

Retail Compliance Reference Guide:

**Availability of Funds and Collection of Checks -
Regulation CC**

USTRUST

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INTRODUCTION

Introduction to Regulation CC

The Federal Reserve established Regulation CC in 1988 to implement the Expedited Funds Availability Act (EFA). This act requires banks to:

- Make deposited funds available to customers within specific time frames
- Properly disclose the bank's funds availability policy
- Expedite the return of unpaid checks

Chapter Overview

This chapter provides USTrust's policies and procedures related to Regulation CC - Availability of Funds and Collection of Checks. The sections that follow address the:

- Requirements of Regulation CC
- USTrust's Standard Policy regarding the availability of funds
- USTrust's Exceptions Policy regarding the availability of funds
- USTrust's procedure regarding the implementation of Regulation CC

REQUIREMENTS OF REGULATION CC:

Regulation CC

Regulation CC imposes maximum time frames for making deposited funds available for withdrawal depending upon the type of instrument deposited.

- Cash
- Low risk checks including government checks and bank checks
- Local and non-local checks as defined in the next section.

The delay between the time a deposit is processed and the point at which it becomes available for withdrawal is sometimes referred to as “float.”

Local Checks

A local check is drawn on an institution that uses the same Federal Reserve Processing Region as USTrust. All checks that are drawn on banks that use the First Federal Reserve District (Federal Reserve Bank of Boston) are local checks.

The following routing numbers appear on checks drawn on banks that use the First Federal Reserve District:

- 0110 through 0119
- 0211
- 2110 through 2119
- 2211

Locating the routing number on a check

The routing number is the first four digits on the bottom of the check.

BOB JONES **2048**
1-390/ 0110

DATE _____

PAY TO THE ORDER OF _____ \$ _____

_____ DOLLARS

FIRST NATIONAL BANK

① 0110 0390 ■ 770 ■ 964076 ■ 2048

The diagram shows a check with a yellow circle around the routing number '0110' at the bottom left. A yellow arrow points from a green text box above to the routing number. The text box contains the text: 'The routing number is the first four digits on the bottom of the check.'

Non-Local Checks

Non-local checks are drawn on banks outside the First Federal Reserve District. Checks drawn on those banks display routing numbers other than those listed above.

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Low Risk Deposits

Low risk deposits contain one or more of the checks listed below:

- Official bank checks
- Certified checks
- Checks drawn on the U.S. Treasury
- Postal Money Orders
- Official state government checks
- Official local government checks

Availability of Funds

Regulation CC stipulates the following maximum time frames for making deposited funds available to customers.

If the deposit is:	Then funds will be available:
Cash	1 st business day after the day of deposit.
Checks drawn on USTrust	
Low risk item	
Wire transfers	Same day as deposit.
Local checks	<ul style="list-style-type: none">• \$100 must be available on the 1st business day after the day of deposit.• Rest is available on the 2nd business day after the day of deposit.
Non-local checks	<ul style="list-style-type: none">• \$100 must be available on the 1st business day after the day of deposit.• Rest is available on the 5th business day after the day of deposit.

Note: The requirements above state the maximum float periods allowable under Regulation CC. In some cases, USTrust's policies make funds available for withdrawal earlier than Regulation CC requirements. USTrust's policies are addressed later in this chapter.

Exceptions

Regulation CC allows exceptions under specific situations as follows.

- New accounts. Customers with no prior deposit relationship with a bank may be subject to delays in availability during the first 30 days after opening a new account.
- History of repeated overdrafts. Customers who repeatedly overdraw their account may be subject to delayed availability of funds.
- Large deposits over \$5,000. Customers who deposit checks in amounts greater than \$5,000 may be subject to a delay in the availability of those funds.
- Reason to believe the check will be returned unpaid. If the bank has a legitimate reason to believe that the check will be returned unpaid (i.e. re-deposited item), the availability of funds may be delayed.

USTRUST’S STANDARD POLICY REGARDING THE AVAILABILITY OF FUNDS

UST Disclosure Policy

All new customers are given the brochure “Your Personal Deposit Account at USTrust” which contains full disclosure of the bank’s funds availability schedule. In addition, a notice of funds availability disclosure is posted in all USTrust branches and ATM sites.

