

WORKBOOK

Regulation E and EFTA: Policies and Procedures

COMPLIANCE
PROFESSIONALS FORUM

ia insideARM



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How to Use This Guide

Our guide synthesizes best-practice information from our webinar, **EFTA & Regulation E: Policy & Procedure Workshop**. As a companion to this report, you can watch the full video of the webinar here:

[**EFTA & Regulation E: Policy & Procedure Workshop**](#)

Password:

As appendices, you will find the slide deck from the webinar, as well as the transcript.

Introduction

An electronic funds transfer (EFT) is simple enough: it's the electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions, through computer-based systems and without the direct intervention of bank staff.

EFTs cover a number of different payment systems:

- **cardholder-initiated transactions, using a payment card such as a credit or debit card**
- direct deposit payment initiated by the payer
- **direct debit payments for which a business debits the consumer's bank accounts for payment for goods or services**
- wire transfer via an international banking network such as SWIFT
- electronic bill payment in online banking, which may be delivered by EFT or paper check
- transactions involving stored value of electronic money, possibly in a private currency

The practice of accepting electronic payments is becoming more common within the ARM industry. Despite this, many firms have yet to create a clear policy on how to accept electronic payments. This guide is designed to help you put a solid policy in place, so that your firm can safely avoid costly regulatory action over violations of the Electronic Funds Transfer Act (EFTA) and its implementing regulation, Regulation E.

In this workbook, we'll provide information to answer why you should have an EFTA/Regulation E policy, what format is best for such policies and procedures, what key questions your policy should answer, where to keep documents related to your policies and procedures, and how to effectively disseminate such information to those who need it.