

Is Karl h
Bennett (15)

Evans, Sandra E

From: Nelson, David M. [DNelson@FDIC.gov]

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To: 'regs.comments@federalreserve.gov'; Comments; 'regs.comments@occ.treas.gov'; 'regs.comments@ots.treas.gov'

Subject: EGRPRA

While I was conducting Regulation E (Electronic Funds Transfer) compliance examinations, I noted that error resolution procedures sometimes conflicted with NACHA rules. Regulation E provided a bank with less time to investigate and resolve an error, while NACHA rules allowed for a longer period of time for EFT service providers to investigate and resolve errors. This requires the banks to resolve an error before they may get all of the information from the service provider to make a determination. The bank would have to credit to a customers account before all the information was provided. Later they might find out from a service provider that the error was different, but it would be too late. I know that Regulation E is made to protect consumers, but maybe NACHA rules and Regulation E can be reconciled somehow to help the banks resolve the errors more accurately and reduce charge offs.

I hope this is helpful. Thanks