UST Standard Policy on Availability of Funds

USTrust’s policy for the availability of funds is more liberal than defined in Regulation CC. This means that in most instances USTrust’s standard policy makes funds available in a shorter period of time than required by Regulation CC.

The process below reflects USTrust’s standard policy addressing Regulation CC requirements. This process applies to existing accounts.

If the deposit is:	Then funds will be available:
Cash	1 st business day after the day of deposit.
On-us-check (USTrust check)	
Local check	
Low risk item	
Wire transfer	Same day as deposit.
Preauthorized credit	
Non-local check	<ul style="list-style-type: none"> • \$100 must be available on the 1st business day after the day of deposit. • Rest must be available on the 2nd business day after the day of deposit.

USTrust Procedures

The bank’s automated system of processing deposited items accomplishes the availability schedules as specified by USTrust’s Regulation CC Policy. However, in certain instances, it may be advisable to evoke the exceptions as permitted under the regulation. In some cases the “exceptions” will result in expediting the availability of deposited funds while in other instances the availability of funds will be deferred. In any case, a special hold ticket is necessary to process a deposit containing a check which is considered to be an exception. The following section describes each “exception” and the procedures to be followed in order to expedite or defer normal availability.

USTRUST'S EXCEPTION POLICY REGARDING AVAILABILITY OF FUNDS

Regulation CC allows for exceptions to the standard availability of funds as stated previously. USTrust's policy regarding each exception is described as follows.

New Account Holds

According to Regulation CC, customers with no prior deposit relationship with USTrust may be subject to delays in the availability of funds deposited into a new account.


USTrust's policy states that a new account hold may be placed at the discretion of the representative opening the account. However, new customers are not generally subject to the new account hold at USTrust.

If the representative determines that a hold is warranted the following schedule of funds availability is applicable.

If the deposit is:	Then funds will be available:
Cash	1 st business day after the day of deposit.
Checks drawn on USTrust	
Wire transfers	
Local checks	7 th business day after the day of deposit.
Non-local checks	11 th business day after the day of deposit.
Low risk items	Hold in accordance with local and non-local guidelines above.

Completing a New Account Notice of Hold Form

USTrust's policy requires that a New Account Notice of Hold Form be completed for all new account exceptions.


NEW ACCOUNT NOTICE OF HOLD
FOR INTERNAL USE ONLY

ACCOUNT NAME ① DATE ACCOUNT OPENED ③
ACCOUNT NUMBER ② DEPOSIT AMOUNT \$ ④
DEPOSIT DATE ⑤

Please delay the availability of \$ ⑥ from this deposit and make the funds available for withdrawal on the ⑦ business day after the day of the deposit.

DEPOSIT BREAKDOWN **INFORMATION**

Cash Amount \$

Enter:

1. Customer's name that is on the account for which funds are being held.
2. Full 10 digit account number. Include account type (DDA or SAV).
3. Date account was opened.
4. Total amount of deposit.
5. Transaction date.
6. Portion of deposit for which availability is delayed.
7. The number of days after the date of the deposit that funds will be available for withdrawal. This should be a maximum of 9 business days for low risk items and 11 business days for all other deposits.

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...availability of \$ _____ from the _____ date for withdrawal
 ...the _____ business day after the day of the deposit.

DEPOSIT BREAKDOWN ⑧	CHECK INFORMATION
Cash Amount \$ _____	Circle One: ⑨ LOCAL NON-LOCAL
Lo-Risk Amt \$ _____	Description of Check(s) ⑩ _____
Local Checks \$ _____	_____
Non-Local Cks \$ _____	_____
TOTAL DEPOSIT \$ _____	_____

FOR ACCTS. PROCESSING ONLY

Employee # _____ Funds Avail _____

8. Itemize each of the components of the deposit.
9. Circle the appropriate selection.
10. Provide the following information for each check for which a hold is to be placed:
 - Bank on which the check(s) is drawn.
 - Date of each check.
 - Name of the payee(s).
 - Check number(s)

