

SUBJECT: Reg. CC – Expedited Funds Availability

INTRODUCTION	1	Content of Specific Availability Policy Disclosure	9
EXECUTIVE SUMMARY	1	Longer Delays on a Case-By-Case Basis	10
IMPORTANT NOTE: NO MORE NON-LOCAL CHECKS	2	INITIAL DISCLOSURES (§ 229.17)	10
GENERAL DEFINITIONS (§ 229.2)	2	New Accounts	10
NEXT-DAY AVAILABILITY (§ 229.10)	3	ADDITIONAL DISCLOSURE REQUIREMENTS (§ 229.18)	11
Additional Rules	3	Deposit Slips	11
Checks Not Subject To Next-Day Availability	3	Location Where Employees Accept Consumer Deposits	11
AVAILABILITY SCHEDULE (§ 229.12)	4	Automated Teller Machines	11
Cash Withdrawals	4	Upon Request	12
Counterfeit Cashier's Checks	4	Changes in Policy	12
EXCEPTIONS (§ 229.13)	5	MISCELLANEOUS (§ 229.19)	12
New Accounts Exception	5	When Funds are Considered Deposited	12
Large Deposit Exception	6	When Funds Must Be Made Available	12
Redeposited Check Exception	6	Effects of the Regulation on Policies	13
Repeated Overdraft Exception	6	Calculated Availability for Nonconsumer Accounts	13
Reasonable Cause to Doubt Collectibility Exception	6	Holds on Other Funds	13
Overdraft and Returned Check Fees	7	Employee Training and Compliance	14
Emergency Conditions	7	Effect of Merger	14
Notice of Exception	7	DEMAND DRAFTS	14
Availability of Deposits Subject to Exceptions	8	What to Watch For	15
Automatic Holds on Cashier's Checks	8	EXHIBIT A - MODEL FUNDS AVAILABILITY DISCLOSURE	
PAYMENT OF INTEREST (DIVIDENDS) (§ 229.14)	8	FEATURING NEXT-DAY AVAILABILITY,	
General Rule	8	CASE-BY-CASE HOLDS TO STATUTORY	
GENERAL DISCLOSURE REQUIREMENTS (§ 229.15)	9	LIMITS, AND § 229.13 EXCEPTIONS	16
Form of Disclosure	9	EXHIBIT B - MODEL EXCEPTION HOLD NOTICE	18
Uniform Reference to Day of Availability	9	EXHIBIT C - MODEL REASONABLE-CAUSE HOLD	
Multiple Accounts and Multiple Account Holders	9	NOTICE	19
Dormant or Inactive Accounts	9	EXHIBIT D - MODEL CASE-BY-CASE HOLD NOTICE	20
SPECIFIC AVAILABILITY POLICY DISCLOSURE (§ 229.16)	9		

INTRODUCTION

This release applies to all credit unions, state and federal, which offer transaction accounts, such as share drafts. It addresses the federal law which regulates holds on funds in credit union share draft and other transaction accounts. Wisconsin's funds availability law has been repealed.

EXECUTIVE SUMMARY

The Expedited Funds Availability Act (EFAA) and Regulation CC set forth the requirement that depository institutions make funds deposited into transaction accounts (typically checking or share draft accounts) available according to specified time schedules. They also require institutions to disclose funds availability policies to their members or customers (In this release "customer" or "accountholder" will be used to reinforce the concept that joint owners who are not members also have the benefit of the regulation). Finally, the regulation establishes rules designed to speed the collection and return of unpaid checks.

Regulation CC contains four subparts:

- Subpart A defines terms and provides for administrative enforcement.
- Subpart B (summarized in this release) specifies availability schedules or time frames within which financial institutions must make funds available for withdrawal. It also includes rules regarding next-day availability, exceptions to the schedules, disclosure of funds availability policies, and payment of interest (which, for purposes of Reg. CC, includes credit union dividends).

- Subpart C (not addressed in this release) sets forth the rules to ensure the expeditious return of checks; the responsibilities of paying and returning banks, authorization of direct returns, notification of nonpayment of large-dollar returns by the paying bank, check endorsement standards, and other related charges to the check collection system. See *ii Release No. 0099* and the regulation for details.
- Subpart D (not addressed in this release) addresses “substitute checks.” See The League’s *ii Release No. 0163* and the regulation for details.

Appendices A and B of the regulation provide routing number guides. Appendix C contains model forms and clauses that may be used by financial institutions to meet their disclosure responsibilities under the regulation. Appendix D used to provide standards on how a financial institution shall indorse a check. Since 2018, Reg. CC says that indorsements must be in accordance with certain American National Standard (ANS) specifications.

See *ii Release No. 0133* for guidance on reducing losses due to check fraud.

The regulation is enforced for all credit unions, both state and federally-chartered, by the National Credit Union Administration.

IMPORTANT NOTE: NO MORE NON-LOCAL CHECKS

This release explains that under Reg. CC, funds from “local checks” are subject to earlier availability rules than non-local checks.

The Federal Reserve has consolidated its check processing operations. Since 2010, all of the nation’s paper checks have been processed in one place – the head office of the Federal Reserve Bank in Cleveland. Checks drawn on banks anywhere in the Cleveland region – from Los Angeles to New York – must be treated as local for applying Reg. CC check holds. No checks will be considered “non-local.”

All Wisconsin credit unions are in the Cleveland check processing region. (Check processing operations of the Minneapolis and Chicago Federal Reserve Bank offices were transferred to Cleveland during 2009.)

The Federal Reserve has not amended Reg. CC’s funds availability rules on local v. non-local checks. The rules still provide for longer holds on non-local checks. If and when the Fed updates Reg. CC and changes its model notices and disclosures, The League will update this release.

In the meantime, the rules have almost no practical affect, with the end of non-local checks. As a result, credit union should review their operation and disclosures.

GENERAL DEFINITIONS (§ 229.2)

An “account,” as defined in Regulation CC, is a demand deposit or other “transaction account,” such as a share draft, checking or NOW account. It includes consumer and corporate accounts with general third party payment powers.

The term “bank” is defined in the regulation to include all credit unions as well as commercial banks and savings associations. Thus, when that term is used in this release, it includes credit unions too.

For purposes of Reg. CC, “business day” and “banking day” are defined as follows:

- “Business day” is any day excluding Saturdays, Sundays and legal holidays (standard Federal Reserve holiday schedule).
- “Banking day” is a business day in which a financial institution is open for substantially all of its banking activities.

Even though a financial institution may be open for regular business on a Saturday, it is not a banking day for the purpose of Regulation CC because Saturday is never a “business day” under the regulation. The fact that one branch is open to the public for substantially all of its banking activities does not necessarily mean that day is a banking day for other branches.

