
FUNDS AVAILABILITY

March 2010

General Policy Statement:

For accounts that are older than 30 days ACPE'S Funds Availability Policy is to make funds available the same day as they are deposited.

However ACPE reserves the right to hold funds against certain checks and deposits in accordance with Regulation CC:

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) **Internet Disclosure.** The Credit Union will post its availability notice on its Web site.
 - (D) **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 calendar days before implementation.
- (2) **SAME-DAY AVAILABILITY.** The Credit Union affords same-day availability for cash deposits and electronic fund transfers.
- (3) **NEXT-DAY AVAILABILITY.** The credit union affords next business day availability for the following funds. The first \$100.00 of all other checks will be available on the next business day. The balance of the funds will be available in 2 business days. The balance on all other checks will be available in 7 business days.

- (A) **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.
 - (B) **Depository Checks;** i.e., Travelers Cheques, cashier's checks, certified checks, and money orders.
 - (C) **Checks on Us;** i.e., checks drawn against accounts of this Credit Union.
 - (D) **Drafts Covered by Member's Account;** i.e., situations where the member's account balance exceeds the amount of the draft.
 - (E) **\$100 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 \$100 available the next business day and place a hold on the remaining \$700.
- (3) **TWO-DAY AVAILABILITY.** Funds deposited by mail will be available within 2 business days following the banking day of deposit.
- (4) **CASE-BY-CASE HOLDS.** The Credit Union will place a hold on deposits where evidence suggests a forgery, fraud or collectability is doubted.
- (A) **Notice.** If the Credit Union decides to impose a case-by-case hold, it will immediately deliver proper notice to the member depositor. If for some reason the Credit Union fails to deliver notice at the time of the transaction, the Credit Union will refund any return check fees or overdraft fees assessed. The notice will include:
- (i) Statement that the Credit Union is holding the funds;
 - (ii) Member's name and account number;
 - (iii) Date and amount of deposit;
 - (iv) Date when funds will be available; and
 - (v) How to obtain a refund of returned check fees or overdraft fees if the notice is not provided at the time of the deposit, and the check is paid.
- (5) **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.**

- 1) Stale dated check (over six months old);
- 2) Improper endorsement;
- 3) Evidence suggests that the member is engaged in check kiting; or
- 4) 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.)

- 1) Hold does not apply to cash deposits and electronic transfers; or
- 2) May not apply to government checks or depository checks over \$5,000.

(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 decides to impose a case-by-case hold, it will immediately deliver proper notice to the member depositor. If for some reason the Credit Union fails to deliver notice at the time of the transaction, the Credit Union will refund any return check fees or overdraft fees assessed. The notice will include:

- (i) Statement that the Credit Union is holding the funds;
- (ii) Reason for the hold;
- (iii) Member's name and account number;
- (iv) Date and amount of deposit; and
- (v) Date the funds will be available.
- (vi) Statement of how to obtain a refund of retained share draft fees or overdraft fees if the notice is not given at the time of the transaction, and share draft is paid.

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.

(6) **SUBSTITUTE CHECKS.** The Check Clearing for the 21st Century Act (“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.