

- Concluded that the consumer’s claim was not valid [§229.54(c)(4)(i)];
- Drafted a notice of reversal of recredit [§229.54(e)(3)], accompanied by the following:
 - The original check or a sufficient copy [§229.54(e)(2)(i)];
 - Information or explanation to demonstrate to the consumer that the substitute check was properly charged (or that the consumer’s warranty claim is not valid) [§229.54(e)(2)(ii)];
 - Information or documents (in addition to the original check or a sufficient copy), if any, on which the bank relied in making its determination (or a statement that the consumer can request such) [§229.54(e)(2)(iii)];
 - A description of the amount of the reversal, including both the amount of the recredit and the amount of interest paid on the recredited amount, if any, being reversed [§229.54(e)(3)(i)]; and
 - The date on which the bank made the reversal [§229.54(e)(3)(ii)].
- Sent the notice no later than the business day after the banking day on which the bank made the reversal [§229.54(e)(3)].
- *Availability of recredited funds*
Under circumstances detailed above, where the financial institution determined that it was appropriate to recredit its consumer customer’s account, determine whether the bank took the following actions:
 - Next day availability – Did the bank make any recredited amount available for withdrawal no later than the start of the business day after the banking day on which the recredit was provided? [§229.54(d)(1)]
 - Safeguard exceptions – If necessary for reasons of (1) new account status, (2) overdrawn account status, or (3) well-reasoned suspicion of fraud, did the bank invoke its right to delay immediate availability of recredited funds? If so, was the delay invoked because the bank had not yet determined the validity of the claim? Were the funds made available no later than the business day after the banking day on which the final determination was made **OR** the 45th calendar day after the bank received the claim, whichever occurred earlier? [§229.54(d)(2)]
 - Overdraft fees – If the bank chose to invoke its right to delay immediate availability of recredited funds, did it refrain from imposing an overdraft fee until the appropriate five-day period had elapsed? [§229.54(d)(3)]

References

Expedited Funds Availability Act

<http://www.fdic.gov/regulations/laws/rules/6500-3240.html#6500ceb602>

Part 229: Availability of Funds and Collection of Checks (FRB Regulation CC)

<http://www.fdic.gov/regulations/laws/rules/6500-3210.html>

FIL 116-2004: Final Amendments to the Federal Reserve Board’s Regulation CC

<http://www.fdic.gov/news/news/financial/2004/fil11604.html>

FIL 54-2004 Check Clearing for the 21st Century Act

<http://www.fdic.gov/news/news/financial/2004/fil5404.html>

FIL 28-97: Availability of Funds and Collection of Checks

<http://www.fdic.gov/news/news/financial/1997/fil9728.html>

FIL 67-96: Delayed Availability of Funds

<http://www.fdic.gov/news/news/financial/1996/fil9667.html>

Job Aids

Check 21

The FDIC along with the other FFIEC member agencies has developed a computer based training package that may be used to gain familiarity with the Check 21.

This “InfoBase” is accessible through the following link to the FFIEC website: <http://www.ffiec.gov/exam/check21/default.htm>. It features a 30 minute audio slide presentation, frequently asked questions, and links to other resources. The slide presentation includes discussion about the examination procedures that the FDIC and other FFIEC agencies will use to evaluate compliance with Check 21.

Specific Types of Check Schedules

The flow charts on the following pages detail applicable availability schedules for deposits.

Case-By-Case Hold - The time frames listed in the flow charts are the maximum amounts of time that a bank may delay the availability of a deposit. Most banks have a policy of making funds from deposits available sooner than the time periods allowed by the regulation. These banks may, on a case-by-case basis, delay the availability of funds up to the time frames established by the regulation (those shown in the flow charts). When a bank imposes a case-by-case hold, a written notice including the following information must be given to the depositor:

VI. Deposits — EFA

1. The account number
2. The date of the deposit
3. The amount of the deposit that is being delayed; and
4. The day the funds will be available for withdrawal