Funds from “local checks” are subject to earlier availability rules than are nonlocal checks. This used to be an important distinction, when the Federal Reserve System had multiple check-processing regions around the country. A check from another processing region was considered non-local. Since 2010, however, all of the nation’s paper checks have been processed in one place – the head office of the Federal Reserve Bank in Cleveland. Checks drawn on banks anywhere in the Cleveland region – from Los Angeles to New York – must be treated as local for applying Reg. CC check holds. No checks will be considered “non-local.” Reg. CC has not yet been amended to address these references to local and non-local checks.

The term “paying bank” applies to any financial institution at which or through which a check is payable and to which it is sent for payment or collection.

NEXT-DAY AVAILABILITY (§ 229.10)

Cash, electronic payments, and certain check deposits must generally be made available for withdrawal the business day after the banking day on which they were received. Among the covered check deposits are cashier's, certified, and teller's checks, government checks (including U.S. Treasury checks, U.S. Postal money orders, state and local government checks, checks drawn on Federal Reserve or Federal Home Loan Banks), and certain “on us” checks (checks drawn on the same financial institution or a branch thereof).

Generally, to qualify for next-day availability, the deposit must be:

- Made at a staffed teller station; and
- Deposited into an account held by the payee of the check.

However, two types of deposits, U.S. Treasury checks and “on us” checks, must receive next-day availability even if the deposit is not made at a staffed teller station. Other next-day check deposits, and cash deposits, that are not made at staffed teller stations must be available for withdrawal on the second business day after the day of deposit. §§ 229.10(a)(2), 229.10(c)(2).

Additional Rules

A few additional rules also apply. For state and local government checks to receive next-day availability, the depository bank must be located in the same state as the governmental unit issuing the check.

Under Regulation CC, the depository bank may require special deposit slips or envelopes for these deposits, as well as for cashier's, certified, and teller's check deposits. If the depository bank requires the use of special deposit slips, it must either provide the slips or inform customers how they may be obtained. § 229.10(c).

For “on us” checks to receive next-day availability, the checks must be drawn on the same or another branch of the financial institution where the check is deposited. In addition, both branches must be located in the same state or check processing region.

Checks Not Subject To Next-Day Availability

The regulation contains a special rule for check deposits not subject to next-day availability. Under the rule, the depository bank must make available for withdrawal the lesser of \$225 (\$275 as of July 1, 2025) or the aggregate amount deposited to all accounts, including individual and joint accounts, held by the same customer on any one banking day (§229.10(c)(1)(vii)).

The \$225 (\$275 as of July 1, 2025) that must be made available under this rule is in addition to the amount that must be made available for withdrawal on the business day after deposit under other provisions of this section.

The credit union must follow the special rule even when invoking:

- Case-by-case holds,
- Large dollar exception holds

However, this special rule does not apply to any of the following:

- Deposits received at a non-proprietary ATM,
- Deposits made to new “accounts,”
- Repeated overdraft exception holds,
- Reasonable cause to doubt collectibility exception holds, or
- Emergency condition holds.

Q. My credit union has immediate availability, except for case- by-case holds and exception holds. Why do I need the details about next-day availability and the availability schedule?

- A. The next-day availability rules and the availability schedule usually still apply when a credit union invokes a case-by-case hold or an exception hold. Thus, when you invoke a hold, you must still observe the rules as to how long the hold may be imposed. See *longer delays on a case-by-case basis and exceptions* in this release for details.

AVAILABILITY SCHEDULE (§ 229.12)

Under this schedule, local check deposits must be made available no later than the second business day following the banking day of deposit.

EFAA was amended in 1990 with respect to the availability of funds deposited at non-proprietary ATMs. The corresponding amendments to Regulation CC require that funds, including cash and all checks, deposited at nonproprietary ATM be made available no later than the fifth business day following the banking day on which the funds are deposited.

Checks that would normally receive next-day availability are treated as local check deposits if they do not meet all the criteria for next-day availability under § 229.10(c). (As mentioned earlier, certain checks generally deposited at a staffed teller station and into an account held by the payee of the check receive next-day availability. However, state, local government and certain “on us” checks are subject to additional rules.)

U.S. Treasury checks and U.S. Postal Money orders that do not meet all the requirements for next-day or second day availability as outlined in § 229.10(c) receive funds availability as if they were “local” checks. Cashier's, certified, teller's, state and local government, and checks drawn on the Federal Reserve or Federal Home Loan Banks which do not meet all the requirements in § 229.10(c), receive funds availability as local checks.

AVAILABILITY SCHEDULE							
ITEM	M (0)	T (1)	W (2)	Th (3)	F (4)	M (5)	T (6)
Local Check	\$1,000 check deposit(s)	\$225 (\$275 as of July 1, 2025) check writing or cash withdrawal ¹	\$800 check writing ² OR \$450 (\$550 as of July 1, 2025) cash withdrawal (available At 5 p.m.) ³	\$450 (\$550 as of July 1, 2025) cash withdrawal ³			
Unless otherwise indicated, funds must be available by the start of business on a given day							
¹ The first \$225 (\$275 as of July 1, 2025) of a day's deposit must be made available for either cash withdrawal or check-writing purposes at the start of the next business day (§ 229.10(c)(1)(vii)).							
² Local checks must be made available for check-writing purposes by the second business day following deposit (§ 229.12(b)).							
³ \$450 (\$550 as of July 1, 2025) of the deposit must be made available for cash withdrawal no later than 5:00 p.m. on the days specified in the schedule. This is in addition to the \$225 (\$275 as of July 1, 2025) that must be made available on the business day following deposit (§ 229.12(d)).							
The remainder of the deposit must be made available for cash withdrawal at the start of business the following day (§ 229.12(d)).							

Cash Withdrawals

Special rules apply to cash withdrawals from local and nonlocal check deposits. One allows the depository bank to extend the availability schedule for cash or similar withdrawals by one day. § 229.12(d). The customer must still be allowed to withdraw the first \$225 (\$275 as of July 1, 2025) of any check deposit not subject to next-day availability on the business day following the day of deposit. In addition to that amount, a customer must also be allowed to withdraw \$450 (\$550 as of July 1, 2025) of the deposited funds (or the maximum amount that can be withdrawn from an ATM, but not more than \$450/\$550 no later than 5 p.m. on the day funds become available for check withdrawals. The remainder of deposited funds would be available for cash withdrawal on the following business day.

Counterfeit Cashier's Checks

Contrary to some beliefs, cashier's checks are not necessarily “as good as cash” since they can be counterfeited. Counterfeit cashier's checks are used in scams that may target credit union members.

In one such scam, the member may offer an item for sale on-line. A buyer responds, but says he owes money to someone overseas. He talks the member into taking a cashier's check for far more than the purchase price and then asks the

member to forward the excess to a third party. In another variation, the buyer claims the cashier's check was mistakenly issued for an incorrect amount, and asks the member to return the excess.

