



HOW IT WORKS!

Program Qualifiers:

You've signed our Non Disclosure and agreed not to show this process to anyone outside the Bank or to use the process (or a similar process) on your own.

You have agreed that everyone with customer contact at your Bank will participate and attend training.

You have signed an Alexander Group Letter of Agreement.

Program Length:

The program is for one year, after which you may continue the program on your own or with Alexander Group help at your discretion.

How it Works!

Your Bank will be able to maximize your NSF revenue, while adhering to the FRB Regulation E requirements. Alexander Group will train, prepare and guide your representatives in such a way that will improve Employee Engagement and Customer Satisfaction while optimizing NSF-EFT income.

- *With this program you can expect:*
 - o *To reclaim or gain NSF fees on ATM and one-time Debit Card transactions*
 - o *Your designated Representatives to Pro-actively touch your customers*
 - o *Customers to willingly Opt-In for NSF on EFT*
 - o *Customer Satisfaction to improve*
 - o *Employee Engagement to Improve*
 - o *To overcome a negative image associated with NSF fees*
- *Alexander Group will:*
 - o *Help you review and expand your NSF Bank Guidelines based on the revised REG E*
 - o *Identify and define your target market*
 - o *Effectively communicate your Overdraft Protection Program to your customers, drawing in an estimated 85% customer OPT-IN response*
 - o *Design and produce all associated promotional materials, such as:*
 - *Posters/table tents in Bank*
 - *Flyers/Mailers for your customers*
 - o *Train all designated personnel in groups of twenty or fewer*
 - o *Support training with a workbook for every participant*

- o *Customize and produce all support materials including customer mailers, letters and telephone scripts*
 - *Notice will be sent to ALL debit & ATM card holders*
 - *Top 14% of customers who overdraft will be identified (with Bank's help) and bank employees will be trained and provided script for calling these targeted customers*
- o *Provide a simple tracker for customer contacts and opt-ins*
- o *Communicate regularly with your Program Administrator and recommend or make Program adjustments as needed*

Pre-Training Meeting:

The appropriate decision makers have agreed to meet with Alexander Group wherein we will help you decide the following:

- *Overdraft Protection Guidelines*
 - o *Determine "Forgiveness" Amount*
 - *i.e. not charging an NSF fee on debit card and ATM transactions when the overdraft balance is \$10 or less*
 - o *Consider charging reduced fees or daily fee*
 - *i.e. \$25 per day overdraft fee rather than per transaction*
 - *Or \$X on 1st overdraft (when overdraft balance is over \$10), a lower amount on the 2nd overdraft, and lower amount of the 3rd and subsequent overdrafts associated with the SAME initial overdraft balance within a defined period of time*
- *Training Date & # of training sessions necessary*
- *Training Attendee List*
- *Communication Schedule*
 - o *Announcement of Training to Employees*
 - o *Posting of Promotional materials targeting customers*
- *Determine Bank Program Administrator*
- *Discussion of Tracking system*

Program Supplies:

- *Training Workbooks*
- *Program Instructions including your customized "Overdraft Guidelines"*
- *OPT-IN forms (emailable)*
- *Overdraft Program Notice (as required by REG E)*
 - o *Include all associated benefits and fees*

Program Costs:

Bank agrees to pay AG:

- A one-time upfront fee of \$_____
 - o Depends on size of bank
 - o \$5,000 for Banks up to \$100 million in total assets
 - o \$10,000 for Banks from \$101 million in total assets - \$275 million
 - o \$15,000 for Banks from \$276 million - \$500 million
 - o \$20,000 for Banks \$501 million and higher

- During months 1 -6 of program: 10% of the NSF fees that customers pay after Opting-In
During months 6-12 of program: 7% of the NSF fees that customers pay after Opting-In
(*See Chart below)

- This is a one year agreement and includes 2 training sessions
- All current employees with front-line customer contact and their managers will attend training
- Additional training sessions will cost \$1000 each (maximum class size is 20 participants)
- Cost plus 20% for all printed materials

PROFORMA RESULTS: AOI vs OTHER PROCESSES