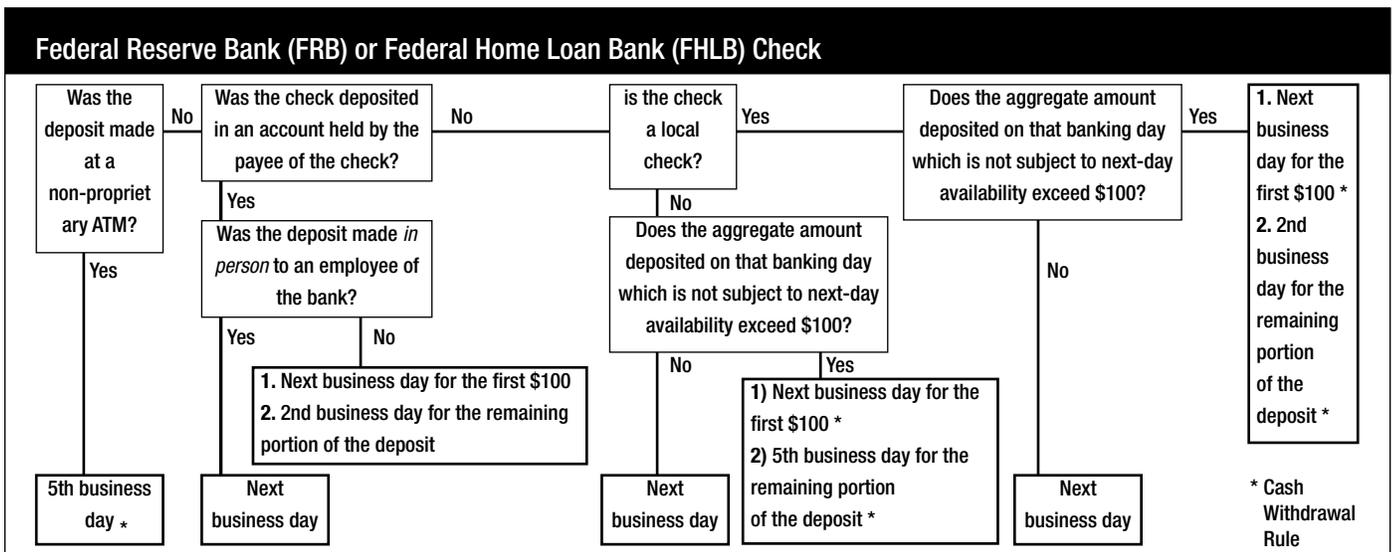
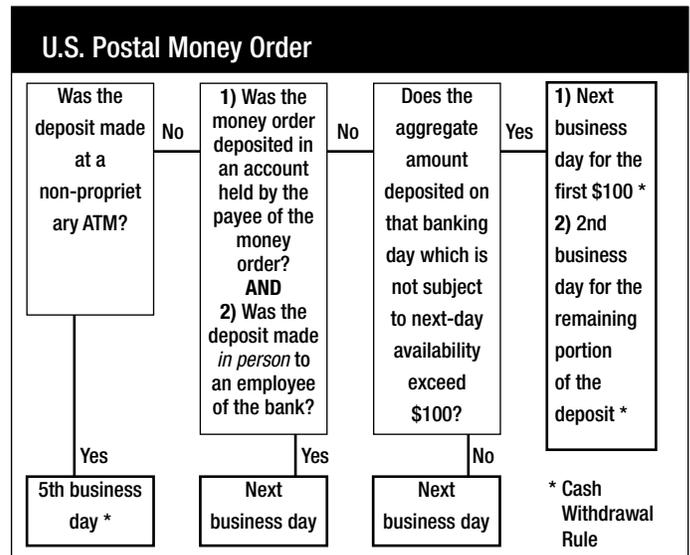
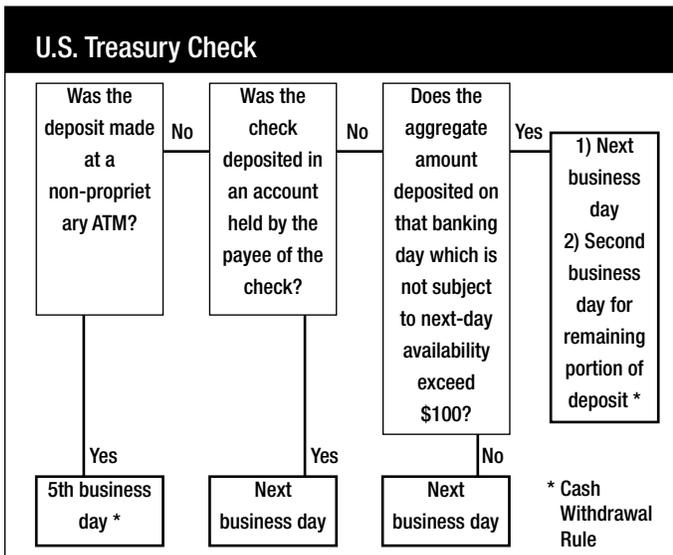
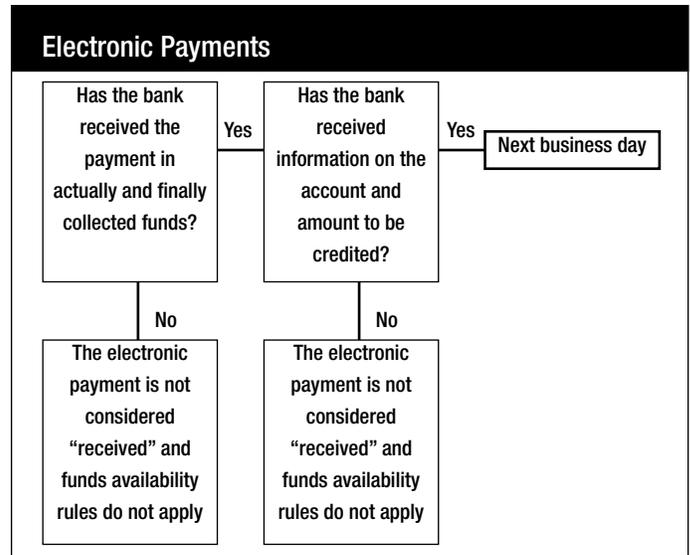
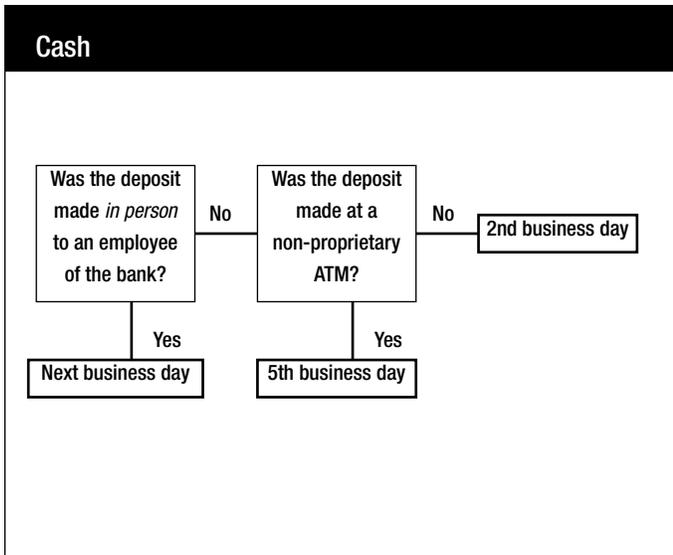
Exception Hold - Another type of hold that may be placed is an exception hold. Section 229.13 discusses the types of exceptions that are allowed. When a bank places an exception hold, a written notice must be provided to the depositor (the notice is not required for the New Account Exception). The exception hold notice must contain the same information as the case-by-case hold notice as well as the reason the exception was invoked. If a bank invokes the Emergency Conditions Exception and the emergency is not over by the time periods set forth in the flow chart for that exception, then the additional time is added once the emergency has ended.

