



## Funds Availability Policy

### General Policy Statement:

This disclosure describes the ability to withdraw funds at Prince George's Community Federal Credit Union (Credit Union). It only applies to the availability of funds in transaction accounts. The Credit Union reserves the right to delay the availability of funds deposited to accounts that are not transaction account for periods longer than those disclosed in this agreement. Per Regulation CC, the first \$225.00 of the deposit will be available on the 1st business day following the day of the deposit.

### 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.
  - B. **Initial Disclosures.** When 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-Business Day Availability:** The Credit Union affords same-day availability for cash deposits and electronic fund transfers.
3. **Next- Business 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 before the cutoff time for receiving deposits. The cutoff time is the branch closing time.

- 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., 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.
4. **Two- Business Days Availability:** The Credit Union affords two **business days** availability for drafts deposited less than \$5525.
  5. **Five- Business Days Availability- Deposits Exceeding \$5,525.** The Credit Union may apply this exception to aggregate deposits in multiple accounts that equals to \$5,525 or more in one day.
  6. **Seven- Business Days Availability-New Accounts less than 30 days .** (Sole transaction account with Credit Union less than 30-days old.)
    - A. Holds do not apply to cash deposits and electronic transfers; or
    - B. May not apply to government checks or depository checks over \$5,525. (Regulation CC)
  7. **Nine- Business Days Availability- 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; redeposit items; and emergency conditions.

**A. Specific Exceptions.**

**i. Uncollectible Checks.**

- a. Improper endorsement;
  - b. Evidence suggests that the member is engaged in check kiting; or
  - c. Credit Union has received a notice of dishonor from the financial institution against which the check is drawn.
- ii. **Repeated Overdrafts.** An account will retain its “repeated overdraft” status for 6 months from the last overdraft.
  - iii. **Forgery or Fraud:** The Credit Union will place a hold on deposits where evidence suggests a forgery or fraud.
  - iv. **Re-deposited Items.** Items previously returned by the paying institution for non-technical reasons (i.e., missing endorsement or the check is post-dated).
  - v. **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 specific 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.

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.

8. **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.

## Board Review

This policy will be reviewed and approved by the Board of Directors annually or more frequently when a change to regulatory requirements or procedures occurs that potentially affects this policy topic.

## **Policy Contact Point**

Questions regarding the content, implementation and maintenance of this policy will be directed to the Chief Operating Officer (COO).