

NORRISTOWN BELL CREDIT UNION
EXPEDITED FUNDS AVAILABILITY POLICY

Effective January 1, 2014

Overview ®

In compliance with the Federal Reserve's – Regulation CC – (Expedited Funds Availability Funds Act), all banks, savings & loan institutions, and credit unions must follow explicit guidelines in which funds deposited by check are made available to members.

Determining the Availability of the Deposit

The length of the delay is counted in business days from the day of the deposit. Every day is a business day except Sundays and federal holidays. If a deposit is made before closing on a business day that we are open, we will consider that day to be the day of the deposit. However, if a deposit is made after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open. The length of the delay varies depending on the type of deposit and is explained below. Business days are defined as Mondays through Friday; Saturday is noted as being a business day for the purposes of this policy. Federal holidays are excluded as a business day.

=====

PROCEDURES IN EFFECT:

Same-Day Availability:

Funds from the following deposits are available on the day of the deposit:

- a) Cash (although Regulation allows for this to be a day later).
- b) Checks drawn on our credit union (although Regulation allows a longer hold).
- c) Wire transfers, including pre-authorized credits, such as Social Security benefits and payroll payments.
- d) Field of membership payroll checks up to a maximum amount of \$1000.00 (although Regulations allow for a longer hold).

Next Business Day Availability in place:

Funds from the following deposits will be made available on the first business day after the day of the deposit:

- a) First \$200 of a deposit excluding On-Us checks at or under \$5000 (see e) and including On-Us Checks above \$5000.
- b) First \$200 of Traveler's Checks.
- c) State and local government checks that are made payable to the member and deposited into the member's (named payee's) account in person/at NBCU location.
- d) Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are made payable to the depositor and deposited to the member's (named payee's) account in person/at NBCU location.
- a) U.S. Treasury checks that are made payable to the member and deposited to the member's (named payee's) account.
- b) Cashier's, certified, and teller's checks that are payable to the member and are deposited into the member's (named payee's) account in person/at NBCU location.
- c) On-Us Checks at or below \$5000

Second Business Day Availability in place:

Funds from the following deposits will be made available on the second business day after the day of the deposit:

- a) Remainder (less first \$200 made available previously) of a deposit if less than \$5000

NORRISTOWN BELL CREDIT UNION
EXPEDITED FUNDS AVAILABILITY POLICY

- b) \$4800 (excluding first \$200 made available previously) of a deposit, if greater than \$5000
- c) Remainder (less first \$200) of Traveler's Checks.
- d) Federal Reserve Bank checks, Federal Home Loan Bank checks, cashier's check, certified checks, teller checks, and postal money orders, if these items are made payable to the depositor and deposited to the member's (other than the named payee's) account if named payee is not here in person at NBCU location.
- e) U.S. Treasury checks that are made payable to the member and deposited into account other than the named payee.
- f) Remainder (less first \$200 made available previously) of On-U's checks above \$5000.
- g) Redeposited On-U's Checks

Fifth Business Day Availability in place:

Funds from the following deposits will be made available on the fifth business day.

- a) ATM deposits. NBCU reserve the right in accordance with Regulation CC to place a hold on any ATM deposits releasing the funds on the fifth business day. (Internally, NBCU monitors deposits based on threshold analysis and activity pattern; any member may inquire as to their individual availability based on any "out of the ordinary deposit" made.)

Seventh Business Day Availability in place:

Funds from the following deposits will be made available on the seventh business day.

- a) Remainder (excluding first \$5000 made available previously) of a deposit, if greater than \$5000.
- b) Redeposited (other than On-U's) checks

Returned Check(s)

In accordance with REG CC, NBCU, as the paying financial institution of share drafts presented by a "paper draft" or "electronic draft", will only send a returned share draft as unpaid to the institution that presented the share draft for payment. A "paper draft" is an actual paper share draft that the member has issued on their share draft account with NBCU. An "electronic draft" is any draft transaction that is presented for payment on a member's share draft account through the ACH (Automated Clearing House) system. An "electronic draft" is an automated debit for an authorized payment, an electronically produced check image or an electronic presentment or previously returned unpaid to another institution. In the event of a returned "paper draft", the actual returned check will be returned if authorized by NBCU as unpaid for any reason. In the event of an "electronic draft", a notice of return via ACH return process will be returned if authorized by NBCU as unpaid for any reason.

This exception does not apply—

- (1) To a check that has been returned due to a missing endorsement and redeposited after the missing endorsement has been obtained, if the reason for return indication on the check states that it was returned due to a missing endorsement; or
- (2) To a check that has been returned because it was post dated, if the reason for return indicated on the check states that it was returned because it was post dated, and if the check is no longer postdated when redeposited.