NOTE: Exception holds do not apply to cash deposits and electronic payments.

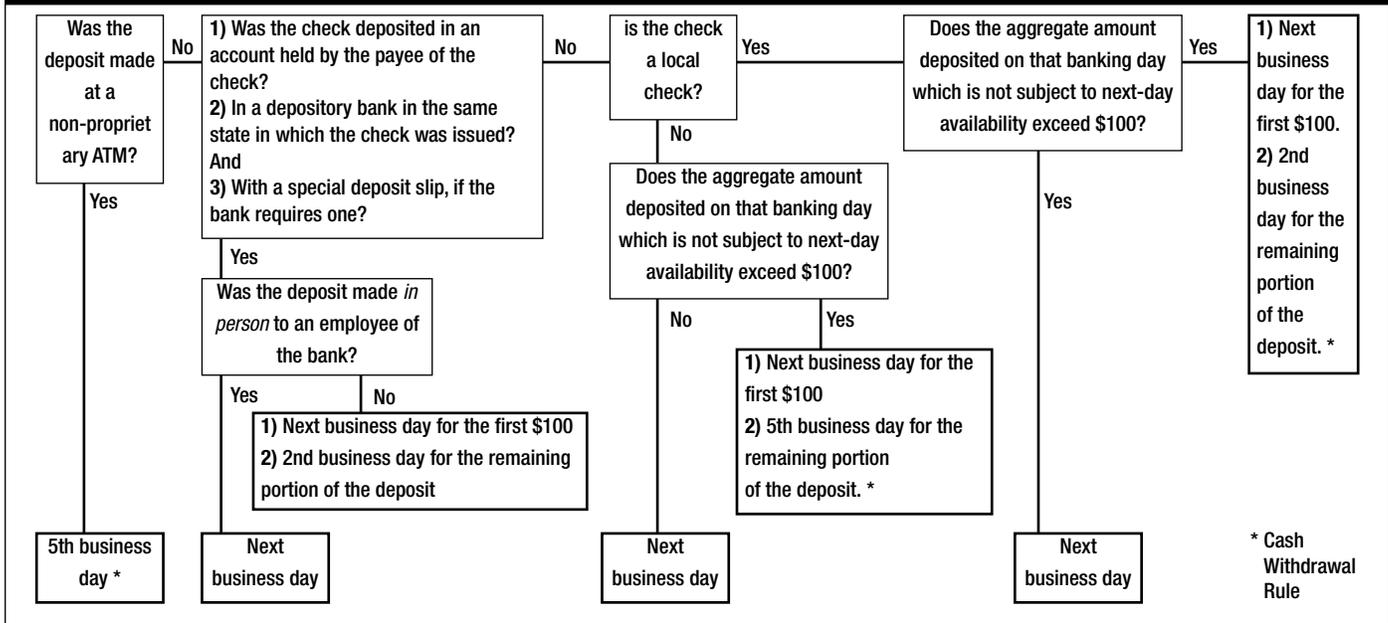
Cash Withdrawal Rule - The bank may extend by one business day the time that funds deposited in an account by certain checks are available for withdrawal by cash or similar

means (including electronic payment, issuance of a cashier's or teller's check, etc.). The bank shall, however, make \$400 of these funds available for withdrawal by cash or similar means not later than 5:00 p.m. on the business day on which the funds would have been available. The flow charts show that for many deposits, the first \$100 of the deposit must be given next day availability while availability of the remaining portion of the deposit may be delayed. The \$400 which must be made available in accordance with the cash withdrawal rule is in addition to the funds which must be made available in accordance with the first \$100 rule. The instances where the cash withdrawal rule applies are denoted with an * on the flow charts.

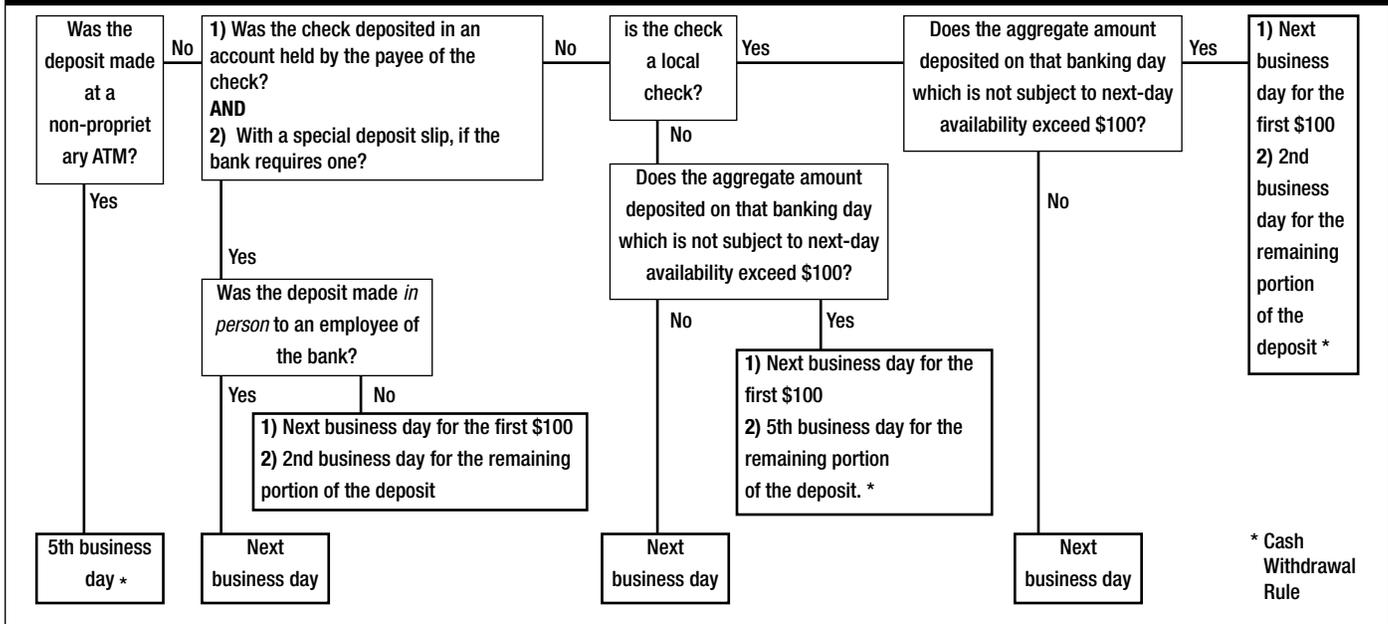
TIP: If a branch makes its decision for holds and maintains its own records, such as in a decentralized structure, sampling may be done at the branch. If the decision to delay availability is either centralized or made at a regional processing center and records are maintained there, sampling for compliance may be made at that location.



