11. Do indoor signs:			
<ul style="list-style-type: none"> • Refrain from: <ul style="list-style-type: none"> ○ Containing misleading or inaccurate statements, and misrepresenting deposit contracts? (§ 230.8(a)(1)) ○ Referring to or describe an account as “free” or “no cost” (or contain a similar term) if any maintenance or activity fee is charged? ○ Using the word profit to refer to interest paid on the account? ○ Using the term “fees waived” if a maintenance or activity fee can be imposed? (§ 230.8(a)(2) and Commentary) • if a rate of return is stated, <ul style="list-style-type: none"> ○ State the rate as “annual percentage yield” or “APY”? No other rate may be stated except for the interest rate in conjunction with the APY to which it relates. ○ Contain a statement advising consumers to contact an employee for further information about applicable fees and terms? (§ 230.8(e)(2)) 			
Section 230.9 – Record Retention Requirements			
1. Has the institution retained evidence of compliance for a minimum of two years after the date disclosures are required to be made or action is required to be taken? (§ 230.9(c))			
Section 230.10 – RESERVED			
1. Due to the proposed changes to Regulation DD (72 FR 21155), the content of section 230.10 related to electronic communication is deleted. This section is reserved for future use.			

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Section 230.11 - Overdraft Payment Disclosure and Advertising Requirements

Periodic Statement Disclosures

1. Does the institution promote the payment of overdrafts in an advertisement? If so, it is subject to Regulation DD's disclosure and advertisement requirements for overdraft protection products. (§ 230.11(c)(1)(i))			
2. Unless an exception under sections 230.11(a)(2) applies, does the institution disclose on each periodic statement (if it provides a statement) separate totals, for both the statement period and the calendar year-to-date, for the following: (§ 230.11(a)(1)(ii))			
<ul style="list-style-type: none"> • The total amount of fees and charges imposed for paying checks or other items when there are insufficient funds and the account becomes overdrawn? (§ 230.11(a)(1)(i)(A) AND 			
<ul style="list-style-type: none"> • The total amount of fees imposed on an account for returning items unpaid? (§ 230.11(a)(1)(i)(B)) 			
3. Does the institution make the total fee disclosures for the first statement period that begins after it advertises the payment of overdrafts? (§ 230.11(a)(3))			
4. If the institution ceases advertising overdraft payments for a deposit account, does it continue to disclose total fees for paying an overdraft or for returning items unpaid until two years after the date of the last advertisement promoting the payment of overdrafts? (§ 230.11(a)(4))			
5. If the institution acquired an account and starts advertising its overdraft payment features, does it provide the required total fee disclosures for the first statement period that begins after it advertises the payment of overdrafts for the acquired account? (§ 230.11(a)(5))			
NOTE: If disclosures are required for the acquired account, the institution may, but is not required to, include fees imposed prior to acquisition of the account. (§ 230.11(a)(5))			

Advertisement Requirements

6. Unless an exception under sections 230.11(b)(2)-(4) applies, when an institution advertises the payment of overdrafts, are the following disclosed clearly and conspicuously in the advertisement:			
<ul style="list-style-type: none"> • The fee(s) for the payment of each overdraft? (§ 230.11(b)(1)(i)) 			
<ul style="list-style-type: none"> • The categories of transactions for which a fee may be imposed for paying an overdraft? (§ 230.11(b)(1)(ii)) 			
<ul style="list-style-type: none"> • The time period by which the consumer must repay or cover any overdraft? (§ 230.11(b)(1)(iii)) AND 			
<ul style="list-style-type: none"> • The circumstances under which the institution will not pay an overdraft? (§ 230.11(b)(1)(iv)) 			