The member deposits the check, thinking it is a good cashier's check. After the check hold expires, the member wires the excess funds to the third party or buyer.

Later, the counterfeit check is returned.

The member would typically bear the loss on such a scam. However, there is the risk of difficulty in collecting the funds.

Credit union staff should take care not to refer to cashier's checks as "guaranteed" since they can be counterfeited as easily as other checks. Point out to members that the expiration of a hold period does not mean the check has cleared and that members are responsible for counterfeit checks they deposit. Credit union staff should be trained on this issue.

Despite the frequent reports of counterfeit cashiers' checks, federal regulators have said that it is not permissible to automatically put exception holds on all cashier's checks; you must have information about the specific cashier's check or the issuing bank in order to doubt collectibility. For more information, see the section labeled "Automatic Holds on Cashier's Checks," later in this release.

EXCEPTIONS (§ 229.13)

The regulation provides six exceptions that allow financial institutions to exceed the maximum hold periods in the availability schedules. The statute regards the exceptions as "safeguards" to the maximum availability time frames because they are intended to offer the institution a means of reducing risk based on the size of the deposit, past performance of the depositor, lack of depositor performance history, or belief that the deposit may not be collectible. These exceptions include:

- New accounts;
- Deposits in excess of \$5,525 (\$6,725 as of July 1, 2025) on any one day;
- Checks that have been returned unpaid and are being redeposited;
- Deposits to accounts that have been repeatedly overdrawn;
- Cases in which the financial institution has a reasonable cause to believe the check being deposited is uncollectible; and
- Emergency conditions.

These exceptions apply to local and nonlocal checks as well as to checks that must otherwise be accorded next-day (or second-day) availability under § 229.10(c).

While financial institutions may exceed the time frames for availability in these cases, the exceptions may generally not be invoked if the deposit would ordinarily receive next-day availability.

New Accounts Exception

An account is considered a "new account" for the first 30 days after it is established. An account is not considered "new" if each customer on the account had another established transaction account at the financial institution for at least 30 calendar days. The new account exception applies only during the 30-day period, beginning on the date the account is established, and does not cover all deposits made to the account. § 229.13(a).

Although the regulation exempts new accounts from the availability schedules for local and nonlocal checks, next-day availability is required for deposits of cash, and for electronic payments. Additionally, the first \$5,525 (\$6,725 as of July 1, 2025) of a day's aggregate deposits of government checks (including federal, state, and local governments), cashier's, certified, teller's, or traveler's checks must be given next-day availability. The amount in excess of \$5,525 (\$6,725 as of July 1, 2025) must be made available no later than the ninth business day following the day of deposit.

To qualify for next-day availability, deposits into a new account must generally be made in person to an employee of the depository bank. If the deposits are not made in person to an employee of the depository bank, such as an ATM deposit, availability may be provided on the second business day after the day of deposit. Treasury check deposits, however, must be given next-day availability regardless of whether they are made at staffed teller stations or proprietary ATMs. Financial institutions are not required to make the first \$225 (\$275 as of July 1, 2025) of a day's deposits of local and non-local checks, or funds from "on us" checks available on the next business day.

Large Deposit Exception

Under the large deposit exception, a depository bank may extend hold schedules when local and nonlocal check deposits exceed \$5,525 (\$6,725 as of July 1, 2025) on any one day. A hold may be applied to funds in excess of this amount. To apply the rule, the depository bank may aggregate deposits made to multiple accounts held by the same customer, even if the customer is not the sole owner of the accounts. This exception does not apply to deposits by cash or electronic payment. § 229.13(b).

The Federal Reserve’s commentary to Reg. CC includes this example to show how the large-deposit exception works:

If a customer deposits \$2,000 in cash and a \$9,000 local check on a Monday, \$2,225 (the proceeds of the cash deposit and \$225 from the local-check deposit) must be made available for withdrawal on Tuesday. An additional \$5,300 of the proceeds of the local check must be available for withdrawal on Wednesday in accordance with the local schedule, and the remaining \$3,475 may be held for an additional period of time under the large-deposit exception.

As of July 1, 2025, those dollar figures change, and the example is as follows:

If a customer deposits \$2,000 in cash and a \$9,000 local check on a Monday, \$2,275 (the proceeds of the cash deposit and \$275 from the local-check deposit) must be made available for withdrawal on Tuesday. An additional \$6,450 of the proceeds of the local check must be available for withdrawal on Wednesday in accordance with the local schedule, and the remaining \$2,275 may be held for an additional period of time under the large-deposit exception.

Redeposited Check Exception

The depository bank may delay the availability of funds from a local or a nonlocal check if the check had previously been deposited and returned unpaid. This exception does not apply to checks that were previously returned unpaid because of a missing indorsement or because the check was postdated when presented. § 229.13(c).

Repeated Overdraft Exception

If a customer's account has been repeatedly overdrawn during the preceding six months, the financial institution may delay the availability of funds from local and nonlocal checks. A customer's account may be considered “repeatedly overdrawn” in two ways. First, the exception may be applied if the account (or accounts) have been overdrawn, or would have been overdrawn had checks or other charges been paid, for six or more banking days during the preceding six months.

Second, the exception may be applied to customers who incur overdrafts on two banking days within the preceding six month period if the negative balance in the account(s) is equal to or greater than \$5,525 (\$6,725 as of July 1, 2025). This exception may also apply if the account would have been overdrawn by \$5,525 (\$6,725 as of July 1, 2025) or more had checks or other charges been paid. § 229.13(d).

When an institution places or extends a hold under this exception, it need not make the first \$225 (\$275 as of July 1, 2025) of a deposit available for withdrawal on the next business day, as otherwise would be required.

Reasonable Cause to Doubt Collectibility Exception

To trigger this exception, the depository institution must have “reasonable cause” to believe that the check is not collectible and must disclose the basis for the extended hold to the customer. § 229.13(e).

For example, reasonable cause may include communication with the paying bank indicating that:

- There has been a stop payment placed on the check;
- There are insufficient funds in the drawer's account to cover the check; or
- The check will be returned unpaid.

The “reasonable cause” exception may also be invoked in cases where:

- The check is deposited six months after the date of the check (stale date);
- The check is postdated (future date);

- The depository bank believes that the depositor may be engaged in check kiting.

The “reasonable cause” exception may not be invoked because of:

- The race or national origin of the depositor; or
- The fact that the paying bank is located in a rural area and the depository bank will not have time to learn of nonpayment of the check before the funds have to be made available under the availability schedules in place.

When an institution places or extends a hold under this exception, it need not make the first \$225 (\$275 as of July 1, 2025) of a deposit available for withdrawal on the next business day, as otherwise would be required.