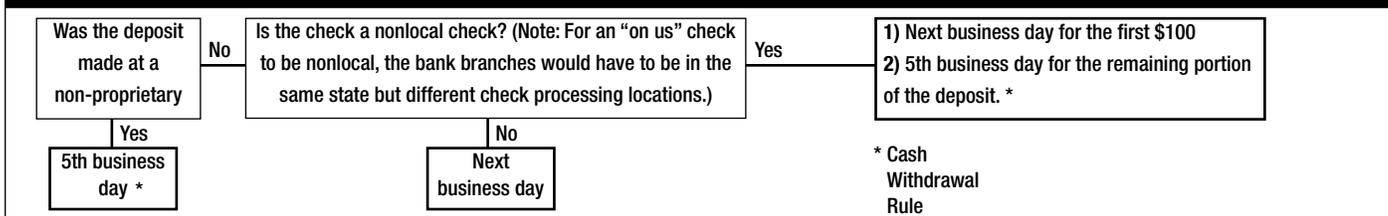
State or Local Government Check

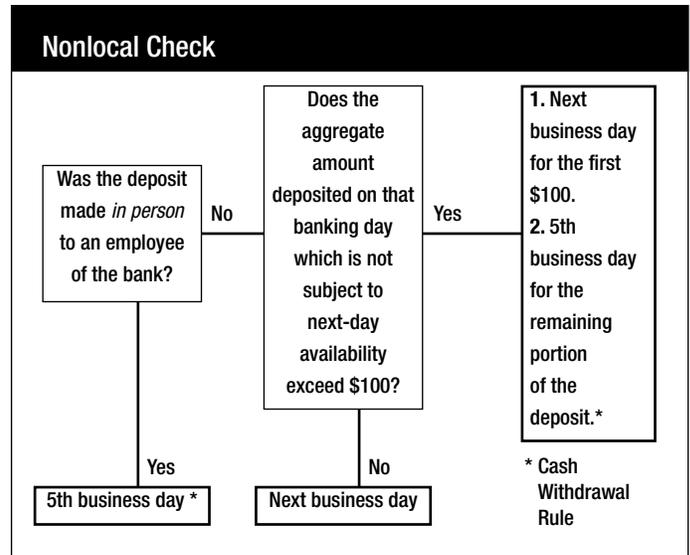
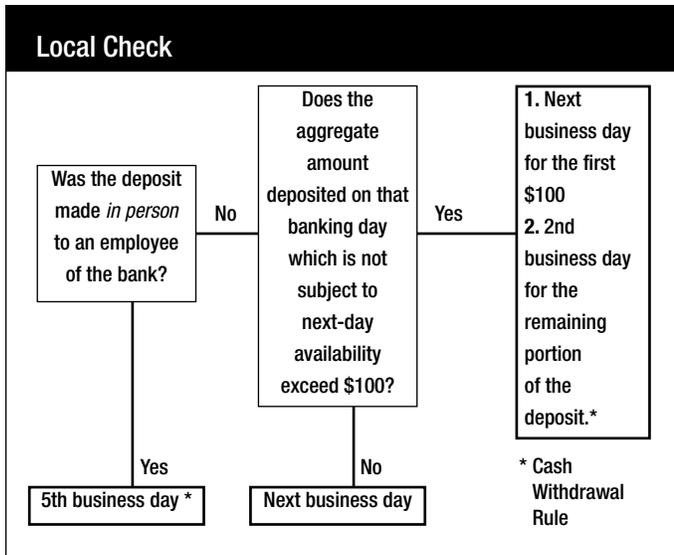


