



## Regulation CC

### **Presented by**

David Park, Regulatory Compliance  
Counsel  
NAFCU



## Roadmap

- Scope.
- Availability of funds.
- Collection of checks.
- Expedited recredit.



## Availability Of Funds

- When are funds deposited?
- Availability schedules.
- Exceptions.
- Disclosures.
- State law.



## When Are Funds Deposited?

- Depends on how the funds are deposited:
  - Staffed facility, ATM, or contractual branch.
  - Mailed deposits.
  - Night depository, lock box, or similar facility.
  - Off-premise ATM > 50 feet from premises.



## When Are Funds Deposited?

- The next banking day if
  - Funds are deposited on a day that is not a banking day.
  - Funds are deposited after cut-off hour
    - Offices v. Other Locations.



## Cut Offs

Monday 2PM at  
ATM



When are funds  
considered  
deposited?



?



## Availability at Start of Business Day

- 9:00 AM; or
- The time the credit union's teller facilities (including ATMs) are available for withdrawals.



## Next-day Availability

- Cash deposits made in person to an employee of the credit union.
- Electronic payments (ACH credit transfer or wire transfer).



## Next-day Availability

- USPS money order.
- Federal Reserve/FHLB check.
- State/local government check.
- Cashier's, certified, or teller's check.

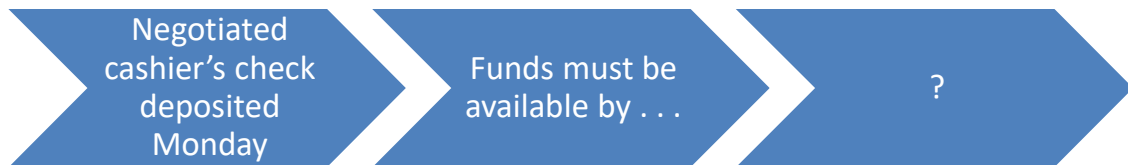


## Next-day Availability

- On us checks.
- U.S. Treasury checks deposited in an account held by the payee.
- \$200 rule.



## Cashier's Check Example



## Second Business Day

- Cash deposits not made in person.
- Local checks.
- Checks not subject to next-day availability.
- \$400 rule.
- Nonlocal checks.



## Local Check Example

\$3,000 local  
check  
deposited on  
Monday

Do any funds  
need to be  
made available  
on Tuesday?

Do any funds  
need to be  
made available  
on Wednesday?

?

?



## Nonproprietary ATM Deposits

- Funds must be made available by the fifth business day following the banking day of deposit.



## Exceptions

- New accounts
- Large deposits
- Redeposited checks
- Repeated overdrafts
- Reasonable cause to doubt collectability
- Emergency conditions



## Exceptions – New Account

- What is a new account?
- How does the exception work?
  - Local checks.
  - Checks subject to next-day availability.



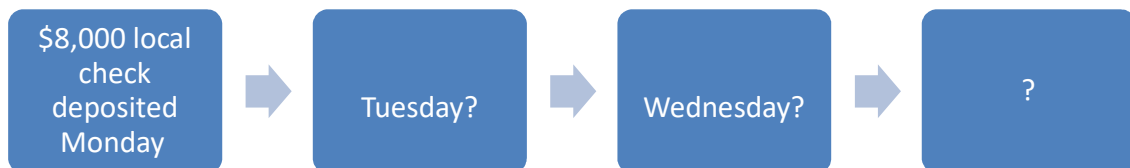


## Exceptions – Large Deposits

- What does it apply to?
- What is the threshold?



## Large Deposit Example





## Exceptions – Reasonable Cause to Doubt Collectibility

- What does it apply to?
- When can it be used?
- Overdraft limitations.



## What Is Reasonable Cause?

- All cashier's checks.
- Check is deposited by a European.
- Notice that the check is being returned unpaid.



## Other Exceptions

- Redeposited checks.
- When a member's accounts have been repeatedly overdrawn.
  - What does it mean to be repeatedly overdrawn?
- Emergency conditions exception.



## Exceptions - Notice

- General rule.
- Notice requirements.
- Timing requirements.
- Exceptions.
- Record retention.