Whenever this exception is used, the financial institution must notify the customer, in writing, at the time of deposit. If the deposit is not made in person or the decision to place the hold is based on facts that become known to the financial institution at a later date, the financial institution must mail the notice by the business day after the day the deposit is made or the facts become known. The notice must indicate that availability is being delayed and must include the reason that the financial institution believes the funds are uncollectible. If a hold is placed on the basis of confidential information, as when check kiting is suspected, the depository bank need only disclose to the customer that the hold is based on confidential information that the check may not be paid.

If the financial institution asserts that the hold was placed due to confidential information, the financial institution must note the reason on the notice it retains as a record of compliance. The depository bank must maintain a record of each exception notice for a period of two years. This record should contain a brief description of the facts, or any documents, supporting the “reasonable cause” exception.

Overdraft and Returned Check Fees

If a depository bank invokes the “reasonable cause” exception and does not inform the customer, in writing at the time of the deposit, the financial institution may not charge the customer any overdraft or returned check fees resulting from the hold if:

- The deposited check is paid by the paying bank; and
- The overdraft or returned check would not have occurred had the depository bank not imposed the reasonable cause hold.

However, the depository bank may assess overdraft or returned check fees if, on the exception hold notice, it states that the customer may be entitled to a refund of any overdraft or return check fees imposed and describes how the customer may obtain such a refund. It must then refund the fees upon request. § 229.13(e)(2).

Emergency Conditions

The regulation also permits institutions to suspend the availability schedules under emergency conditions. Emergency situations include any interruption of communications, computer or other equipment facilities; suspension of payments by another depository institution; war; or an emergency condition beyond the control of the depository institution (if the institution exercises such diligence as circumstances require). § 229.13(f).

Notice of Exception

Whenever a financial institution invokes one of the exceptions (excluding new accounts) to the availability schedules, it must notify the customer in writing in accordance with § 229.13(g). The notice must include:

- The customer's account number;
- The date of the deposit;
- The amount of the deposit that will be delayed;
- The reason the exception was invoked;
- The day the funds will be available for withdrawal.

A model general purpose Exception Hold notice is provided in *Exhibit B* of this release. Another model notice, specifically for reasonable cause holds, is provided in *Exhibit C*.

- If the deposit is made in person, the notice must be given to the depositor at the time of the deposit.

- If the deposit is not made at a staffed facility, the exception notice may be mailed to the customer no later than the business day following the banking day of deposit.
- If the depository bank discovers a reason to delay the funds, subsequent to the time the notice should have been given, the financial institution must notify the customer of the hold as soon as possible, but not later than the business day after the facts become known.
- If the deposit is made at a staffed facility, the written exception notice may be given to the person making the deposit regardless of whether the "depositor" is the customer who holds the account.

Exception holds based on "emergency" situations require notification to customers in a reasonable form and a reasonable time given the circumstances. The notice must include the reason the exception was invoked and the time period with which funds will be made available for withdrawal, if known. If deposited funds, subject to holds placed during an "emergency," become available for withdrawal before the notices are required to be sent, the depository bank is not required to send the notices to its customers.

Availability of Deposits Subject to Exceptions

For exceptions (other than new accounts), the regulation allows the depository bank to delay availability for a "reasonable" time *beyond* the normal schedule. Generally, a "reasonable" period will be considered to be no more than five business days longer for local checks and six business days longer for deposits at non-proprietary ATMs. If a depository bank extends its availability beyond these time frames, it must be able to prove that such a delay is "reasonable." § 229.13(h).

Automatic Holds on Cashier's Checks

With the frequent reports of counterfeit cashiers' checks, some financial institutions automatically place exception holds on them, believing that they have "reasonable cause" to doubt *all* cashiers' checks' collectibility.

It is wise to be cautious, but federal regulators have said that it is not permissible to automatically hold these funds beyond the statutory availability schedules simply because the deposit is a cashier's check.

Regulation CC states that the "reasonable cause to believe a check is uncollectible requires the existence of facts that would cause a well-grounded belief in the mind of a reasonable person. Such belief shall not be based on the fact that the check is of a particular class." The FDIC has warned banks that they "must have information about the specific cashier's check or the issuing bank in order to doubt collectibility and cannot automatically doubt the collectibility of all cashiers' checks as a class."

Some of the other allowed exceptions might justify placing a hold on the funds. For example, if the cashier's check was in excess of \$5,525 (\$6,725 as of July 1, 2025), the bank could use the "large deposit" exception to hold the funds in excess of that amount for a longer period of time.

PAYMENT OF INTEREST (DIVIDENDS) (§ 229.14)

General Rule

A depository bank must begin accruing interest (including credit union dividends) on interest-bearing accounts no later than the business day on which it receives provisional credit for the deposited funds. A depository bank typically receives credit on checks within one or two days following deposit. A financial institution receives credit on a cash deposit, an electronic payment, and a check that is drawn on itself on the day the cash, check or electronic payment is received. If a nonproprietary ATM is involved, credit is usually received on the day the financial institution that operates the ATM credits the depository bank for the amount of deposit.

A financial institution may rely on the availability schedule from its Federal Reserve Bank, Federal Home Loan Bank, or correspondent to determine when the depository bank receives credit. If availability is delayed beyond what is specified in the schedule, a financial institution may charge back interest, erroneously paid or accrued, on the basis of that schedule. § 229.14(a)(1).

A depository bank may accrue interest on checks deposited to all of its interest-bearing accounts based on an average of when the financial institution receives credit for all checks sent for payment or collection. For example, if a financial institution receives credit on 20 percent of the funds deposited by check as of the business day of deposit (e.g. "on us" checks), 70 percent as of the business day following deposit, and 10 percent on the second business day following deposit, the financial institution can apply these percentages to determine the day interest must begin to accrue for check

deposits on all interest-bearing accounts, regardless of when the financial institution received credit for funds deposited in any particular account. § 229.14(a)(2).

Consequently, a financial institution may begin accruing interest on a uniform basis for all interest-bearing accounts, without having to track the type of check deposited to each account.

Nothing in § 229.14(a) limits a depository bank policy which provides that interest can only accrue on balances that exceed a specified amount, or on the minimum balance maintained in the account during a given period. However, the balance must be determined according to the date the depository bank receives credit for the funds. This section also does not limit any policy providing that interest can accrue sooner than required by the regulation.

Money market deposit accounts, savings deposits, and time deposits, are not subject to the general rule concerning the timing of interest payment. However, for simplicity of operation, a financial institution may accrue interest on such deposits in the same manner that it accrues interest on transaction accounts.