Cashier's, Certified, or Teller's Check



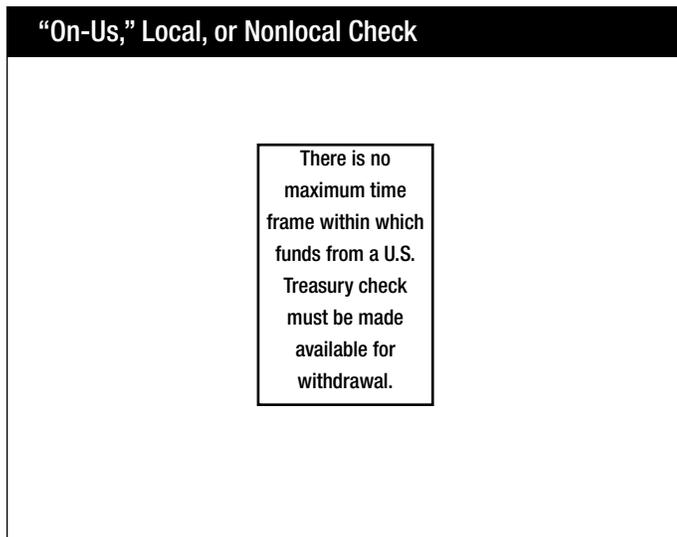
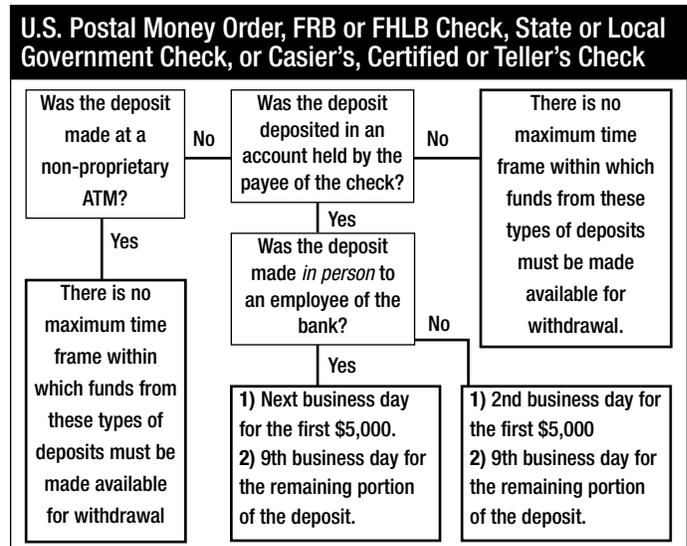
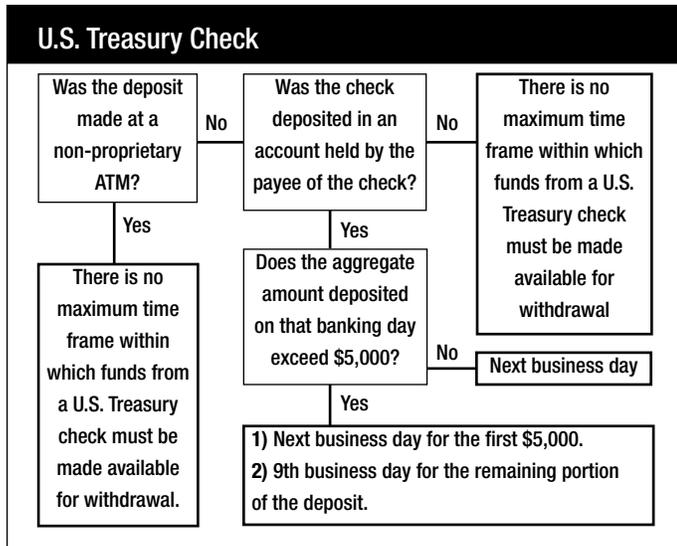
"On Us" Check





