

# Reg CC & Check Holds

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## Your Speaker: Donya Parrish, VP Risk Management

A little about myself and my 21 years supporting Montana credit unions!

### Compliance Support

- Hotline (email/phone)
- *Compliance Vault* Newsletter
- InfoSight Website
- CU PolicyPro
- BSA Email Series
- Elder Fraud Training
- BSA Training
- Compliance Officer Community
- Blogs

### Other Roles

- *A Direct Line* Weekly Blog
- Advocacy Support
- CUNA Mutual Group Liaison
- Community Coordinator (Lending, Volunteers, Internal Auditors, Fraud)
- DEI Liaison to AACUL
- Other Duties As Assigned! ☺

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## Coming Up Next

- **Fiduciary Relationships** (Mar. 7, 10:00 am)
- **Garnishment & Levies** (Mar. 21, 2:00 pm)
- **NCUA Share Insurance** (Apr. 11, 10:00 am)
- **Business Account Basics** (Apr. 25, 2:00 pm)

<https://web.mcun.coop/events>



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## The Basics of Reg CC

Only applies to...

- Transaction (checking) accounts
- Items you choose to accept for deposit

Does not apply to...

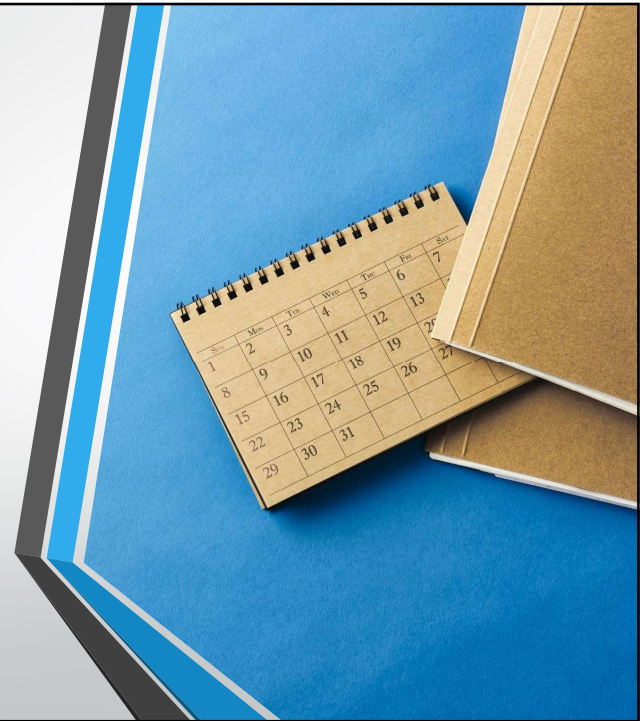
- Remote deposit capture
- Any shorter timeframe you want to use



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## Terminology

- Hold
- Local
- Business day
- New account
- Large deposit



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## Important Questions

- Is this item even subject to Reg CC?
- Where is the deposit being attempted?
- When is the deposit “made”?
- Is this a “next day” item?
- Do you have concerns about fraud?
- What is your relationship with depositor?

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- **Cashier's Checks** - deposited *in person* to a credit union employee and into an account owned by the payee of the check.
- **U.S. Treasury Checks** deposited into an account owned by the payee. (*Note: Does not have to be in person to qualify for next-day availability*)
- **All Other Government Checks**--such as FHLB Checks, FRB Checks, checks drawn on the state or local government, and Postal Money Orders—all deposited *in person* to a credit union employee and into an account owned by the payee of the check.
- **On-us Checks**
- **Cash Deposits** made in person to an employee of the credit union.
- **Electronic Deposits** (ACH credits, wires in). **Note:** Although Reg. CC allows next-day availability of ACH credits, Treasury Regulations and ACH rules generally require these items to be available for withdrawal the day the credit union receives the funds.

## Next Day Availability

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## EXCEPTION HOLD REASONS

First \$225 of exception hold does not need released.

- **Re-deposited Checks:** can use when a member is re-depositing a check that was previously returned unpaid (usually due to NSF).
- **Repeated Overdrafts:** can use if member has overdrawn their account on 6 or more business days in the previous 6 months or overdrawn twice by more than \$5,525 for two or more business days.
- **Doubtful Collectability:** can use if credit union has substantial reason to believe a check will not be paid. [Note: cannot be applied to a class of checks (i.e., credit card checks) but must apply to the specific check being presented.]
- **Emergency Conditions:** can use in event of a natural disaster, power/equipment failure, or other circumstances beyond the credit union control.
- **Large Deposits:** can use on the total amount of checks deposited during one business day that exceeds \$5,525 (cannot count cash and electronic deposits). *Only the amount over \$5,525 can be held*—the first \$5,525 is subject to the "Case-by-Case" hold and next-day availability rules.
- **New Accounts:** can use if the account has been open less than **30 days**.