GENERAL DISCLOSURE REQUIREMENTS (§ 229.15)

Form of Disclosure

A financial institution must disclose its specific availability policy to its customers. The required disclosures must be clear and conspicuous, and must also be in writing. Disclosures, other than those posted at locations where employees accept consumer deposits, at ATMs or on preprinted deposit slips, must be in a form that the customer may keep. These disclosures must not contain information unrelated to the requirements of the regulation. If other account terms are included in the same document, disclosures pertinent to this regulation should be highlighted such as, under a separate heading. § 229.15(a).

Uniform Reference to Day of Availability

Financial institutions must refer to the day funds will be available for withdrawal in a uniform manner in all of their disclosures. Disclosures must refer to when funds will be available for withdrawal as on “the business day after” the day of deposit. The first business day is the business day following the banking day the deposit was received, and the last business day is the day on which the funds are made available. § 229.15(b).

Multiple Accounts and Multiple Account Holders

The financial institution does not need to give multiple disclosures to customers who have more than one account if the accounts are subject to the same availability policies. In addition, the financial institution does not have to give separate disclosures to joint account holders. A single disclosure to one of the holders of the joint account is permissible. § 229.15(c).

Dormant or Inactive Accounts

The financial institution does not have to give disclosures to customers who have dormant or inactive accounts. § 229.15(d).

SPECIFIC AVAILABILITY POLICY DISCLOSURE (§ 229.16)

A financial institution must provide its customers with a disclosure that describes its funds availability policy. The disclosure must reflect the policy followed by the institution in most cases; however, the institution may impose longer delays on a case-by-case basis or by invoking one of the exceptions in § 229.13, provided this is reflected in the disclosure. A model funds availability disclosure which may be adapted by credit unions to fit their policies is provided in Exhibit A of this release.

Content of Specific Availability Policy Disclosure

The specific availability policy disclosure must include, as applicable, the following:

- A summary of the financial institution's availability policy;
- A description of the categories of deposits or checks used by the financial institution when it delays availability, such as local or nonlocal checks; how to determine the category to which a particular deposit or check belongs; and when each category will be available for withdrawal (including a description of the financial institution's business days and when a deposit is considered received);

- A description of any of the exceptions in § 229.13 that may be invoked by the financial institution, including the time the deposited funds will generally become available for withdrawal and a statement that the financial institution will notify the customer if the financial institution invokes one of the exceptions;
- A description of any case-by-case policy of delaying availability which may result in deposited funds being available for withdrawal later than the time periods stated in the financial institution's availability policy (see specific requirements under § 229.16(c)(1));
- A description of the categories of deposits or checks used by the financial institution when it delays availability, such as local or nonlocal checks; how to determine the category to which a particular deposit or check (such as payable through drafts) belongs; and when each category will be available for withdrawal (including a description of the financial institution's business days and when a deposit is considered received). § 229.16(b).

Longer Delays on a Case-By-Case Basis

A financial institution that has a policy of making deposited funds available for withdrawal sooner than required, may extend the time when funds are available up to the time periods allowed under the regulation on a case-by-case basis. However, to do so, the financial institution must include the following in its specific policy disclosure under § 229.16(c):

- A statement that the time when deposited funds are available for withdrawal may be extended in some cases, and the latest time deposited funds will be available for withdrawal;
- A statement that the financial institution will notify the customer if funds deposited in the customer's account will not be available for withdrawal until after the time periods stated in the financial institution's availability policy; and
- A statement that customers should ask if they need to know when a particular deposit will be available for withdrawal.

When a depository bank extends the time that funds will be available for withdrawal, on a case-by-case basis, it must provide the depositor with a written notice. The notice shall include the following information:

- The customer's account number;
- The date of the deposit;
- The amount of the deposit being delayed; and
- The day the funds will be available for withdrawal.

A model Case-by-Case Hold notice is provided in Exhibit D of this release.

The notice must be provided at the time of the deposit, unless the deposit is not made in person to an employee of the depository bank, or when the decision to delay availability is made after the time of the deposit. If notice is not given at the time of the deposit, the depository bank must mail or deliver the notice to the customer no later than the first business day following the banking day the deposit is made.

A depository bank that extends the time when funds will be available for withdrawal on a case-by-case basis and does not furnish the depositor with written notice at the time of deposit may not assess any fees for any subsequent overdrafts (including use of a line of credit) or return of checks or other debits to the account, if:

- The overdraft or return of the check or other debit would not have occurred except for the fact that the deposited funds were delayed under § 229.16(c)(1) of the regulation; and
- The deposited check was paid by the paying bank.

However, the depository bank may assess an overdraft or returned check fee if it includes a notice concerning overdraft and returned check fees with the disclosure required in § 229.16(c)(2) and, when required, refunds any such fees upon the request of the customer. The overdraft and returned check notice must state that the customer may be entitled to a refund of overdraft or returned check fees that are assessed if the check subject to the delay is paid and state how to obtain a refund.

INITIAL DISCLOSURES (§ 229.17)

New Accounts

A financial institution must provide potential customers with the disclosures described in § 229.16 before an account is opened. § 229.17(a).

ADDITIONAL DISCLOSURE REQUIREMENTS (§ 229.18)

Deposit Slips

All preprinted deposit slips given to customers must include a notice that deposits may not be available for immediate withdrawal. § 229.18(a).

Location Where Employees Accept Consumer Deposits

A financial institution must post, at a conspicuous place at each location where its employees receive deposits to consumer accounts, a notice that sets forth the time periods applicable to the availability of funds deposited. § 229.18(b).

The model language for use by a credit union which uses case-by-case holds is the following:

Our general policy is to allow you to withdraw funds deposited in your account on the [number] business day after the day we receive your deposit. Funds from electronic deposits will be available on the day we receive the deposit. In some cases, we may delay your ability to withdraw funds beyond the [number] business day. Then, the funds will generally be available by the second business day after the day of deposit.

The model language for use by a credit union that uses the maximum hold allowed by Reg. CC is the following:

FUNDS AVAILABILITY POLICY (C-17 – maximum holds)	
<i>Description of deposit</i>	<i>When funds can be withdrawn by cash or check</i>
Direct deposits	The day we receive the deposit
Cash, wire transfers, cashier's, certified, teller's, or government checks, checks on (credit union name) [unless (any limitation related to branches in different check processing regions)], and the first \$225 (\$275 as of July 1, 2025) of a day's deposits of other checks	The first business day after the day of deposit
Local checks	The second business day after the day of deposit

Automated Teller Machines

A depository bank must post or provide a notice at each ATM location that funds deposited in the ATM may not be available for immediate withdrawal. § 229.18(c).

