



**Banker's Compliance
Consulting**

Expedited Funds Availability - Regulation CC

October 2019

Turning Regulations into
PLAIN ENGLISH!

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Expedited Funds Availability Act Regulation CC - 12 CFR 229

Regulation CC Schedules and Deposit Delays

Our Policy (Immediate, Same day, Next day)

Case by Case Delays

TYPE OF DEPOSIT	AVAILABLE	REASONS FOR DELAY
Cash Electronic Deposits "On Us" Checks U.S. Treasury Checks U.S. Postal Service Money Orders Federal Reserve Bank Checks State or General Local Government Checks Cashiers, Certified or Tellers Checks	Next Business Day	Cannot Delay
Checks	2 nd Business Day	No Reason Necessary Cannot Delay \$200

Exception Delays

TYPE OF DEPOSIT	AVAILABLE	REASONS FOR DELAY
Cash Electronic Deposits	Next Business Day	Cannot Delay
"On Us" Checks	2 nd Business Day	1. Large Deposit 2. Redeposited Checks 3. Repeatedly Overdrawn 4. Reasonable Cause 5. Emergency Conditions
U.S. Treasury Checks U.S. Postal Service Money Orders Federal Reserve Bank Checks State or General Local Government Checks Cashiers, Certified or Tellers Checks	7 th Business Day	
Checks	7 th Business Day	
		\$200 not required Must state reason for delay

Caution:

1. If using a preprinted delay notice - complete every blank line and appropriate boxes.
2. Doubting collectability - *"The existence of facts that would cause a well-grounded belief in the mind of a reasonable person"* that the check is uncollectible. The notice must include the reason for the belief that the check is uncollectible. If the reason is "confidential" the bank's copy must state the specific reason for the delay.
3. Large Deposit - Only the amount in **excess** of \$5,000 may be held for an additional period.
4. Always copy the deposit slip, front of deposited checks, and other supporting data when delaying a deposit. This information should be stapled to the bank's copy of the delay notice. This will expedite the examination process greatly.

Funds must be **available on** the _____ (2nd/7th) business day **following the day** on which the deposit is made.

For example, a check deposited on Monday the 1st and delayed for an "exception delay" reason must be available on Wednesday the 10th.

Expedited Funds Availability Act

Regulation CC Final Rule Issued

It seems like we've been waiting FOREVER for the funds availability sections of Regulation CC (Subpart B) to be updated.

Well, on June 24, 2019, the CFPB and Federal Reserve finally issued a Final Rule. While it's not everything we were hoping for, it is a start.

The first set of changes have to do with extending Regulation CC coverage to American Samoa, the Commonwealth of the Northern Mariana Islands and Guam. While this change was already in effect as a result of the Economic Growth, Regulatory Relief and Consumer Protection Act (EGRRCPA), applicable definitions and availability timeframes are now updated in the Regulation. The Final Rule also includes some minor, non-substantive changes to the Truth in Savings Act. These changes are effective 60 days after publication in the Federal Register.

The second set of changes have to do with adjusting the various dollar amounts found within the Regulation. For example, the current requirement to make \$200 of non-next day items available by the next business day, will increase to \$225, the first \$5,000 that must be made available when placing an exception hold for New Accounts, Large Deposit and Repeated Overdraft reasons, will increase to \$5,525. Civil liability amounts will also increase. These amounts will also adjust every five years based on the consumer price index. These changes will take effect on July 1, 2020.

As we said, this Final Rule wasn't everything we were hoping for because the regulation still contains some outdated information. Maybe there is more on the horizon.

Stay tuned to our [Banking on BCC Magazine](#) as we will plan to cover these changes in an upcoming issue. If you need some training on today's rules regarding Regulation CC deposit delays, be sure to check our [on-demand webinar](#).

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