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## Exception Hold

- Local checks must be available by the 7<sup>th</sup> business day after deposit
- On-us checks by the 2<sup>nd</sup> business day

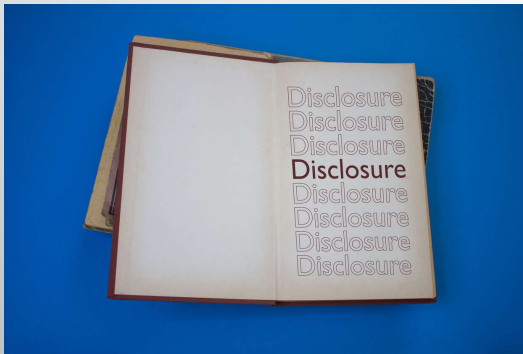


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## Notices



- Disclosure
- In lobby
- When hold placed
- Deposit slips
- ATM
- Night drop box
- Change in terms

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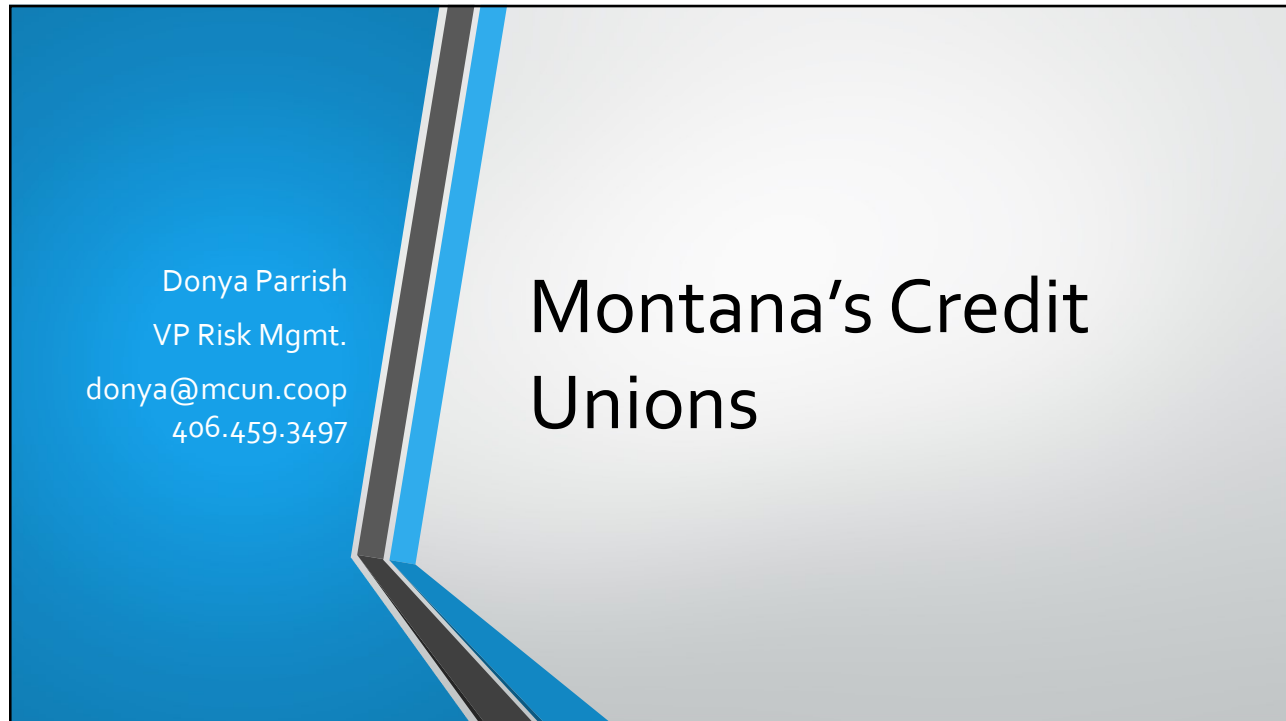
## Is annual training on Reg CC required?

### F. 229.19(f) Employee Training and Compliance

1. The EFA Act requires banks to take such actions as may be necessary to inform fully each employee that performs duties subject to the EFA Act of the requirements of the EFA Act, and to establish and maintain procedures reasonably designed to assure and monitor employee compliance with such requirements.
2. This paragraph requires a bank to establish procedures to ensure compliance with these requirements and provide these procedures to the employees responsible for carrying them out.

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# Montana's Credit Unions

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**Back-to-Basics Webinar Series**

Next Session:  
Fiduciary Relationships  
Mar. 7 10:00 a.m.

Resources:

- InfoSight  
[montana.leagueinfosight.com](http://montana.leagueinfosight.com)
- Flowchart
- NCUA Supervision Manual



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