

Family First Credit Union

Expedited Funds Availability Policy and Procedures

(Regulation CC)

General Policy Statement

Family First Credit Union offers same day or next day availability for most funds deposited with the Credit Union. Regulation CC implements the requirement of the Expedited Funds Availability Act (EFAA). The purpose of the regulation is to ensure prompt availability of funds and to expedite the return of checks deposited into checking accounts.

Disclosure

Family First Credit Union conscientiously informs members of its funds availability policy by providing members with:

- ✓ **Disclosures upon Request.** The Credit Union will provide a copy of its funds availability policy to any member who requests a copy. The Credit Union will also assist members in comparing the Credit Union's policy with other institutions.
- ✓ **Initial Disclosures.** Before a member opens a new account, the Credit Union will provide the member with written disclosures that clearly and conspicuously explain the Credit Union's funds availability policy.
- ✓ **Branch Notice.** The Credit Union will post its availability policy at a conspicuous place in every location where deposits are accepted.
- ✓ **Change-in-Policy Notice.** If the Credit Union ever changes its funds availability policy it will notify all members of the change at least 30-days before implementation.

Same Day Availability

- ✓ Cash Deposits and electronic funds transfers including Automated Clearinghouse (ACH) transfers for Social Security and electronic payroll must be made available for withdrawal on the same-business day Fulton Teacher' Credit Union receives the funds.

Next Day Availability

The following types of funds generally meet the standards for next-day availability. Family First Credit Union generally will give same day availability for the following types of funds:

- ✓ **Government Checks;** for example, U.S. Treasury checks, U.S. Postal Service money orders, checks drawn by the State or an agency of the State or a branch of local government deposited in an account held by the payee of the check.
- ✓ **Depository Checks;** i.e., Travelers Checks, cashier's checks, certified checks, and money orders.
- ✓ **On-Us Checks;** i.e., checks drawn against accounts of Family First Credit Union.

- ✓ **Drafts Covered by Member's Account;** i.e., situations where the member's account balance exceeds the amount of the draft.

In most cases, the types of funds listed above must be deposited in person to an employee of the credit union and in an account of the payee.

Second Day Availability

Except as provided under "exceptions" below, the credit union must make funds deposited in an account by check available for withdrawal no later than the third business day following the banking day the funds are deposited, in the case of:

- ✓ Check drawn on the Treasury of the United States that is not governed by the next-day availability requirement.
- ✓ A U.S. Postal Service money order that is not governed by the next-day availability requirements.
- ✓ Check drawn on FRB or Federal Home Loan Bank, a check drawn by a state or local government; a cashier's check, certified, or teller's check.

If a member deposits a check into his or her account on Friday morning, funds will be available Wednesday morning. For Regulation CC purposes, Saturdays, Sundays, and legal holidays are not considered business days.

\$200.00 rule: The first \$200.00 (or the total amount of the deposit if it is less than \$200.00) of non-"next day" checks must be made available the next business day.

Notice

If Family First Credit Union decides to impose a case-by-case hold, it will immediately deliver proper notice to the member depositor. If for some reason the Credit Union fails to deliver notice at the time of the transaction, the Credit Union will refund any return check fees or overdraft fees assessed. The notice will include:

- ✓ Statement that the Credit Union is holding the funds;
- ✓ Member's name and account number;
- ✓ Date and amount of deposit; and
- ✓ Date when funds will be available.