In conjunction with REG CC, NBCU reserves the right for those deposits received after 2:00 P.M. on any business day, in which the hold be extended as follows: The first \$200 from a deposit of a check will be made available on the second day regarding the after 2:00 p.m. deposit. The remaining funds will be available after the third business day.

As is the standard, the credit union will notify members when their availability to withdraw funds is delayed. If and/or when the availability is extended, the depositor will be provided written notice. In accordance with REG CC, these holds may be extended no more than 9 business days.

NORRISTOWN BELL CREDIT UNION
EXPEDITED FUNDS AVAILABILITY POLICY

New Accounts:

An account is considered to be new during the first thirty calendar days after it is opened, (although we monitor new accounts up to 180 days): i.e. when the first deposit is made. An account is not new if each member on the account has an established transaction account relationship with NBCU. According to REG CC new account exceptions include:

- a) NBCU reserves the right to hold all aggregate deposits above \$5000 on the new account to be released on the ninth business day, less the first \$200.00 available on second business day.
- b) Cash deposited in-person is available the same day.
 1. NBCU reserves the right to hold cash deposits for one day.
- c) U.S. Postal Money Orders, cashier's checks, teller's checks, certified checks, checks drawn on FRB or FHLB, state and local government checks and travelers checks up to \$5,000 in person and deposited into the named payee's account is available the next business day.
 1. Not deposited in person it is available the second business day.
- d) U.S. Treasury Checks up to \$5,000 deposited into the named payee's account is available the next business day whether in-person or not.
- e) Electronic Payments (direct deposited) is available the same day.

REGULATION CC AVAILABILITY GUIDE

(Notations have been made above when NBCU chooses to reduce hold times earlier than regulatory requirements)

Key Notation: NBCU does not accept third party checks (i.e., the original payee endorses the check over to our member) as it increases our exposure to forgery losses unless the credit union verifies the identity/endorsement of the original payee.

-
- 1) All holds listed are business days. NBCU reserves the right to utilize a 2:00 p.m. cut-off time. Deposits made after the cut-off hour may be considered to have been received on the next business day, less \$200 available on the second business day.
 - 2) NBCU does not presently have branches in more than one state
 - 3) NBCU does not presently own any proprietary ATM's.
 - 4) The \$200 rule does not apply to checks deposited into nonproprietary ATMs.
 - 5) Exception holds may also be placed on next-day (or second-day) items
 - 6) The large deposit exception applies to the aggregate amount of all check deposits made on a single day. This exception cannot be invoked for deposits of cash or electronic payments (direct deposits). When a deposit consists of a mix of checks, as the depository credit union, NBCU has the discretion to which check(s) to apply the exception.
 - 7) The \$200 rule does not apply to this exception.

