



DCU BULLETIN

Division of Credit Unions

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Compliance with the Electronic Funds Transfer Act

The Division of Credit Unions (DCU) has received a noticeable increase in consumer complaints regarding Electronic Funds Transfer Act (EFTA) issues. With the expanded use of electronic funds transfers (EFT) and the introduction of new EFT products, it is likely that we will see an increase in EFTA claims unless credit unions take pro-active steps to enhance compliance with the EFTA.

All credit unions should develop strong EFTA policies and procedures, particularly concerning error resolution. These policies and procedures should be reviewed with legal counsel or other knowledgeable EFTA advisors in order to assure they are in conformance with the Act.

Most EFTA complainants raised issues with a credit union's EFT error resolution process and whether the credit union actually followed EFTA provisions when determining whether to reimburse members for losses associated with unauthorized electronic funds transfers. We encourage credit union management to review EFTA and to follow its error resolution guidelines and procedures closely. This will limit potential lawsuits and losses.