The model language for this notice is as follows:

AVAILABILITY OF DEPOSITS
<i>Funds from deposits may not be available for immediate withdrawal. Please refer to your institution's rules governing funds availability for details.</i>

A depository bank that operates its own off-premises ATM from which deposits are removed not more than two times each week, as described in § 229.19(a)(4), must disclose at or on the ATM the days in which deposits made at the ATM will be considered received. The regulation provides the following language:

NOTICE
<i>Deposits at this ATM between (day) and (day) will not be considered received until (day). The availability of funds from the deposit may be delayed as a result.</i>

Upon Request

A financial institution must provide a copy of its specific availability policy disclosure described in § 229.16 to any person who requests it. § 229.18(d).

Changes in Policy

Thirty days prior to implementation, a financial institution must send notification of a change to the financial institution's availability policy to all account holders, if adversely affected by the change. Change that results in faster availability may be disclosed no later than 30 days after implementation. § 229.18(e).

MISCELLANEOUS (§ 229.19)

When Funds are Considered Deposited

Section 229.19(a) provides rules which govern when funds are considered deposited for purposes of the regulation. The time that funds must be made available for withdrawal is measured from the day the deposit is "received." Funds received at a staffed facility, ATM or contractual branch are considered deposited when received at that location. Funds mailed to the depository bank are considered deposited on the banking day they are received by the depository bank. The funds are received by the depository bank at the time the mail is delivered to the financial institution, even if the mail is initially delivered to a mail room, rather than the check processing area.

Funds, however, may also be deposited at an unstaffed facility such as a night depository or lock box. Funds deposited at a night depository are considered deposited on the banking day the deposit is removed, and the contents of the deposit are accessible to the depository bank for processing. For example, some businesses deposit their funds in a locked bag at the night depository late in the evening and return to the financial institution the following day to open the bag. Other depositors may have an agreement with their financial institution that the deposit bag must be opened under the dual control of the financial institution and the depositor. In these cases, the funds are considered deposited when the customer returns to the financial institution and opens the deposit bag.

Funds deposited through a lock box arrangement are considered deposited on the day the deposit is removed from the lock box and are accessible to the depository bank for processing. A lock box is a post office box that is typically used by a corporation for the collection of bill payments or other check receipts.

The regulation contains a special rule for certain off-premise ATMs that are not serviced daily. Funds deposited at these ATMs are considered deposited on the day they are removed from the ATM, if the ATM is not serviced more than two times each week. This special provision is geared toward those financial institutions' whose practice is to service remote ATMs infrequently. If a depository bank uses this provision, it must post a notice at the ATM informing depositors that funds deposited at the ATM may not be considered received on the date of deposit.

Funds deposited on a day the depository bank is closed, or after the financial institution's cut-off hour, may be considered made on the next banking day. Generally, a financial institution may establish a cut-off hour of 2:00 p.m. or later for receipt of deposits at its main office or branch offices. A cut-off hour of 12:00 noon or later may be established for deposits made to ATMs, contractual branches, or off-premise facilities. (As specified in the commentary to 229.19(a), the noon cut-off period relates to: the local time of the branch or other location of the depository bank where the account is maintained or the local time of the ATM or off-premise facility.)

Different cut-off hours may be established for different types of deposits. For example, a 2:00 p.m. cutoff for receipt of check deposits and a later time for receipt of wire transfers is permissible. Location can also play a role in the establishment of cut-off hours. For example, a different cut-off hour may be established for ATM deposits than for over-the-counter deposits, or for different teller stations at the same branch. With the exception of the 12:00 noon cut-off hour for deposits at ATMs, contractual branches, and off-premise facilities, no cut-off hour for receipt of deposits can be established earlier than 2:00 p.m.

When Funds Must Be Made Available

Section 229.19(b) requires funds availability at the start of a business day. Generally, funds must be available for withdrawal by the later of 9:00 a.m. or the time a depository bank's teller facilities (including ATMs) are available for customer account withdrawals. There is a special exception for certain cash withdrawals—see § 229.12(d). Thus, if a financial institution has no ATMs and its branch facilities are available for customer transactions beginning at 10:00 a.m., funds must be available for withdrawal by 10:00 a.m. If a financial institution has 24-hour ATM service, funds must be available by 9:00 a.m. for ATM withdrawals (not 12:01 a.m.).

The start of business is determined by the local time where the branch or depository bank holding the account is located. For example, if funds in an account at a West Coast financial institution are first made available at the start of business on a given day, and a customer attempts to withdraw the funds at an East Coast ATM, the depository bank is not required to make funds available until 9:00 a.m. West Coast time (12:00 noon East Coast time).

Effects of the Regulation on Policies

Section 229.19(c) describes the effects of the regulation on the policies of a depository bank. Essentially, depository banks are permitted to provide availability to its customers in a shorter time than that prescribed in the regulation. It may also adopt different funds availability policies for different segments of its customer base, as long as each policy meets the schedules in the regulation. For example, it may differentiate between its corporate and consumer customers, or may adopt different policies for its consumer customers based on whether a customer has an overdraft line of credit associated with the account.

The regulation does not affect a depository bank's right to accept or reject a check for deposit, to charge back the customer's account based on a returned check or notice of nonpayment, or to claim a refund for any credit provided to the customer.

Nothing in the regulation requires a depository bank to have its facilities open for customers to make withdrawals at specified times or on specific days.

For example, even though the special cash withdrawal rule set forth in § 229.12(d) states that a financial institution must make up to \$450 (\$550 as of July 1, 2025) available for cash withdrawals no later than 5:00 p.m. on specific business days, if a financial institution does not participate in an ATM system and does not have any teller windows open at or after 5:00 p.m., the financial institution need not join an ATM system or keep offices open. In this case, the financial institution complies with this rule if the funds that are required to be available for cash withdrawal at 5:00 p.m. on a particular day are available for withdrawal at the start of business on the following day. Similarly, if a depository bank is closed for customer transactions, including ATMS, on a day funds must be made available for withdrawal, the regulation does not require the financial institution to open.

If a financial institution has a policy of limiting cash withdrawals at ATMs to \$250 per day, the regulation would not require that the financial institution disburse \$450 (\$550 as of July 1, 2025) of the proceeds of the customer's deposit that must be made available for cash withdrawal on that day.

Some small financial institutions do not keep cash on their premises and offer no cash withdrawal capability to their customers. Others limit the amount of cash on-premises for bonding purposes, and reserve the right to limit the amount of cash that a customer can withdraw on a given day, or require advance notice for large cash withdrawals. Nothing in the regulation is intended to prohibit these practices if they are applied uniformly and are based on security, operating, or bonding requirements, and is not dependent upon the length of time the funds have been in the customer's account, as long as the permissible hold has expired. The regulation, however, does not authorize such policies if they are otherwise prohibited by statutory, regulatory, or common law.

