

CONSUMER CREDIT UNION FUNDS AVAILABILITY POLICY

General Policy Statement:

Consumer Credit Union offers same day or next day availability for most funds deposited with the Credit Union.

Guidelines:

1. **DISCLOSURE.** The Credit Union conscientiously informs members of its funds availability policy by providing members with:
 - A. **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.
 - B. **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.
 - C. **Branch and ATM Notices.** The Credit Union will post its availability policy at a conspicuous place in every location where deposits are accepted.
 - D. **Internet Disclosure.** The Credit Union will post its availability notice on its Web site on every page where accounts are opened and/or payments are made online.
 - E. **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. If the change results in faster availability of funds, the Credit Union will notify all members no later than 30 days *after* the change.
2. **SAME-DAY AVAILABILITY.** The Credit Union affords same-day availability for cash deposits and electronic fund transfers.
 - A. **NEXT-DAY AVAILABILITY.** The Credit Union affords next business day availability for the following funds deposited in person at teller stations. To qualify for next-day availability, members must deposit funds during Credit Union business hours.

- B. **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.
 - C. **Depository Checks;** i.e., Travelers Cheques, cashier's checks, certified checks, and money orders.
 - D. **Checks on Us;** i.e., checks drawn against accounts of this Credit Union.
 - E. **Drafts Covered by Member's Account;** i.e., situations where the member's account balance exceeds the amount of the draft.
 - F. **\$200 of Aggregate Third Party Checks;** i.e., if the member deposits a \$800 third party check and his or her account balance is less than \$800, the Credit Union will make \$200 available the next business day and place a hold on the remaining \$600.
3. **CASE-BY-CASE HOLDS.** The Credit Union will place a hold on deposits where evidence suggests a forgery or fraud.

- A. **Notice.** If the credit union is not going to make all of the funds from the deposit available immediately, the member will be notified at the time of the deposit. They will also be told when the funds will be available. If the deposit is not made directly to one of our employees, or if we decide to take this action after the member has left the premises, a notice will be mailed by the first business day after the deposit was received.

Notice can be delivered by fax or e-mail if the member agrees to receive such information in this manner and if it can be downloaded and printed.

4. **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; redeposited items; and emergency conditions.

A. **Specific Exceptions.**

i. **Uncollectible Checks.**

- a. Stale dated check (over six months old);
- b. Improper endorsement;
- c. Evidence suggests that the member is engaged in check kiting; or

- d. Credit Union has received a notice of dishonor from the financial institution against which the check is drawn.
 - ii. **Repeated Overdrafts.** (Accounts overdrawn more than 5 times or overdrawn by \$5,000 in the last 6 months.) An account will retain its “repeated overdraft” status for 6 months from the last overdraft.
 - iii. **New Accounts.** (Sole transaction account with Credit Union less than 30-days old.)
 - a. Hold does not apply to cash deposits and electronic transfers; or
 - b. May not apply to government checks or depository checks over \$5,000. See Regulation CC.
 - iv. **Deposits Exceeding \$5,000.** The Credit Union may apply this exception to aggregate deposits in multiple accounts that exceed \$5,000 in one day.
 - v. **Re-deposited Items.** Items previously returned by the paying institution for non-technical reasons (i.e., missing endorsement or the check is post-dated).
 - vi. **Emergency Conditions.** Conditions such as war, earthquake, fire, flood, power or equipment failure, suspension of payments from another financial condition, or any other emergency. A hold will be placed on the funds for a reasonable time after the emergency has passed.
- B. **Notice.** If the credit union is not going to make all of the funds from the deposit available immediately, the member will be notified at the time of the deposit. They will also be told when the funds will be available. If the deposit is not made directly to one of our employees, or if we decide to take this action after the member has left the premises, a notice will be mailed by the first business day after the deposit was received.

Notice can be delivered by fax or e-mail if the member agrees to receive such information in this manner and if it can be downloaded and printed.

5. **SUBSTITUTE CHECKS.** Check Clearing for the 21st Century (“Check 21”) enables financial institutions to send checks to each other electronically, and enables the Credit Union to receive a paper copy of the electronic check (called a “substitute check”). Substitute checks are the legal equivalent of a paper check for all purposes. The Credit Union is not required to create substitute checks, but must accept them.

- A. **Legend.** The substitute check will state “This is a legal copy of your check. You can use it in the same way you would use the original check.”
- B. **Disclosure.** The Credit Union will provide members with a disclosure that a substitute check is the legal equivalent of an original check, along with the member rights that apply when a member in good faith believes that a substitute check was not properly charged to his/her account. The disclosure will be provided in the following circumstances:
- i. Whenever new accounts are opened;
 - ii. Whenever original or substitute checks are provided with the periodic statement; and
 - iii. Whenever a member requests an original check or a copy of a check, and instead receives a substitute check. The disclosure in this instance will be provided no later than the time the member receives the substitute check.
 - iv. For joint accounts, the disclosure need only be provided to one account holder.