

Cornerstone Community FCU

Funds Availability Policy

Reviewed June 2018, June 2019, May2020

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. By definition an account is a transaction account. Account does NOT include a savings account. During the delay, you may not withdraw the funds 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 \$225 of the aggregate deposit of other checks not listed above.

Availability of Other Check Deposits

The first \$225 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, \$225 of the deposit is available on Tuesday to pay checks to others and to withdraw in cash. The remaining \$475 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. A processing fee will be charged for all checks deposited with an 8 digit routing and transit number and interchange adjustments may apply.

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 have reasonable cause to believe the check is uncollectible, such as a stale or postdated check, evidence of check kiting or a notice of dishonor from the payor financial institution.
- You deposit checks totaling more than \$5,525 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 may be invoked for an additional 5 business days or 6 days for checks deposited in a nonproprietary ATM.

Regardless of the above circumstances, the 1st \$225 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 next day the funds arrive at the credit union.
- The first \$5,525 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 \$5,525 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 \$5,525 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 a proprietary 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." All funds deposited into a nonproprietary ATM will be available no later than the 5th business day following the deposit.

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.

This disclosure must be provided to anyone opening a new account and Cornerstone must also:

- a. Provide a copy of this funds availability policy to a member who requests it.
- b. Post a copy of this funds availability policy at any location where deposits are accepted, including ATMs. It will also be posted on our website
- c. Notify members of a change in the funds availability policy at least 30 days prior to the change. If the change expedites the availability of funds, notice may be provided 30 days after the change is implemented.

Cornerstone will have procedures in place to ensure compliance with these requirements. These procedures will be provided and made available to applicable members.

(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, July 2018)