Availability of Funds and Collection of Checks - Regulation CC

TOTAL DEPOSIT \$ _____

FOR ACCTS. PROCESSING ONLY

Employee Name _____ (11)	Date Funds Avail _____
Branch _____ (12)	Expiration Date _____
Phone Number _____ (13)	Input Date _____ By _____
Date Notified Accts Proc _____ (14)	Verified By _____
Contact Person _____ (15)	

Top / White- Accts Proc. • Second / Yellow- Acct. Officer

- 11. Full name of the employee who completed the form.
- 12. Branch location where the deposit was received.
- 13. Telephone number with extension of the employee who completed the form.
- 14. The date on which the employee in Accounts Processing was notified.
- 15. Name of the employee in the Accounts Processing area who received the completed form.

**UStTrust's
Exceptions
Hold Policy**

Under certain circumstances, the bank is allowed to extend the availability of items. Exceptions hold can include:

- History of repeat overdrafts
- Reason to believe the check will be returned
- Emergency condition
- Re-deposited item

When an exception hold is appropriate, the customer must receive a Notice of Exceptions Hold Form. This document informs the customer that the availability of funds is delayed. The notice must be given at the time of deposit or mailed no later than the first business day following the day the bank became aware of the exception.

UStTrust's exception policy is as follows:

If the deposit is:	Then funds will be available:
Local checks	7 th business day after the day of deposit.
Non-local checks	11 th business day after the day of deposit.
Low risk items	Hold in accordance with local and non-local guidelines.

**Completing a
Notice of
Exceptions
Hold Form**

UStTrust's policy requires that a Notice of Exceptions Hold Form be completed for all deposits that fall into the category of exception holds.

A copy of the form appears in the Appendix.

Availability of Funds and Collection of Checks - Regulation CC

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

Branch 8 Employee Name 9 Phone # 10

Customer Signature 11

Employee Signature 12

Today's Date: 13

FOR INTERNAL USE ONLY

<u>DEPOSIT BREAKDOWN</u>	<u>CHECK INFORMATION</u>
Cash Amount \$ _____	Circle One: LOCAL NON-LOCAL
Lo-Risk Amt _____	Description of Check(s) _____

- 8. Location where the deposit was received and the notice was generated.
- 9. Full name of the branch employee who completed the form.
- 10. Telephone number and extension of the branch employee who completed the form.
- 11. The signature of the person on whose behalf the deposit is being made.
- 12. The signature of the employee who completed the form.
- 13. The date on which the form was completed and processed.

FOR INTERNAL USE ONLY

<p>DEPOSIT BREAKDOWN 14</p> <p>Cash Amount \$ _____</p> <p>Lo-Risk Amt \$ _____</p> <p>Local Checks \$ _____</p> <p>Non-Local Cks \$ _____</p> <p>TOTAL DEPOSIT \$ _____</p> <p>Date Notified Accts Proc. 17 _____</p> <p>Contact Person 18 _____</p> <p>Date Mailed to Customer 19 _____</p>	<p>CHECK INFORMATION</p> <p>Circle One: 15 LOCAL NON-LOCAL</p> <p>Description of Check(s) _____</p> <p style="text-align: center;">16</p> <hr/> <p style="text-align: center;">FOR ACCTS. PROCESSING ONLY</p> <div style="border: 1px solid black; padding: 5px;"> <p>Date Funds Avail _____</p> <p>Expiration Date _____</p> <p>Input Date _____ By _____</p> <p>Verified By _____</p> </div>
--	---

Top / White- Accts Proc.
Second / Yellow- Acct. Officer

14. Itemize each of the components of the deposit.

15. Circle the appropriate selection.

16. Provide the following information:

- Bank on which the check is drawn.
- Date on the check.
- Name of the payee.

17. The date on which the employee in Accounts Processing was notified.

18. Name of the employee in the Accounts Processing area who received the completed form.

19. The date on which the employee in Accounts Processing mailed the form to the customer.

Availability of Funds and Collection of Checks - Regulation CC

***Case by Case
Hold Policy***


Because USTrust makes funds available sooner than is required under Regulation CC, USTrust may use its discretion to hold availability of funds to the extent allowable by the requirements of Regulation CC.