Calculated Availability for Nonconsumer Accounts

Section 229.19(d) contains the rules for using calculated availability on nonconsumer accounts. Under calculated availability, a specified percentage of funds from check deposits may be made available to the customer on the next business day, with the remaining percentage deferred until subsequent days. The determination of the percentage of deposited funds that will be made available each day is based on the customer's typical deposit mix as determined by a sample of the customer's deposits. Use of calculated availability is permitted only if, on average, the availability terms that result from the sample are equivalent or more prompt than the requirements of this regulation.

Holds on Other Funds

Section 229.19(e) clarifies that, if a customer deposits a check, the financial institution may place a hold on any of the customer's funds to the extent that the funds held do not exceed the amount of the check deposited, and the total amount of funds held are made available for withdrawal within the times required in this regulation. For example, if a bank places a hold on funds in a customer's non-transaction account, rather than a transaction account for deposits made to the customer's transaction account, the bank may place such a hold only to the extent that the funds held do not exceed the amount of the deposit and the length of the hold does not exceed the time periods permitted by Regulation CC. Also, if a customer cashes a check (other than an "on us" check) over-the-counter, the depository bank may place a hold on any of the customer's funds to the extent that the funds held do not exceed the amount of the cashed check. If the bank places a hold on the customer's transaction account, the hold period may not exceed the time periods permitted by Regulation CC and the bank must provide the same required notice had the check been deposited.

Employee Training and Compliance

Section 229.19(f) contains the requirements for employee training and compliance. EFA requires financial institutions to inform each employee who performs duties subject to the Act about its requirements. The act and regulation also require financial institutions to establish and maintain procedures designed to assure and monitor employee compliance with such requirements.

Effect of Merger

Section 229.19(g) explains the effect of a merger transaction. Merged financial institutions may be treated as separate financial institutions, usually for a period of up to one year after consummation of the merger transaction. However, a customer of any financial institution that is a party to the merger transaction, and has an established account with the merging financial institution, may not be treated as a new account holder under the new account exception of § 229.13(a). A deposit in any branch of the merged financial institution is considered deposited in the financial institution for purposes of the availability schedules in accordance with § 220.19(a).

This rule affects the status of the combined entity in a number of areas, for example:

- When an ATM is a “proprietary ATM;” and
- When a check is drawn on a branch of the depository bank.

DEMAND DRAFTS

Reg. CC has provisions regarding liability for demand drafts, which are also known as “remotely created checks,” preauthorized drafts, telechecks or phone checks). Wisconsin has had similar protections in place since 2003, but Reg. CC was amended in 2006 to create uniform national rules.

A demand draft is an instrument like a check that is created by a third party (often a merchant). It has account and routing information, but it does not bear the account holder’s signature. Instead, it has a statement such as “No signature required” or “Authorization on file,” meaning the third party that created the demand draft claims to be acting under the account holder’s authorization.

Many legitimate parties present demand drafts to credit unions. For example, a consumer can authorize a credit card company to create a demand draft by phone. This may let the consumer pay on time and avoid a late charge.

However, demand drafts are also vulnerable to fraud because they do not bear a signature or other verifiable information. Some payees do not actually have the member’s authorization to present a demand draft.

In 2003, Wisconsin amended its version of the Uniform Commercial Code to provide that in this state, a person who transfers a demand draft for consideration, or who obtains payment for a demand draft from the account holder’s bank, warrants that the account holder authorized the creation of the demand draft according to the terms on its face. In addition, when the third party that created the demand draft deposits it in his or her bank, the third party warrants that the account holder authorized the creation of the demand draft according to the terms on its face. The same warranty applies to any credit union or bank (other than the account holder’s bank) that subsequently handles that demand draft for collection.

Not every state has such a law, however. Reg. CC supersedes any inconsistent state laws and creates a uniform national rule on liability for demand drafts.

Under Reg. CC:

- Liability for unauthorized demand drafts falls on the financial institution where it is first cashed or deposited;
- Financial institutions have up to a year to bring a claim for a breach of transfer and presentment warranty involving a demand draft; and
- A demand draft, or “remotely created check,” as it is called in Reg. CC, is clearly defined and includes both consumer and non-consumer accounts.

Liability. Under Reg. CC’s Section 229.34(d), a bank that transfers or presents a remotely created check and receives a settlement or other consideration warrants that the remotely created check is authorized by the account holder. If the check turns out not to have been authorized by the account holder, then the presenter of the check will be liable for a breach of warranty. This liability will, in turn, flow back to each bank in the collection chain and will rest with the institution that first accepted the check for deposit. The depository institution will be liable for the unauthorized check and

will have to collect from its customer who deposited the items. The rules apply to checks drawn on both consumer accounts and non-consumer accounts.

The change is designed to place the liability for an unauthorized demand draft on the financial institution that is in the best position to prevent the loss – the depository institution. This creates an economic incentive for depository institutions to perform due diligence on their customers and demand drafts. The Reg. CC amendments will not affect the rights of members, since they are not liable for unauthorized checks drawn on their accounts.

Time Limits. Existing rules require paying banks to return unauthorized demand drafts unpaid to the depository bank by the midnight deadline. Unfortunately, fraudulent demand drafts are not usually spotted until members examine their statements, which is too late. The Reg. CC amendments don't change the midnight deadline, but according to the Fed, "Until otherwise established by agreement, banks must assert claims arising under transfer and presentment warranties for remotely created checks outside of the check collection process."

This means that a claim for a breach of transfer and presentment warranty involving a demand draft can be brought by the paying bank up to one year after the violation. In addition, if the paying bank does not make the claim within 30 days after learning of the breach, the warranting bank is discharged to the extent of any loss caused by the delay in giving notice of the claim.

Definition. Finally, Reg. CC clearly defines what a "remotely created check" is. Under §229.2(fff) of Reg. CC, a "remotely created check" (a/k/a a demand draft) is a check that is not created by the paying bank and does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn. So, a typical forged check, such as a stolen personal check fraudulently signed by a person other than the drawer, is not covered by the definition since it bears a signature "purported to be" of the member.

What to Watch For

Credit unions need to treat demand drafts with special attention. America's Credit Unions suggests that credit unions train front-line tellers on the characteristics of a demand draft, and explain to them the circumstances, usually a business account such as a telemarketer or a merchant, when a legitimate demand draft would be presented. An ordinary member presenting a demand draft for deposit is highly unusual.

Dishonest businesses, or scam artists posing as legitimate businesses, are likely responsible for initiating unauthorized remotely created checks. With this in mind, credit unions should have prudent new account procedures in place for opening business accounts.

Credit unions may also adopt procedures to recoup losses, such as going to the institution of first deposit to demand reimbursement as soon as discovering the fraud.

* * * * *

League publications are designed to provide accurate information with regard to the subject matter covered, with the understanding that the League does not render legal services. If you have general questions regarding this release, please call The League at (608) 640-4050 if local; or (800) 242-0833. For specific legal advice, please consult your credit union's attorney.

