



## Protections Provided for Electronic Funds Transfers under Regulation E

Regulation E and the federal Electronic Fund Transfer Act afford protections **only to individual consumers** and do not include business/commercial organizations. Any protection from fraudulent ACH or wire transactions in your institution's accounts would be addressed in our financial institution's deposit account contract and/or state laws.

By far the best protection against such fraud is careful attention to safe computing practices, use of dual control features and other practices such as reviewing daily transactions in the account.

According to the FDIC law, regulations, and related acts 6500 (consumer protection) Part 205 (electronic fund transfers) Sections 1-18, the primary objective of Regulation E is to protect **individual consumers** engaging in electronic fund transfers (EFT). Regulation E, under the Electronic Fund Transfer Act, provides a framework that establishes the rights, liabilities, and responsibilities of those participating in EFT such as ATM transfers, bill payment services, point-of-sale transfers in stores, and preauthorized transfers including direct deposit and Social Security payments. Regulation E covers an individual consumer who authorizes a financial institution to electronically transfer funds to debit or credit his/her account.

Under Regulation E, a **consumer** is not responsible for any unauthorized EFT involving the consumer's account only if they have complied with the disclosed requirements, including reporting time of the unauthorized transfer and other conditions are met by the consumer (see 205.7b(1)(2)(3)). If a consumer abides by these timelines and reporting guidelines, the consumer will not be held responsible for unauthorized transfers.