

# Mississippi Highway Safety Patrol Federal Credit Union

## Funds Availability Policy

### I. Purpose

It is the policy of The MS Highway Safety Patrol Federal Credit Union to make funds from member deposits available on the same business day the credit union receives the deposit. A member can withdraw the funds in cash and we will use the funds to pay checks the member has written. Longer holds may apply in some cases.

For determining availability of deposits, every day is a business day except Saturdays, Sundays, and federal holidays.

### II. Disclosures

The Credit Union informs members of its Funds Availability Policy by providing members with:

- A. Disclosures Upon Request - The Credit Union will provide a copy of its Funds Availability Policy to any member who requests a copy.
- B. Initial Disclosures - Before a member opens a new account, the Credit Union will provide the member with written disclosures that clearly and conspicuously explain the Credit Union's Funds Availability Policy.
- C. Signage - The Credit Union will post its Funds Availability Policy at a conspicuous place in every location where deposits are accepted.
- D. Internet Disclosure - The Credit Union will post the Funds Availability Policy on its Website on every page where accounts are opened and/or payments are made online.
- E. Change-in-Policy Notice. If the Credit Union ever changes its Funds Availability Policy we will notify all members of the change at least 30-days prior to implementation.

### III. Same Day Availability

The Credit Union always offers same-day availability for cash deposits and electronic fund transfers and typically offers same day availability on other types of deposits.

### IV. Next Day Availability

The Credit Union reserves the right to offer next business day availability for the following funds deposited in person at teller stations. To qualify for next-day availability, members must deposit funds during Credit Union business hours.

- A. Government Checks - U.S. Treasury checks, U.S. Postal Service money orders, checks drawn by the State or an agency of the State or a branch of local government deposited in an account held by the payee of the check.
- B. Depository Checks - Travelers Cheques, cashier's checks, certified checks, and money orders.
- C. On Us Checks - Checks drawn against accounts of this Credit Union.
- D. Drafts Covered by Member's Account - Drafts presented where the member's account balance exceeds the amount of the draft.
- E. \$200 of Aggregate Third Party Checks - If the member deposits a \$800 third party check, for example, and his or her account balance is less than \$800, the Credit Union will make \$200 available the next business day and place a hold on the remaining \$600.

### V. Two Day Availability

On funds deposited by mail or ATM, the Credit Union reserves the right to offer availability within two business days following the day of deposit.

### VI. Longer Delays May Apply

In some cases, we will not make all funds that a member deposits by check available on the same

business day as the day of deposit. However, the first \$200 of a member's deposit will be available on the day the deposit is made.

If we are not going to make all the funds from a member's deposit available at that time, we will inform the member when the deposit is made. We will also inform the member when the funds will be available. If a deposit is not made directly to one of our employees or if we decide to take this action after a member has left the premises, we will mail the notice to the member on the next business day after we receive the deposit.

Funds deposited by check may be delayed for a longer period if:

- A. We believe a check deposited will not be paid.
- B. The checks total more than \$5,000 on any one day.
- C. A member re-deposits a check that has been returned unpaid.
- D. A member overdraws his/her account repeatedly within the previous six months.
- E. Evidence suggests forgery or fraud.
- F. There is an emergency, such as failure of communications or computer equipment.

Typically these holds will be for 5 business days, however, there may be situations in which we deem it necessary to place a longer hold. Funds will generally be available no later than the ninth business day after the date of deposit.

We will notify a member by immediate delivery in writing if his/her ability to withdraw funds is delayed by us for any of these reasons, and will inform that member when the funds will be available.

If for some reason the Credit Union fails to deliver notice at the time of the transaction, the Credit Union will refund any return check fees or overdraft fees assessed if the check is paid. The notice will include:

- A. Notification that the Credit Union is holding the funds;
- B. Reason for the hold;
- C. Member's name and account number;
- D. Date and amount of deposit; and
- E. Date the funds will be available.

Notice can be delivered by fax or e-mail if the member agrees to receive such information in this manner and if it can be downloaded and printed.

## **VII. Special Rules for New Accounts (accounts less than 30-days old)**

- A. Holds do not apply to cash deposits and electronic funds transfers.
- B. Holds may not apply to government checks and depository checks over \$5,000.

## **VIII. Substitute Checks**

The Check Clearing for the 21st Century Act ("Check 21") enables financial institutions to send checks to each other 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.

- A. Legend - 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."

- B. Disclosure - The Credit Union will provide members with a disclosure that a substitute check is the legal equivalent of an original check, along with the member rights that apply when a member in good faith believes that a substitute check was not properly charged to his/her account. The disclosure will be provided:
1. When new accounts are opened.
  2. When a member requests a copy of a check, and instead receives a substitute check. The disclosure in this instance will be provided no later than the time the member receives the substitute check.

*(NOTE: The following disclosure only needs to be provided to one account holder when the account is a joint account.)*

### **Substitute Checks and Your Rights Disclosure**

The Check Clearing for the 21<sup>st</sup> Century Act, popularly known as Check 21 was enacted in October of 2003, with an effective date of October 28, 2004. The Act allows financial institutions to dispense with original paper checks and instead transmit electronic images of the check through the check clearing process.

#### **What Is A Substitute Check?**

To make check processing faster, federal law permits financial institutions to replace original checks with "substitute checks." These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute checks states: "This is a legal copy of your check. You can use it the same way you would use the original check." You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits from your account. However, you have rights under other laws with respect to those transactions.

#### **What Are My Rights Regarding Substitute Checks?**

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, NSF check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other laws.

If you use this procedure, you may receive up to \$2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

#### **How Do I Make A Claim For A Refund?**

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us by mail at Mississippi Highway Safety Patrol Federal Credit Union, P.O. Box 958, Jackson MS 39205 or by phone at 601-987-1290. You must contact us within 40

calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period only if you were not able to make a timely claim because of extraordinary circumstances.

**Your Claim Must Include...**

- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: (identifying information includes the check number, the name of the person to whom you wrote the check, and the amount of the check, etc).

This policy was approved and so noted in the official minutes of the Board of Directors of the MS Highway Safety Patrol Federal Credit Union on this day, March 19, 2010.

\_\_\_\_\_  
Board Chairman

\_\_\_\_\_  
Date

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Board Secretary/Treasurer

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Date