When the deposited item is:	And the deposit is:	Then funds must be made available on the:
Cash	<ul style="list-style-type: none"> • Deposited in-person to an employee • Otherwise 	<ul style="list-style-type: none"> Next business day 2nd business day
Electronic Payments	<ul style="list-style-type: none"> • Preauthorized payments (direct deposit) • Others 	<ul style="list-style-type: none"> Same day funds received Next business day
<ul style="list-style-type: none"> • Federal Reserve Bank Checks • Federal Home Loan Bank Checks • Cashier's Checks, Certified Checks and Teller's Checks • U.S. Postal Service Money Orders 	<ul style="list-style-type: none"> • Deposited in-person to an employee; and • Deposited into the named payee's account • Not deposited in-person; and • Deposited into the named payee's account • Deposited into account other than the named payee's account whether or not in-person 	<ul style="list-style-type: none"> Next business day 2nd business day 2nd business day
U.S. Treasury Checks	<ul style="list-style-type: none"> • Deposited into the named payee's account • Deposited into account other than the named payee's • Deposited in-person to an employee; and • Deposited into the named payee's account; and • Depository credit union is located in the same state that issued the check 	<ul style="list-style-type: none"> Next business day 2nd business day Next business day
State or Local Government Checks	<ul style="list-style-type: none"> • Not deposited in-person; and • Deposited into the named payee's account whether or not depository credit union is located in the same state that issued the check • Deposited into account other than the named payee's, whether or not 1) in-person and 2) depository credit union is located in the same state that issued the check • Depository credit union is not located in the same state that issued the check, whether or not deposited in-person to the named payee's account 	<ul style="list-style-type: none"> 2nd business day 2nd business day 2nd business day
On-U.s Checks ²	<ul style="list-style-type: none"> • Branch office in the same state • Branch office not in the same state • Amounts up to \$5,000 	<ul style="list-style-type: none"> Next business day 2nd business day
All Other Checks	<ul style="list-style-type: none"> • Amounts over \$5,000 	<ul style="list-style-type: none"> • First \$200 (or entire amount if less than \$200) next business day • Remainder available on the 2nd business day See Large Deposit Exception
ATM Deposits	<ul style="list-style-type: none"> • Deposits at a proprietary ATM³ (owned or operated by the depository credit union) • Deposits at a nonproprietary ATM (not owned or operated by the depository credit union) 	<ul style="list-style-type: none"> • First \$200 (or entire amount if less than \$200) next business day • Remainder available on the 2nd business day unless an exception hold applies 5th business day⁴
Exception Holds:		
Large Deposit ⁶ – Aggregate amounts over \$5,000	<ul style="list-style-type: none"> • Check(s) exceeding \$5,000 • On-U.s Checks 	<ul style="list-style-type: none"> • First \$200 available next business day • \$4,800 available on the 2nd business day • Remainder available on the 7th business day
<ul style="list-style-type: none"> • Redeposited Checks⁷- checks returned unpaid and resubmitted • Repeated Overdrafts⁷ - overdrawn 6 or more business days in last 6 months, or overdrawn more than \$5,000 on 2 or more business days in last 6 months • Reasonable Cause to Doubt Collectibility⁷ • Emergency Conditions⁷ (e.g., computer interruption or severe weather) 	<ul style="list-style-type: none"> • On-U.s Checks • All other checks 	<ul style="list-style-type: none"> 2nd business day 7th business day
New Accounts – During the first 30 calendar days of opening		
Cash	<ul style="list-style-type: none"> • Deposited in-person to an employee • Otherwise 	<ul style="list-style-type: none"> Next business day 2nd business day
Electronic Payments	<ul style="list-style-type: none"> • Preauthorized payments (direct deposit) • Others 	<ul style="list-style-type: none"> Same day funds received Next business day
U.S. Postal Service Money Orders, cashier's checks, teller's checks, certified checks, checks drawn on FRB or FHLB, state and local government checks, and traveler's checks	<ul style="list-style-type: none"> • Amounts up to \$5,000 deposited into the named payee's account • Amounts over \$5,000 	<ul style="list-style-type: none"> • Deposited in-person - next business day • Not deposited in-person – 2nd business day 9th business day
U.S. Treasury Checks	<ul style="list-style-type: none"> • Amounts up to \$5,000 deposited into the named payee's account whether or not the deposit is made in-person • Amounts over \$5,000 	<ul style="list-style-type: none"> Next business day 9th business day
All other checks ⁷	No maximum – credit union can establish its own availability schedule.	

NORRISTOWN BELL CREDIT UNION
EXPEDITED FUNDS AVAILABILITY POLICY

Notification of Special Condition Holds:

NBCU reserves the right that funds deposited by check may be delayed under the following circumstances:

- a) When we believe a check deposited will not be paid – reasonable cause to doubt collectability (e.g. we suspect check kiting, received notification that check is going to be returned, check is stale-dated).

Notification: On the receipt at time of deposit.

- B) Check(s) deposited totaling more than \$5,000 on any one day.

\$200 available next business day
\$4800 available second business day
Remainder available 7th business day

Notification: On the receipt at time of deposit.

- C) A re-deposited check that had previously been returned unpaid (Excludes missing endorsements, which have since been supplied), and resubmitted.

On-us – Second Business day
All other- 7th business day

Notification: On the re-deposited receipt at time of re-deposit.

- a) A member who had repeatedly overdrawn his/her account in the last six months who meets the following conditions:

- 1) If an account is overdrawn 6 or more business days in the last six months, or overdrawn more than \$5,000 on 2 or more business days in the last 6 months.

On-us – Second Business day
All other- 7th business day

Notification: On the receipt at time of deposit.

There is an emergency, such as computer interruption, severe weather, a war, a suspension of payment by another financial institution, an emergency condition beyond the control of NBCU.

Seventh business day

Notification: Notice on a reasonable form within the reasonable time frame given the circumstances. NBCU is not required to provide a notice if the funds subject to the exception became available before the notice is sent.

Hold On Other Funds

NBCU reserves the right to place a hold on any funds of the member, upon receipt of a check for deposit or cashing, provided that:

- a) The amount of funds held does not exceed the amount of the check.
b) The funds are made available within the time specified in the regulation for the type of check deposit taken.
c) This hold is disclosed.

NORRISTOWN BELL CREDIT UNION
EXPEDITED FUNDS AVAILABILITY POLICY

Hold Notice Components

When NBCU delays immediate availability of funds for withdrawal, NBCU will provide the depositor with a written notice. The notice shall include the following information:

- a) The account number , which lists at least four digits of the account
- b) Date of deposit
- c) Amount of deposit being delayed
- d) Date the funds will be available for withdrawal

Timing of Notice: This notice shall be provided to the depositor at the time of the deposit, unless the deposit is not made in person to an employee of NBCU or the decision to extend the time when the deposited funds will be available is made after the time of the deposit. If notice is not given at the time of the deposit, NBCU shall mail or deliver the notice the member not later than the first business day following the business day the deposit is made.