If the deposit is:	Then funds will be available:
Local checks	<ul style="list-style-type: none">• \$100 available 1st business day after the day of deposit.• Remainder available 2nd business day after deposit.
Non-local checks	<ul style="list-style-type: none">• \$100 available 1st business day after the day of deposit.• Remainder available 5th business day after deposit.

***Completing a
Notice of Case
by Case Hold
Form***

USTrust's policy requires that a Notice of Case by Case Hold Form be completed for all case by case exceptions as follows:

When an exception hold is appropriate, the customer must receive a Notice of Exceptions Hold Form. This document informs the customer that the availability of funds is delayed. The notice must be given at the time of deposit or mailed no later than the first business day following the day the bank became aware of the exception.



NOTICE OF CASE-BY-CASE HOLD

ACCOUNT NAME ① DEPOSIT AMOUNT \$ ③
 ACCOUNT NUMBER ② DEPOSIT DATE ④

(check one dda save)

We are delaying the availability of \$ ⑤ from this deposit. These funds will be available for withdrawal on the ⑥ business day after the day of the deposit.

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

Branch ⑦ Employee Name ⑧ Phone # ⑨

Customer Signature _____
 Employee Signature _____
 Today's Date: _____

1. Customer's name that is on the account for which funds are being held.
2. Full 10 digit account number. Include the account type (DDA and SAV).
3. Total amount of the deposit.
4. Date of the deposit.
5. Amount of deposit for which availability is delayed.
6. Number of days after the day of the deposit that the delayed funds will be available for withdrawal. This will be a maximum of 7 business days for low risk items and 11 business days for all other deposits.
7. Location where the deposit was received and the notice was generated.
8. Full name of the Branch employee who completed the form.
9. Telephone number and extension of the Branch employee who completed the form.

Availability of Funds and Collection of Checks - Regulation CC

...tain a refund of such fees, please contact... are

Branch _____ Employee Name _____ Phone # _____

Customer Signature _____ (10)

Employee Signature _____ (11)

Today's Date: _____ (12)

FOR INTERNAL USE ONLY

<p style="text-align: center;"><u>DEPOSIT BREAKDOWN</u> (13)</p> <p>Cash Amount \$ _____</p> <p>Lo-Risk Amt \$ _____</p> <p>Local Checks \$ _____</p> <p>Non-Local Cks \$ _____</p> <p>TOTAL DEPOSIT \$ _____</p>	<p style="text-align: center;"><u>CHECK INFORMATION</u></p> <p>Circle One: (14) LOCAL NON-LOCAL</p> <p>Description of Check(s) _____ (15)</p> <p>_____</p> <p>_____</p> <p>_____</p>
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FOR ACCTS. PROCESSING ONLY

Date M _____

- 10. Signature of the person on whose behalf the deposit is being made.
- 11. Signature of the employee who completed the form.
- 12. Date on which the form was completed and processed.
- 13. Itemized list containing each of the components of the deposit.
- 14. Indicate if the check is local or non-local by circling the appropriate selection.
- 15. Provide the following information:
 - Bank on which the check is drawn.
 - Date on the check.
 - Name of the payee.
 - Check number.

**Large Deposit
Exception Hold
Policy**

Check deposits greater than \$5,000.00 are subject to a delay in the availability of funds. The customer must receive a Notice of Exceptions Hold Form when availability of funds is delayed for this reason. Note that the steps for completing this form were covered in the earlier section labeled “Completing a Notice of Exceptions Hold Form.”

UStTrust’s Large Deposit Exception Hold Policy for the availability of funds is:

If the deposit is:	Then funds will be available:
Local checks	<ul style="list-style-type: none"> • \$5,000 available 1st business day after the day of deposit. • Remainder available 7th business day after deposit.
Non-local checks	<ul style="list-style-type: none"> • \$5,000 available 1st business day after the day of deposit. • Remainder available 11th business day after deposit.
Low Risk Items	<ul style="list-style-type: none"> • \$5,000 available 1st business day after the day of deposit. • Remainder for local checks - 7th business day after the day of deposit. • Remainder for non-local checks - 11th business day after the day of deposit.

