

## CUSTOMER RETURNS

### Codes and Descriptions

<b>A</b> NSF – customer does not have sufficient funds to cover the item	<b>Q</b> Not Authorized RCC
<b>B</b> UCF – uncollected funds hold	<b>R</b> Branch/Account Sold (Wrong Bank)
<b>C</b> Stop Payment – a stop payment has been placed on the item	<b>S</b> Refer to Maker
<b>D</b> Closed Account – the item's account has been closed	<b>T</b> Item cannot be re-presented (exceeds allowable number of presentments)
<b>E</b> UTLA – unable to locate account	<b>U</b> Unusable Image
<b>F</b> Frozen/Blocked Account – account has restrictions placed by customer or bank	<b>W</b> Cannot determine amount
<b>G</b> Stale Dated – the date on the item is more than 6 months old	<b>X</b> Refer to image – return reason is contained within the image of the item
<b>H</b> Post Dated – the date on the item is in the future	<b>Y</b> Not Authorized RCC
<b>I</b> Indorsement Missing	<b>Z</b> Branch/Account Sold (Wrong Bank)
<b>J</b> Indorsement Irregular	<b>3</b> Refer to Maker
<b>K</b> Signature(s) Missing	<b>4</b> Item cannot be re-presented
<b>L</b> Signature(s) Irregular, Suspected Forgery	<b>5</b> Forged and Counterfeit Warranty
<b>M</b> Non-Cash Item (non negotiable)	<b>6</b> Image Missing
<b>N</b> Altered/Fictitious Item/Suspected Counterfeit/Counterfeit	

## ADMINISTRATIVE RETURNS

### Codes and Descriptions

<b>R</b> Image Missing	<b>1</b> Does not conform with ANSI X9.100-181
<b>Q</b> Ineligible Item	<b>2</b> Does not conform to the Industry's Universal Companion Document
<b>T</b> Item cannot be re-presented (exceeds number of allowable times for presentment)	<b>3</b> Warranty Breach (includes Rule 8 & Rule 9 claims)
<b>U</b> Unusable Image	<b>4</b> RCC Warranty Breach (Rule 8)
<b>V</b> Image Fails Security Check	<b>5</b> Forged and Counterfeit Warranty Breach (Rule 9)
<b>Y</b> Duplicate Presentation	<b>6</b> Retired/Ineligible Routing Number

## RETURN TIME FRAME

**REG CC - Expeditious Return Time:** Paying bank determines not to pay a check, it warrants it will return the check such that it will be received by the depository bank not later than 2:00 p.m. (local time of the depository bank) on the second business day following the banking day on which the check was presented to the paying bank.

**UCC - Midnight Deadline:** With respect to a bank is midnight on its next banking day following the banking day on which it receives the relevant item or notice or from which the time for taking action commences to run, whichever is later.

**Remotely Created Check - RCC:** A check that is not created by the paying bank and that does not bear a signature applied, or purported to be applied, by the person on whose account the check is drawn.

**Notice of Non-Payment:** When a paying bank determines not to pay a check in the amount of \$5,000 or more, it must provide notice of nonpayment to the depository bank by 2:00 p.m. (local time) on the second business day following the banking day on which the check was presented. Such notice may be provided by any reasonable means. The returned check can suffice as the notice.

**Post-Dated Check:** Bank may charge a customer's account even though payment is made before the date on check, unless customer gives bank notice of postdating.

**Stale-Dated Check:** Bank may, but is not obligated to, pay a check presented more than six months after its date.

### Forged vs. Altered/Missing Indorsement:

**Forged Signature:** Paying Bank warrants the item was authorized by its customer.

**Altered/Improper Indorsement:** Bank of First Deposit warrants the item has not been altered and the indorsement is proper.

### Holder vs. Holder In Due Course:

**Holder:** Person in possession of a negotiable instrument that is payable either to the bearer or to the identified person in possession.

**Holder in Due Course:** Holder of the item that: took the item in Good Faith, gave value, without notice the item is overdue or has been dishonored, without notice signature was unauthorized or item was altered, without knowledge of claims against it.