Exception Hold Notice Components

When NBCU extends the delay for availability of funds for withdrawal, NBCU will provide the depositor with an exception written notice. The notice shall include the following information:

- a) A number or code, which need not exceed four digits, that identifies the member's account;
- b) The date of the deposit;
- c) The amount of the deposit that is being delayed;
- d) The reason the exception was invoked; and
- e) The time period within which the funds will be available for withdrawal.

Timing of notice: The notice shall be provided to the depositor at the time of the deposit, unless the deposit is not made in person to an employee of NBCU (as the depository financial institution), or, if the facts upon which a determination to invoke one of the exceptions in paragraph below this section (a through e) to delay a deposit only become known to NBCU after the time of the deposit.

(a) *New accounts.* For purposes of this paragraph, checks subject to §229.10(c)(1)(v) include traveler's checks.(1) A deposit in a new account— (i) Is subject to the requirements of §229.10 (a) and (b) to make funds from deposits by cash and electronic payments available for withdrawal on the business day following the business day of deposit or receipt; (ii) Is subject to the requirements of §229.10(c)(1) (i) through (v) and §229.10(c)(2) only with respect to the first \$5,000 of funds deposited on any one business day; but the amount of the deposit in excess of \$5,000 shall be available for withdrawal not later than the ninth business day following the business day on which funds are deposited; and (iii) Is not subject to the availability requirements of §§229.10(c)(1)(vi) and (vii) and 229.12. An account is considered a new account during the first 30 calendar days after the account is established. An account is not considered a new account if each member on the account has had, within 30 calendar days before the account is established, another account at the depository financial institution (NBCU) for at least 30 calendar days.

(b) *Large deposits.* Sections 229.10(c) and 229.12 do not apply to the aggregate amount of deposits by one or more checks to the extent that the aggregate amount is in excess of \$5,000 on any one business day. For members that have multiple accounts at NBCU, then NBCU may apply this exception to the aggregate deposits to all accounts held by the member, even if the member is not the sole holder of the accounts and not all of the holders of the accounts are the same.

NORRISTOWN BELL CREDIT UNION
EXPEDITED FUNDS AVAILABILITY POLICY

(c) *Redeposited checks.* Sections 229.10(c) and 229.12 do not apply to a check that has been returned unpaid and redeposited by the member or NBCU. This exception does not apply—(1) To a check that has been returned due to a missing endorsement and redeposited after the missing endorsement has been obtained, if the reason for return indication on the check states that it was returned due to a missing endorsement; or (2) To a check that has been returned because it was post dated, if the reason for return indicated on the check states that it was returned because it was post dated, and if the check is no longer postdated when redeposited.

(d) *Repeated overdrafts.* If any account or combination of accounts of NBCU's (as the depository institution) member has been repeatedly overdrawn, then for a period of six months after the last such overdraft, §§229.10(c) and 229.12 do not apply to any of the accounts. NBCU may consider a member's account to be repeatedly overdrawn if—(1) On six or more business days within the preceding six months, the account balance is negative, or the account balance would have become negative if checks or other charges to the account had been paid; or (2) On two or more business days within the preceding six months, the account balance is negative, or the account balance would have become negative, in the amount of \$5,000 or more, if checks or other charges to the account had been paid.

(e) *Reasonable cause to doubt collectibility— (1) In general.* Sections 229.10(c) and 229.12 do not apply to a check deposited in an account at a depository NBCU as the depository institution has reasonable cause to believe that the check is uncollectible from the paying financial institution. Reasonable cause to believe a check is uncollectible requires the existence of facts that would cause a well-grounded belief in the mind of a reasonable person. Such belief shall not be based on the fact that the check is of a particular class or is deposited by a particular class of persons. The reason for the financial institution's (NBCU's) belief that the check is uncollectible shall be included in the notice required under paragraph (g) of this section.

If the notice is not given at the time of the deposit, the depository financial institution (NBCU) shall mail or deliver the notice to the member as soon as practicable, but no later than the first business day following the day the facts become known to NBCU, or the deposit is made, whichever is later.

Funds Availability Disclosure

- a) Located in office lobby and on website.

Approved by the Board of Directors on **February 18, 2014**

Joseph A. Kantanick, Secretary

Accepted by the management of the credit union on **February 18, 2014**

Helen Edwards

Brian K. Black

Laura Lawrence

Policy Alterations:

02/18/2014

Dates Changed on Page 1 and 7.

End adjustments.
