



## FUNDS AVAILABILITY DISCLOSURE

### Definition

**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.

### Business Days and Hours of Operation

For determining the availability of members' deposits, every day is a business day, except Saturdays, Sundays, and Federal holidays. If a deposit is made at one of our staffed teller stations before 5:00 PM (6:00 PM on Fridays) on a business day that we are open, we will consider that to be the day of deposit. However, if a deposit is made after 5:00 PM (6:00 PM on Fridays) 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 deposited by check available on the business day of the deposit. Depending on the type of check that is deposited, funds may not be available until the fifth business day after the day of the deposit. However, the first \$300.00 of a deposit will be available on the day of the deposit.

If we are not going to make all of the funds from a deposit available on the day of the deposit, we will notify the depositor at the time the deposit is made, with a notice that includes:

- 1) A statement that the Credit Union is holding the funds;
- 2) The depositor's name and account number;
- 3) The date of the deposit;
- 4) The date when the funds will be available.

If a deposit is not made directly to one of our tellers, or if we decide to take this action after a member has left the premises, we will mail the member a notice by the day after we receive the deposit.

### Fifth Day Availability

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

### Specific Exception Holds

In addition, funds deposited by check may be delayed for a period longer than five days under the following circumstances:

- 1) We believe a check will not be paid.
- 2) The deposit consists of checks totaling more than \$6,000 on any day.
- 3) The deposit included a re-deposited check that has been previously returned unpaid.
- 4) The depositing member has overdrawn his or her account repeatedly in the last six months.
- 5) There is an emergency, such as failure of computer or communications equipment.

- . We will notify our member if we delay the ability to withdraw funds for any of these reasons, and we will tell the member when funds will be available. They will generally be available no later than the eleventh business day after the day of the deposit. If an exception applies, the Credit Union may extend the time period for availability by a "reasonable period of time:"
  - i. Add one business day for "on us" checks.
  - ii. 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 seven business days.
  - iii. Add up to 6 business days for checks deposited in nonproprietary ATMs.

### **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 credit Union affords next day availability for the following funds deposited in person at a teller station. To qualify for next day availability the member must deposit the funds during the Credit Union's regular business hours.

- 1) **Government Checks.** For example, US Treasury checks, US Postal Service money orders, checks drawn by the State or an agency of the State or a branch of local government deposited into an account held by the payee of the check.
- 2) **Depository Checks.** For example, travelers checks, cashier checks, certified checks and money orders.
- 3) **Checks on Us.** Checks drawn against the account of the Credit Union.
- 4) **Drafts Covered by the Members Account.** For example, there may be situations where the members account balance exceeds the amount of the draft. This will be reviewed on a case by case basis.
- 5) **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.

- 6) **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 payment instructions indicating the account and the amount to be credited.
- 7) **For Checks Not Described Above**, the lesser of \$300 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 \$400 check and receives \$100 cash back, the Credit Union need not make an additional \$300 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 \$300 that must be available on the next business day may be made available by applying \$300 to the negative balance, rather than making \$300 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.

- A. 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:
- . U.S. Postal Service Money Orders.
    - i. Federal Reserve Bank checks/Federal Home Loan Bank checks.
    - ii. State and local government checks.
    - iii. Cashier's, certified, or teller's checks.
    - iv. US Treasury checks.

**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 a Credit Union has a policy of making funds available sooner than required by the

foregoing rules, the Credit Union may extend the time when funds are available up to the time periods permitted on a case-by-case

**Withdrawal by Cash or Similar Means.** The Credit Union may extend by one business day the time that funds deposited in an account by one or more checks governed under #4 and #5 above, are available for withdrawal by cash or similar means. (Similar means include electronic payment, issuance of a cashier's check or teller's check, or certification of a check, or other irrevocable commitment to pay, but not including the granting of credit to a bank, FRB, or FHLB that presents a check to the Credit Union for payment.) The Credit Union will make \$500 of these funds available for withdrawal by cash or similar means not later than 5pm on the business day on which the funds are available. This \$500 is in addition to the required \$300. Cash withdrawals for the remainder of the funds (over the \$500) can be delayed until the following business day.

### **Dividend Payment Policy**

If the deposit is made into a dividend bearing account, the member will begin to earn dividends on the deposit, whether cash or checks, on the next day after the deposit is made, subject to the normal minimum balance requirements for earning dividends. Dividends will not be paid on deposits which are subsequently returned to us unpaid.

### **Special Rules for New Accounts**

If the depositor is a new member, the following special rules may apply during the first 30 days the account is open.

The first \$6,000 from a deposit of U.S. Treasury checks will be available on the next business day. The excess over \$6,000 will be available on the ninth business day. Funds from wire transfers into a member's account will be available on the business day we receive the transfer.

Funds from deposits of cash and the first \$6,000 of an in-person deposit of checks drawn on Federal Reserve Banks, and Federal Home Loan Banks, cashier's, certified, teller's, traveler's and state and local government checks will be available on the next business day of the deposit if the deposit meets certain conditions. The excess over \$6000 will be available on the ninth business day.

**Substitute Checks.** Check Clearing for the 21<sup>st</sup> 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.
- C. **Applicable Law.** A substitute check that is the legal equivalent of an original check will be subject to any provision of Regulation CC, the UCC, and any other applicable federal or state law that the original check would have been subject to, so long as such provision is not inconsistent with the Check 21 Act or Subpart D of Regulation CC.