Five Day Availability

Except as provided under "exceptions" below, the credit union must make funds deposited in an account by a check available for withdrawal no later than the **sixth** business day following the banking day funds are deposited, in the case of:

- ✓ Large deposits greater than \$5000.00** on any one day
- ✓ Redeposit checks that were returned unpaid*
- ✓ Accounts that are repeatedly overdrawn*
- ✓ Reasonable cause to doubt collectability*
- ✓ Emergency conditions*
- ✓ New accounts opened less than 30 days*

*\$200.00 rule **does not** apply

\$200.00 rule **does apply to the first \$5000.00

Notice

If Family First Credit Union decides to impose a case-by-case hold, it will immediately deliver proper notice to the member depositor. If for some reason the Credit Union fails to deliver notice at the time of the transaction, the Credit Union will refund any return check fees or overdraft fees assessed. The notice will include:

- ✓ Statement that the Credit Union is holding the funds;
- ✓ Member's name and account number;
- ✓ Date and amount of deposit; and
- ✓ Date when funds will be available.

Specific Exception Holds

The Credit Union may place a specific exception hold where the transaction involves reasonable belief that the check is uncollectible; repeated overdrafts; new accounts; large deposits; re-deposited items; and emergency conditions. In these situations, the Credit Union may hold these checks for six additional business days (total of eight business days).

Specific Exceptions

- Uncollectible checks
 1. Check dated over six months ago
 2. Improper endorsement
 3. Evidence suggest the member is engaged in check kiting
 4. Credit Union has received a notice of dishonor from the financial institution against which the check is drawn
- Repeated Overdrafts – account overdrawn more than 5 times in six months
New Accounts – Sole transaction account with Credit Union less than 90-days old.
**Hold does not apply to cash deposits and electronic transfers*

ADDITIONAL EXCEPTION PROCESSING

Until further notice, all checks being deposited, cashed, and submitted for loan payments made in the amount of \$3000.00 and above must be approved by one of the following:

1. Head Teller
2. Branch Manager
3. Operations Manager
4. Compliance Officer

Checks deposited into Share Savings

Share Savings accounts are not governed by Regulation CC and will therefore adhere to the following hold rules established by Family First Credit Union.

- ✓ Checks deposited into Share Savings accounts will be held for a minimum of five business days and up to a maximum of ten days.
- ✓ Exceptions holds are subject a twelve business day hold. The Credit Union may place a specific exception hold where the transaction involves reasonable belief that the check is uncollectible; new accounts; large deposits; re-deposited items; and emergency conditions.

Specific Exceptions

- Uncollectible checks
 1. Check dated over six months ago
 2. Improper endorsement
 3. Evidence suggest the member is engaged in check kiting
 4. Credit Union has received a notice of dishonor from the financial institution against which the check is drawn
- Deposit exceeding \$5000.00
- Re-deposited items - Items previously returned by the paying institution for non-technical reasons.
- Emergency Conditions - Conditions such as war, earthquake, fire, flood, power or equipment failure, suspension of payments from another financial condition, or any other emergency.
- Account opened within 30 days

Notice

If Family First Credit Union decides to impose a case-by-case hold, it will immediately deliver proper notice to the member depositor. The notice will include:

- ✓ Statement that the Credit Union is holding the funds;
- ✓ Member's name and account number;
- ✓ Date and amount of deposit; and
- ✓ Date when funds will be available.

Third-Party Checks

Family First Credit Union will accept a third-party check up to the amount of \$200.00 for deposit only. The hold policies for checks apply to third-party checks also.

Appendix A

Basic Terminology for Financial Terms in Expedited Funds Availability Policy and Procedures document

Aggregate

The sum of the total amount

Banking Day

The part of any business day the bank is open to the public.

Business Day

Any day except Saturday, Sunday, or a legal holiday

Check

Negotiable demand draft drawn on or payable through a bank

Depository Bank

The bank in which funds are deposited

Paying Bank

The bank that the check is drawn on

On-us check

A check deposited into the same institution on which it was drawn.

FRB

Federal Reserve Bank is a U.S. federal banking system that is under the control of the Federal Reserve Board. The Federal Reserve Bank has wide powers in controlling credit and the flow of money as well as regulating and supervising its member banks.

Acknowledgement

I have read and understand the Expedited Funds Availability Policy (Regulation CC). I have been provided with a copy of this policy.

Date _____

Name _____

Signature _____