

# 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 sets minimum standards for when deposited funds must be made available to members. Family First Credit Union offers same day or next day availability for most funds deposited with the Credit Union and provides funds availability disclosures required by the Regulation.

### 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 and Federal government payments made by the automated clearinghouse method, such as Social Security payments, SSI payments, IRS tax refunds, and federal government salary payments, must be made available on the day funds are received or, if the funds are not received on a business day, on the next business day.

### Next Day Availability

The following funds deposited into a member's account must be available by the next business day:

- A. Cash deposited in person at a teller station. To qualify for next-day availability, members must deposit funds during Credit Union business hours.
- B. Electronic payments (e.g., wire transfers, automated clearinghouse credit transfers). These are considered "received" when the Credit Union has received both:
  - i. Payment in finally collected funds, and

- ii. Payment instructions indicating the account and the amount to be credited.
- C. U.S. Treasury checks deposited into the payee's account.
- D. The following types of checks, if deposited in person at a teller station into the payee's account:
  - i. U.S. Postal Service Money Orders.
  - ii. Federal Reserve Bank checks/Federal Home Loan Bank checks.
  - iii. State and local government checks, if the Credit Union is located in the same state as the government entity that issued the check and if the check was accompanied by any special deposit slip required by the Credit Union.
  - iv. Cashier's, certified, or teller's checks, if accompanied by any required special deposit slip.
- E. "On us" checks, i.e., checks drawn on the Credit Union or one of its branches.
- F. Drafts covered by member's account, such as situations where the member's account balance exceeds the amount of the draft.
- G. For checks not described above, the lesser of \$200 or the aggregate amount of such checks must be available, except that:
  - i. If the member receives cash at the time of the deposit, the amount of cash received is not required to be credited. For example, if the member deposits a \$300 check and receives \$100 cash back, the Credit Union need not make an additional \$200 available for withdrawal the following day.
  - ii. If the member has a negative book balance or a negative available balance in the account at the time of the deposit, the \$200 that must be available on the next business day may be made available by applying \$200 to the negative balance, rather than making \$200 available for withdrawal.

## **Second Day Availability**

The following funds deposited into a member's account must be made available no later than the second business day following the deposit.

- ✓ The following types of checks, if not deposited in person (i.e., through the mail or ATM owned by the Credit Union) or deposited into an account other than the named payee:
  - i. U.S. Postal Service Money Orders.
  - ii. Federal Reserve Bank checks/Federal Home Loan Bank checks.
  - iii. State and local government checks.
  - iv. Cashier's, certified, or teller's checks.
  - v. US Treasury checks.

## **Fifth-Day Availability**

Cash or checks deposited into a nonproprietary ATM must be made available no later than the fifth business day following the deposit.

Revised 05/22/2018

## Adding a Day To Availability Period

The availability period may be extended by one day for a deposit that is made to a Credit Union located in Hawaii or Alaska, is not subject to next-day availability, and is by check drawn on a paying bank not located in the same state as the Credit Union.

## Case-By-Case Holds

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 for withdrawal.
- ✓ How to obtain a refund of returned check fees or overdraft fees if the notice is not given at the time of the deposit, and the check is paid

Ordinarily, notice is given when deposit is made. If the deposit is not made in person, notice should be given no later than the first business day thereafter.

- If the notice is not provided at the time of deposit, no overdraft fees may be assessed if the overdraft would not have occurred except for the delay of funds availability and the check was paid. Overdraft fees may be assessed if the institution provides notice of such fees at the time the notice of delayed funds is given, and is willing to refund such fees upon request by the member.

## Specific Exception Holds

The following situations create a "specific exception" to the funds availability rules:

- ✓ Large deposits greater than \$5000.00\*\* on any one day
- ✓ Redeposit checks that were returned unpaid\*
- ✓ Accounts that are repeatedly overdrawn – six or more times in the last six months\*
- ✓ 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

## Effect of Specific Exception Holds

If an exception applies, the Credit Union may extend the time period for availability by a "reasonable period of time:"

- Add one business day for "on us" checks.

- For all other checks, including U.S. Treasury checks, U.S. Postal Service money orders, Federal Reserve Bank checks, Federal Home Loan bank checks, state and local government checks, and cashier's, certified, and teller's checks, add five business days, thus making them available within, up to 7 business days.
- Add up to 6 business days for checks deposited in nonproprietary ATMs.

## 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 for withdrawal.
- ✓ How to obtain a refund of returned check fees or overdraft fees if the notice is not given at the time of the deposit, and the check is paid

## Additional Exceptional 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. V.P. of Operations
4. V.P. of Compliance

## 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

## 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.

## Initial Disclosure

Revised 05/22/2018

Before opening a new account, a Credit Union must provide to the member a disclosure that clearly and conspicuously explains the Credit Union's funds availability policy complying with 12 CFR Section 229.16.

## **Other Disclosures**

The Credit Union must also:

- A. Provide a copy of its funds availability policy to a member who requests it.
- B. Post a copy of its funds availability policy at every location where deposits are accepted, including ATMs. The Credit Union will also post its availability policy on its website on every page where accounts are opened and/or payments are made online.
- C. Include on all preprinted deposit slips furnished to its members, a notice that deposits may not be available for immediate withdrawal.
- D. Notify its members of a change in the funds availability policy at least 30 days prior to the change. If the change expedites the availability of funds, the Credit Union may provide the notice 30 days after the change is implemented.

## **Deposit Reconciliation**

Credit discrepancies that are not appropriately reconciled within prescribed timeframes governed under Reg CC, may leave members without timely access to their funds and in violation of the regulation. The Credit Union will have procedures in place to assist employees in processing transactions, reporting discrepancies, taking appropriate steps to determine the cause of the discrepancy and appropriately reconcile any discrepancy identified within appropriate timeframes. The Credit Union will also provide appropriate training and oversight to ensure compliance with applicable policies and procedures.

## **Employee Procedures**

The Credit Union will have procedures in place to ensure compliance with these requirements. These procedures will be provided and made available to applicable employees.

**Civil Liability**

Violation of Reg CC may result in liability by the Credit Union for actual damages and additional amounts not less than \$100 nor greater than \$1,000 for individuals and a maximum of \$500,000 or one percent of net worth for class actions.

**Record Retention**

A Credit Union must retain records showing compliance with Reg CC for at least two years.

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This Regulation CC policy was approved by the Board of Directors on \_\_\_\_\_  
and document in the Board Minutes dated \_\_\_\_\_.

## Appendix A

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

#### **Account**

A transaction account. An account generally includes those from which the accountholder is permitted to make transfers or withdrawals by negotiable instruments, payment order of withdrawal, telephone transfer, electronic payment, or other form of transfer. Account does NOT include a savings account.

#### **Aggregate**

The sum of the total amount

#### **Availability**

For determining the availability of a deposit, every day is a business day, except Saturdays, Sundays and federal holidays. If a federal holiday falls on a Sunday, the next day is not a business day. If a member makes a deposit before on a business day that the Credit Union is open, the Credit Union will consider that day to be the day of deposit. However, if a member makes a deposit after or on a day the Credit Union is not open, the Credit Union will consider the deposit to have been made on the next business day that the Credit Union is open.

#### **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 \_\_\_\_\_