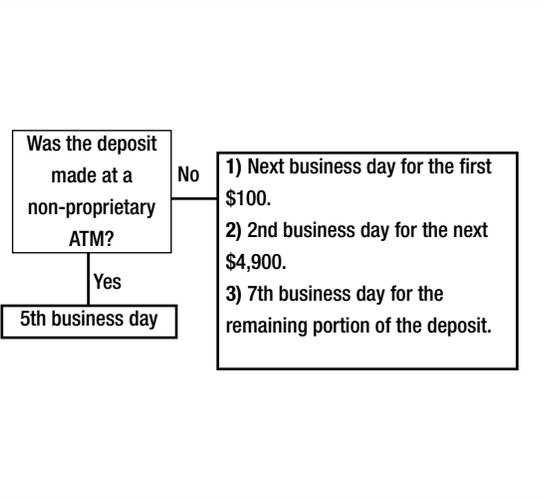
VI. Deposits — EFA

NEW ACCOUNT EXCEPTION

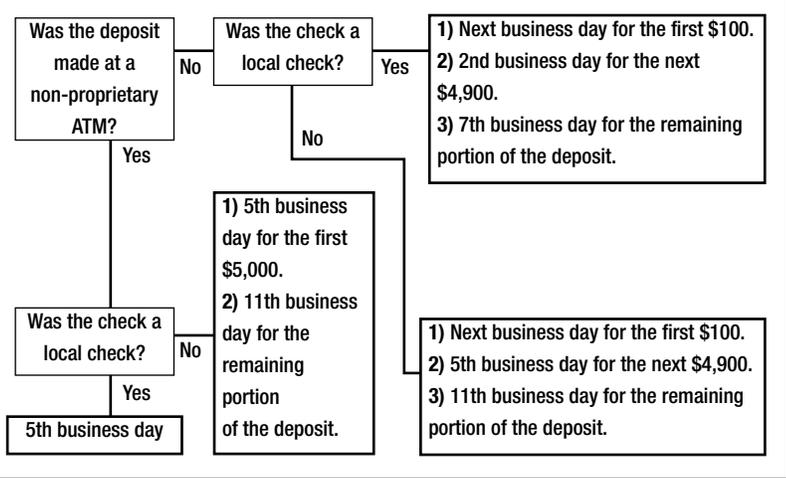


LARGE DEPOSIT EXCEPTION

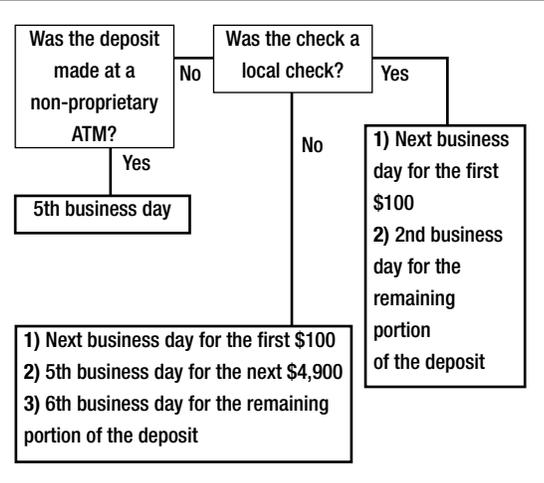
U.S. Treasury Check or U.S. Postal Money Order



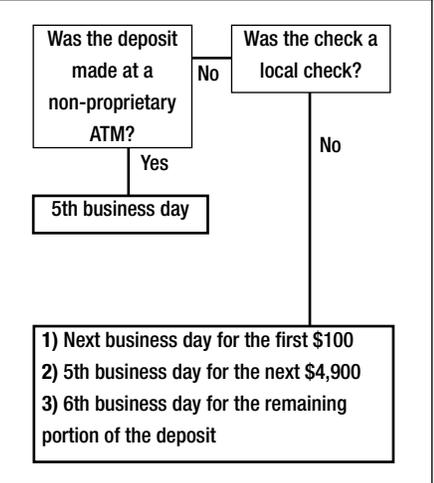
FRB or FHLB Check, State or Local Government Check, or Cashier's, Certified, or Teller's Check



"On-Ups" Check



Local Check



Nonlocal Check