APPENDIX:



NEW ACCOUNT NOTICE OF HOLD
FOR INTERNAL USE ONLY

ACCOUNT NAME _____ DATE ACCOUNT OPENED _____

ACCOUNT NUMBER _____ DEPOSIT AMOUNT \$ _____

DEPOSIT DATE _____

Please delay the availability of \$ _____ from this deposit and make the funds available for withdrawal on the _____ business day after the day of the deposit.

DEPOSIT BREAKDOWN

Cash Amount \$ _____
Lo-Risk Amt \$ _____
Local Checks \$ _____
Non-Local Cks \$ _____

TOTAL DEPOSIT \$ _____

CHECK INFORMATION

Circle One: LOCAL NON-LOCAL

Description of Check(s) _____

FOR ACCTS. PROCESSING ONLY

Employee Name _____
Branch _____
Phone Number _____
Date Notified Accts Proc _____
Contact Person _____

Date Funds Avail _____
Expiration Date _____
Input Date _____ By _____
Verified By _____

Top / White- Accts Proc.

• Second / Yellow- Acct. Officer



NOTICE OF CASE-BY-CASE HOLD

ACCOUNT NAME _____ DEPOSIT AMOUNT \$ _____

ACCOUNT NUMBER _____ DEPOSIT DATE _____

(check one dda save)

We are delaying the availability of \$ _____ from this deposit. These funds will be available for withdrawal on the _____ business day after the day of the deposit.

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

Branch _____ Employee Name _____ Phone # _____

Customer Signature _____

Employee Signature _____

Today's Date: _____

FOR INTERNAL USE ONLY

DEPOSIT BREAKDOWN

CHECK INFORMATION

Cash Amount \$ _____
 Lo-Risk Amt \$ _____
 Local Checks \$ _____
 Non-Local Cks \$ _____

Circle One: LOCAL NON-LOCAL
 Description of Check(s) _____

TOTAL DEPOSIT \$ _____

FOR ACCTS. PROCESSING ONLY

Date Notified Accts Proc _____
 Contact Person _____
 Date Mailed to Customer _____

Date Funds Avail _____
Expiration Date _____
Input Date _____ By _____
Verified By _____

Top / White- Accts Proc. • Second / Yellow- Acct. Officer



NOTICE OF EXCEPTIONS HOLD

ACCOUNT NAME _____ DEPOSIT AMOUNT \$ _____
 ACCOUNT NUMBER _____ DEPOSIT DATE _____
 (check one dda save)

We are delaying the availability of \$ _____ from this deposit. These funds will be available for withdrawal on the _____ business day after the day of the deposit.

This action is being taken for the reason(s) specified below:

- _____ The check you deposited was previously returned unpaid.
- _____ You have overdrawn your account repeatedly in the last six months, i.e. on at least six occasions or twice if in excess of \$5,000.
- _____ The check(s) you deposited on this day exceed \$5,000.
- _____ An emergency, such as failure of communications or computer equipment has occurred.
- _____ *We believe a check you deposited will not be paid for the following reason(s). _____

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

Branch _____ Employee Name _____ Phone # _____
 Customer Signature _____
 Employee Signature _____
 Today's Date: _____

FOR INTERNAL USE ONLY

DEPOSIT BREAKDOWN

Cash Amount \$ _____
 Lo-Risk Amt \$ _____
 Local Checks \$ _____
 Non-Local Cks \$ _____

TOTAL DEPOSIT \$ _____

CHECK INFORMATION

Circle One: LOCAL NON-LOCAL
 Description of Check(s) _____

FOR ACCTS. PROCESSING ONLY

Date Notified Accts Proc _____
 Contact Person _____
 Date Mailed to Customer _____

Date Funds Avail _____
 Expiration Date _____
 Input Date _____ By _____
 Verified By _____

Top / White- Accts Proc. • Second / Yellow- Acct. Officer