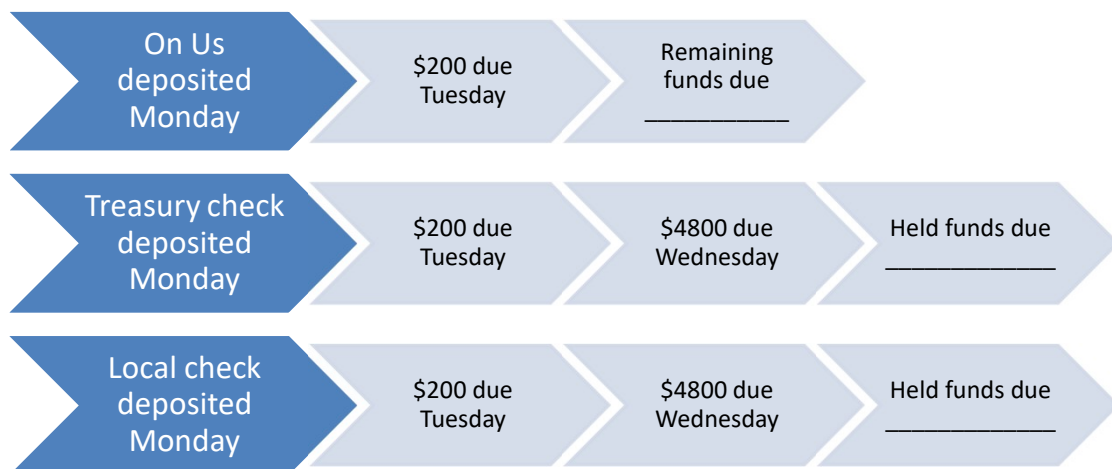


## Exceptions – Availability

- When must funds be made available after exception holds are invoked?



## Large Deposit Availability





## Specific Availability Policy Disclosures

- When are they due?
- Content.
- Case-by-case delays.
  - Specific disclosures.
  - Notice.



## Additional Disclosure Requirements

- Preprinted deposit.
- Where employees accept consumer deposits (teller lines).
- ATMs.
- Change in terms.

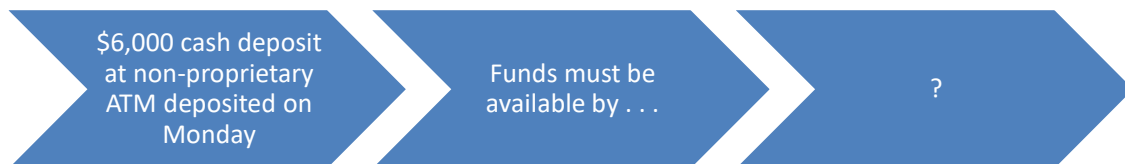


## State Law

- State laws that require funds be made available in a shorter period of time than Regulation CC are not preempted.

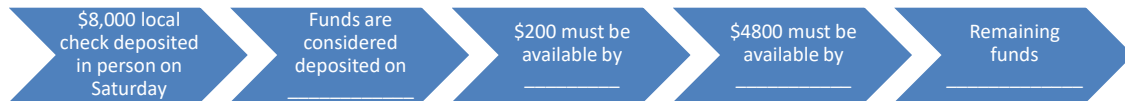


## Cash Example





## Large Deposit Example



## Collection of Checks

- Expeditious return.
- RDC indemnity.
- Forgery final rule.



## Expeditious Returns

- Second business day following the banking day of presentment.
- Notice of nonpayment.
- Exceptions
- Right to assert claim limited.



## RDC Indemnity

- How does it work?
- Is it always available?





## Reg CC Forgery Final Rule

- Rebuttable presumption.
- Overcoming the presumption.
- Why is it important?



## Expedited Recredit

- What is it?
- Timing of claim – 40 calendar days.
- Content of claim
  - improper charged, the amount of the loss, **why the original check is necessary to investigate the claim**, and sufficient information to identify the substitute check and investigate the claim.
- Credit union can require that claim is made in writing.



## Expedited Recredit

- Recredit the account for the loss up to \$2,500 plus interest by the end of the 10<sup>th</sup> business day.
- Recredit can be reversed if the claim is determined to be invalid.
- Recredit generally must have next-day availability.
  - Recredit may be delayed until the business day after the banking day on which the bank concludes that the claim is valid or the 45<sup>th</sup> calendar day after the banking day of the receipt of the claim.
- Notices for recredit, invalid claim, and reversal of recredit required no later than the business day after the banking day of the determination.



## Additional Resources

- FDIC [Expedited Funds Availability Act](#)  
Consumer Compliance Examination Manual
- Federal Reserve Board [Regulation CC](#)  
Consumer Compliance Handbook



## Questions

- David Park, Regulatory Compliance Counsel, NAFCU, 703-842-2244
- [dpark@nafcu.org](mailto:dpark@nafcu.org)