Legal Affairs Department

PEG/jb

© 2025 Wisconsin Credit Union League

EXHIBITS

- A. Model Funds Availability
- B. Model Exception Hold Notice
- C. Model Reasonable-Cause Hold Notice
- D. Model Case-By-Case Hold Notice

EXHIBIT A - MODEL FUNDS AVAILABILITY DISCLOSURE FEATURING NEXT-DAY AVAILABILITY, CASE-BY-CASE HOLDS TO STATUTORY LIMITS, AND § 229.13 EXCEPTIONS

[Adapted from Reg. CC App. C-3.]

The language in italics enclosed in brackets is instruction or explanation to the credit union that should not be reprinted in disclosures. Normal language enclosed in brackets is to be included in disclosures if applicable.

A credit union may use this form only if its policy is, in most cases, to make funds from all types of deposits available the day after the deposit is made, and to delay availability on some deposits, up to the maximum time periods allowed under the regulation, on a case-by-case basis. A credit union using this form also reserves the right to invoke the exceptions listed in section 229.13 of the regulation.

YOUR ABILITY TO WITHDRAW FUNDS

[Consider this clarification if the policy does not apply to savings and other non-checking accounts: This disclosure describes our policy for holds on your checking and other transaction accounts. Our policy for holds on other accounts may vary. Please ask us if you have questions.]

Our policy for checking and other transaction accounts is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. [Deposits of cash and] Electronic direct deposits will be available on the day we receive the deposit. Once the funds are available, you can withdraw them in cash and we will use them to pay checks that you have written.

[This sentence is optional: Please remember that even after funds are made available to you, and you have withdrawn funds, you are still responsible for the checks you have deposited that are returned to us unpaid and for any other problems involving your deposit.]

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, and federal holidays. If you make a deposit before [insert time of day] on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after [insert time of day] or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first \$225 (\$275 as of July 1, 2025) of your deposits, however, may be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 (\$6,725 as of July 1, 2025) on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the *[insert number, no greater than “seventh”]* business day after the day of your deposit.

* * * * *

Add any of the following additional disclosures that accurately describe the credit union's policies in conformance with Reg. CC:

Special Rules for New Accounts

If you are a new customer, the following special rules will apply during the first 30 days your account is open:

- Funds from electronic direct deposits to your account will be available on the day we receive the deposit.
- Funds from deposits of cash, wire transfers, and the first \$5,525 (\$6,725 as of July 1, 2025) of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you (and you may have to use a special deposit slip). The excess over \$5,525 (\$6,725 as of July 1, 2025) will be available on the ninth business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first \$5,525 (\$6,725 as of July 1, 2025) will not be available until the second business day after the day of your deposit.
- Funds from all other check deposits will be available on the *[insert number]* business day after the day of your deposit.

Holds on Other Funds (Check Cashing) [Model Clause C-6]

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

Holds on Other Funds (Other Account) [Model Clause C-7]

If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your ability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

Deposits at Automated Teller Machines [Model Clause C-9]

Funds from any deposits (cash or checks) made at automated teller machines (ATMs) we do not own or operate will not be available until the fifth business day after the day of your deposit. This rule does not apply at ATMs that we own or operate.

A list of our ATMs is enclosed *[or explain how the consumer can differentiate between a proprietary and a nonproprietary ATM]*.

Cash Withdrawal Limitation [Model Clause C-10]

We place certain limitations on withdrawals in cash. In general, \$225 (\$275 as of July 1, 2025) of a deposit is available for withdrawal in cash on the first business day after the day of deposit. In addition, a total of \$450 (\$550 as of July 1, 2025) of other funds becoming available on a given day is available for withdrawal in cash at or after *(time no later than 5:00 p.m.)* on that day. Any remaining funds will be available for withdrawal in cash on the following business day.

EXHIBIT B - MODEL EXCEPTION HOLD NOTICE

[Reg. CC § 229.13(g). Notice adapted from Reg. CC App. C-12.]

Credit Union
NOTICE OF HOLD

Account number: [number]

Date of deposit: [date]

We are delaying the availability of \$[amount being held] from this deposit. These funds will be available on the [number] business day after the day of your deposit.

We are taking this action because:

- ☐ A check you deposited was previously returned unpaid.
- ☐ You have overdrawn your account repeatedly in the last six months.
- ☐ The checks you deposited on this day exceed \$5,525 (\$6,725 as of July 1, 2025).
- ☐ An emergency, such as failure of computer or communications equipment, has occurred.
- ☐ We believe a check you deposited will not be paid for the following reasons: *

☐ _____

* If you did not receive this notice at the time you made the deposit and the check you deposited is paid, we will refund to you any fees for overdrafts or returned checks that result solely from the additional delay that we are imposing. To obtain a refund of such fees,

(description of procedure for obtaining refund)

EXHIBIT C - MODEL REASONABLE-CAUSE HOLD NOTICE

[Reg. CC § 229.13(g). Notice adapted from Reg. CC App. C-13.]

Credit Union
NOTICE OF HOLD

Account number: [number]

Date of deposit: [date]

We are delaying the availability of the funds you deposited by the following check: [description of check, such as amount and drawer].

These funds will be available on the [number] business day after the day of your deposit. The reason for the delay is explained below:

- ☐ We received notice that the check is being returned unpaid.
- ☐ We have confidential information that indicates that the check may not be paid.
- ☐ The check is drawn on an account with repeated overdrafts.
- ☐ We are unable to verify the endorsement of a joint payee.
- ☐ Some information on the check is not consistent with other information on the check.
- ☐ There are erasures or other apparent alterations on the check.
- ☐ The routing number of the paying bank is not a current routing number.
- ☐ The check is postdated or has a stale date.
- ☐ Information from the paying bank indicates that the check may not be paid.
- ☐ We have been notified that the check has been lost or damaged in collection.
- ☐ Other: _____

If you did not receive this notice at the time you made the deposit and the check you deposited is paid, we will refund to you any fees for overdrafts or returned checks that result solely from the additional delay that we are imposing. To obtain a refund of such fees,

(description of procedure for obtaining refund)

EXHIBIT D - MODEL CASE-BY-CASE HOLD NOTICE

[Reg. CC § 229.16(c)(2). Notice adapted from Reg. CC App. C-16.]

Credit Union
NOTICE OF HOLD

Account number: [number]

Date of deposit: [date]

We are delaying the availability of \$[amount being held] from this deposit. These funds will be available on the [number] business day after the day of your deposit [if applicable add: (subject to our cash withdrawal limitation policy)].

If you did not receive this notice at the time you made the deposit and the check you deposited is paid, we will refund to you any fees for overdrafts or returned checks that result solely from the additional delay that we are imposing. To obtain a refund of such fees,

- _____
(description of procedure for obtaining refund)
