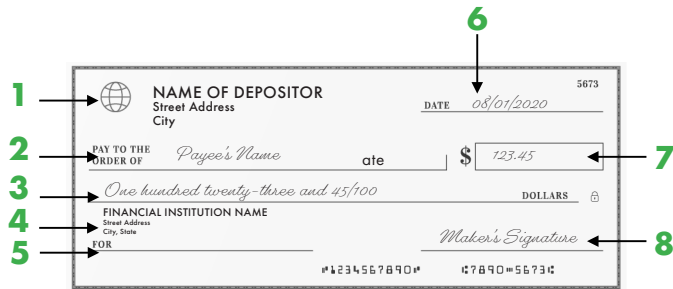


CHECK IMAGE AND AVAILABILITY



1. Maker/Drawer
2. Payee
3. Legal Amount
4. Paying Bank
5. Memo Line
6. Date
7. Courtesy Amount
8. Maker/Drawer Signature

FEDERAL RESERVE ITYP FOR ADJUSTMENTS:

- Disposition (DISP)
- Duplicate Entry (DUP)
- Encoding Error (ENC)
- Entry in Error (ERR)
- Entry in Error (ERR) Claim of Damage
- Information Request (INFO)
- Late Return Claim (LC)
- Late Return Disclaimer (LR)
- Listed Not Enclosed (LNE)
- Missing Cash/Return Letter (MCL)
- Non-Cash Item (NCH)
- Non-Receipt of Cash/Return Letter Credit (MCL)
- Not Our Item (NOI)
- Original or Sufficient Copy Request (OSCR)
- Paid Item (PAID)
- Photo in Lieu (PIL)
- Photocopy Request (PREQ)
- Source of Receipt (SOR)
- Warranty/Indemnity Claim (WIC) Check 21 or Electronically Created Items (ECIs)
- Warranty/Indemnity Claim (WIC) Remote Deposit Capture (RDC) Item
- Warranty/Indemnity Claim (WIC) Unauthorized Electronically Created Item (UECI)
- Warranty/Indemnity Claim (WIC) Unauthorized Remotely Created Check (URCC)

Two Day Availability - Depository bank shall make funds available for withdrawal no later than 2nd business day after banking day on which checks were deposited in person for:

- Local Checks – All checks are now considered local
- Check drawn on the Treasury of the United States
- A US Postal Service Money Order
- Check drawn on Federal Reserve Bank or Federal Home Loan Bank
- Check drawn by a state or local government
- Cashier's, certified, or tellers checks

Checks not listed above:

Next day available is \$225.00 or aggregate amount deposited by check on any one banking day to all accounts of the customer

Statute of Limitations:

UCC = 3 Years
REG CC = 1 Year

UCC Transfer & Presentment Warranties

Transfer Warranties UCC3-417
Presentment Warranties UCC3-417

New Accounts	Large Deposits (greater than \$5,000)	Redeposited Checks	Deposits to Accounts repeatedly overdrawn	Reasonable cause to doubt collectability of a check	Checks deposited during emergency situations
Deposits into new accounts: Open less than 30 days	1st \$5,525 covered under normal availability Remainder of deposit may be held for the extended period	May be held unless check returned for missing indorsement or postdating	If during previous 6 months: account was negative 6 or more banking days (2 or more days if amount is \$5,000 or more)	Must have legitimate reasons	Beyond the control of the Financial Institution Ex: natural disasters or communication malfunction

RULES AND REGULATIONS

UCC - Uniform Commercial Code:

- Model state law
 - Must be adopted in each state
 - Provides transfer & Presentment warranties
- Establishes general duty for parties to:
 - Act in Good Faith and
 - Exercise Ordinary Care
- Article 3 covers negotiable instruments
- Article 4 covers bank deposits and funds transfers

Federal Regulations:

- Code of Federal Regulations (CFR)
- Title 12- Banks & Banking
- Part 210 - Collection of checks and other items by Federal Reserve Banks & Funds (Regulation J)
 - Transfers through Fedwire (Regulation J)
- Part 229 - Availability of Funds and Collections of Checks (Regulation CC)
- Federal Reserve Operating Circulars:
 - OC3: Collection of cash items & returned Checks
 - OC5: Electronic Access

Private Sector:

Clearinghouse/ECCHO Rules - must be ECCHO members to exchange with Private Sector Rules

Warranty and Indemnity Summary

Federal regulations (Reg CC, Reg J)

State laws (UCC)

Rules and agreements (ECCHO Rules, Fed OC3)

- To determine what rules apply, determine if the item:
 - Original physical check, Substitute Check (IRD), or image
- For image exchange - which rules, regs or agreements apply
 - For interbank exchange of electronic checks (derived from a paper check), Reg CC applies as a matter of law
 - Then, determine the presentment/clearing channel:
 - Through the Federal Reserve – Reg J and OC3 apply
 - Through a Clearinghouse – Clearinghouse Rules (e.g., ECCHO Rules)
 - Direct bank to bank (Clearinghouse Rules and/or other agreements) range of electronic checks (derived from a paper check), Reg CC applies as a matter of law
 - Then, determine the presentment/clearing channel:
 - Through the Federal Reserve – Reg J and OC3 apply
 - Through a Clearinghouse – Clearinghouse Rules (e.g., ECCHO Rules)
 - Direct bank to bank (Clearinghouse Rules and/or other agreements)

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