

Cornerstone Community FCU

Funds Availability Policy

Revised June 2016

In order to comply with the Checkhold Regulations issued by the Federal Government, *Cornerstone Community Federal Credit Union* has reviewed its Funds Availability Policy. Our policy may delay the availability of certain funds that you deposit in your account. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written.

Determining the Availability of Deposit

The length of the delay is counted in business days from the day of your deposit. Every day except Saturday, Sunday, and a federal holiday is a business day. If you make a deposit before the close of business on a business day we are opened, we will consider that day to be the first day of your deposit. However, if you make a deposit after the close of business 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 the deposit and is explained below:

Same Day Availability

Funds from the following items are available to you on the same business day:

- Cash
- U. S. Treasury and Federal Government Checks that are payable to you.
- Electronic Payments including pre-authorized credits, such as Social Security Benefits & Direct Payroll Deposits and Wire Transfers.
- Checks drawn on Cornerstone Community Federal Credit Union.
- State and Local government checks payable to you.
- Most Payroll Checks payable to you

If you do not make the deposit in person to one of our employees, such as mailing in the deposit, the funds will be available the day we receive the deposit.

Next Day Availability:

- Cashier's, Certified and Teller Checks that are payable to you.
- Postal Money Orders payable to you.
- The first \$200 of the aggregate deposit of other checks not listed above.

Availability of Other Check Deposits

The first \$200 from a deposit of all other checks will be available on the next business day for cash withdrawal and to pay checks you have written to others. The remainder generally will be available on the second business day after the day of your deposit for both of these purposes. *(For Example: If you deposit a local check of \$700 on a Monday, \$200 of the deposit is available on Tuesday to pay checks to others and to withdraw in cash. The remaining \$500 is available on Wednesday for cash withdrawal and to pay checks you have written to others.)*

Foreign Issued Checks

Foreign Issued Checks payable through an US affiliate can be deposited with a normal two business day hold. A US affiliate means that somewhere on the check the statement "payable through a US bank" is indicated and the routing number on the check would have a 9 digit US routing number. When Canadian issued checks are presented with an 8 digit routing number, a 30 day freeze will apply. For any other foreign issued checks presented with an 8 digit routing number, they are subject for approval before processing.

Holds on Other Funds

If we cash a check for you that is drawn on another financial institution, we may withhold the availability of a corresponding amount of funds that are already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another financial institution, we may make funds from the deposit available for withdrawal immediately but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited have elapsed.

Longer Delays May Apply

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- If we believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,000 on any one day.
- You deposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- An emergency condition such as war, earthquake, fire, flood, and power or equipment failure, suspension of payments from another financial institution or any other emergency occurs. A hold will be placed on the funds for a reasonable time after the emergency has passed.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. Holds maybe invoked for an additional 5 days on local checks and 6 days on non-local checks..

Regardless of the above circumstances, the 1st \$200 of all deposits must be made available on the 1st business day after the day of deposit.

Special Rules for New Accounts

If you are a new member, the following special rules may apply during the first 30 days your account is open.

- Funds from Cash, Electronic Payments and Wire Transfers will be available on the day the funds arrive at the credit union.
- The first \$5,000 on a day's total deposits of Cashier's, Certified, Teller's, U.S. Treasury, Federal, State & Local Government Checks, and any established company's payroll checks will be available on the first business day after the day of deposit if the deposit meets certain conditions. (*For Example: The checks must be payable to you*). The excess over \$5,000 will be available on the ninth business day after the day of deposit. (*If you do not make the deposit in person to one of our employees, the first \$5,000 will not be available until the second business day after the day of deposit.*)
- Funds from all other check deposits will be available on the eleventh business day after the day of deposit.

Deposits Received at ATM Facilities

All funds deposited at an ATM facility owned by Cornerstone Community Federal Credit Union may be subject to a two-business day hold. Once the deposit has been verified, any check funds may have the hold time extended based on the sections of this disclosure entitled "Same Day Availability" and "Availability of Other Check Deposits."

If you do make a deposit at an ATM, we will consider that the deposit was made on the next business day that we are open.

Substitute Checks

Check clearing for the 21st Century (Check 21) enables Cornerstone to send checks to other financial institutions 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.

- 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”

The Credit Union will provide you with a disclosure that a substitute check is the legal equivalent of an original check, along with your rights that apply when you believe that a substitute check was not properly charged to your account whenever you request an original check or a copy of a check and instead receive a substitute check. The disclosure will be provided at the time you receive the substitute check. This disclosure need only be provided to one account holder if a joint account.

(Checkhold Policy Effective Date September 1990 - Name Changed to Funds Availability Policy in June 2003 and Revised in September 2003, February 2005, February 2010, July 2011 September 2015, June 2016)