

Family Savings Credit Union

FUNDS AVAILABILITY POLICY

INTRODUCTION

Family Savings Credit Union's normal practice shall be to make funds from members' deposits available on the first business day after the day we receive the deposit. If a member makes a deposit in person to an employee before 5:00 p.m. on a business day we are open, we will consider that day to be the day of the deposit. However, if the deposit is made after 5:00 p.m. or on a day we are not open, we will consider that the deposit was made on the next business day we are open. Nevertheless, Family Savings Credit Union reserves the right to further delay the availability of deposited funds under certain conditions outlined herein. During the delay, the member may not withdraw the funds in cash and the funds may not be used to pay the member's share drafts. Items presented for payment may be returned. Family Savings Credit Union shall comply with all applicable Federal and State Laws. This policy governs all deposits made to our members' share draft accounts.

Approval by Board of Directors

This policy was adopted by the Board of Directors of Family Savings Credit Union at its regular meeting on 6/20/2011 and was entered into the minutes of that meeting. This policy supersedes all previously adopted check-hold policies.

Policy Changes

If we change our funds availability policy, we will notify our members who hold share draft accounts 30 days before making the change. However, if the change decreases the length of our hold periods, we will notify our members who hold share draft/checking accounts 30 thirty days after implementing the change.

Account Disclosures

Our account disclosures will include all information required by Federal and State law for each share draft account we offer. Disclosures will be in writing and will be provided as follows:

- In the Master Account Agreement that is provided to each new member.
- A notice will be posted in each location where employees accept consumer deposits in a place where consumers seeking to make deposits are likely to see it before making their deposits.
- A notice stating that deposits may not be available for immediate withdrawal will be included on deposit slips that are preprinted with the member's name and account number that are furnished by our Credit Union.

NOTICE OF DELAYED AVAILABILITY

Family Savings Credit Union will notify the member at the time of deposit of any imposed delay of availability and will indicate when funds will be available, unless at the time of deposit the Credit Union is unaware of the delay of availability, in which case, the Credit Union will notify the member as soon as practicable after becoming aware of the delayed availability. If the deposit is not made in person, such as by mail, or the decision to place a hold is made after the member has left the premises, then notification of delayed availability must be sent no later than the next business day, unless facts arise at a later time and then notification of delayed availability will be sent no later than the next business day after such facts arise giving grounds for delayed availability. The length of the delay is counted in business days from the day after the deposit. Every day is a business day except Saturdays, Sundays, and Federal holidays. With the exception of deposits made at ATM's and night depositories, any business day during which

deposits are made in person will be considered to be the day of deposit. However, if a deposit made on a day that Family Savings Credit Union is not open, the deposit will be considered made on the next business day the credit union is open. The length of the delay varies depending on the type of deposit. Also, in the event that Family Savings Credit Union is closed on a day during which funds would otherwise be available, those funds will be available the next day the credit union is open.

AVAILABILITY OF FUNDS

Funds from the following deposits are available on the next business day after the deposit is made.

- Cash Deposits made in person to an employee.
- US Treasury checks deposited into the payee's account.
- Wire transfers.
- Electronic direct deposits, such as social security benefits and payroll payments. An electronic payment is considered received when the financial institution receives both the payment in finally collected funds and also receives information on the account and amount to be credited.
- Escrow checks payable to the account holder.
- Checks or share-drafts drawn on Family Savings Credit Union.
- State and local government checks payable to the account holder.
- Cashier's checks, certified checks and teller checks payable to the account holder.
- Federal Reserve Bank checks, Federal Home Loan checks and U.S. Postal Money Orders payable to the account holder.

CHECK HOLDS

- The first \$200.00 from a deposit will normally be available the next business day after deposit for cash withdrawals and to pay share-drafts, unless the account was opened within the last 30 days.
- The remainder will normally be available on the second business day after the day of deposit.

EXCEPTION/REASONABLE CAUSE TO DOUBT COLLECTABILITY HOLDS

Under some conditions, funds deposited by a check may be delayed for longer periods. These are considered "exceptional" conditions and should be directed to or authorized by a supervisor.

EXCEPTION HOLDS

- Below is a partial list of reasons why an exception hold would be utilized:
- An account has been repeatedly overdrawn in the last six(6) months.
- The item(s) being deposited on this day exceed \$5,000.00
- An emergency, such as a natural disaster, communication malfunctions, or other situations.
- The account is new and has been opened for less than 30 days.
- We received notice that the check is being returned "unpaid".
- We believe the check deposited will not be paid for one or more of the following reasons (reasonable cause to doubt collect ability):
 - a. The check is drawn on an account with repeated overdrafts.
 - b. We are unable to verify the endorsement of a joint payee.
 - c. Some of the information on the check is not consistent with other information on the check.
 - d. There are erasures or other apparent alterations on the checks.
 - e. The routing number of the paying bank is not a current routing number.
 - f. Information from the paying bank indicates that the check may not be paid.

- g. We have been notified that the check has been lost or damaged in collection.
- h. Any other reason justifying a hold.

CHECK HOLD WITH EXCEPTION OR REASONABLE CAUSE HOLD:

- The first \$200.00 from a deposit will normally be available the next business day after deposit for cash withdrawals and to pay share-drafts.
- The remainder will normally be available on the seventh business day after the day of deposit.

NEW ACCOUNTS

An account is considered new during the first 30 calendar days after the account is established. An account is not considered a new account if each customer on the account has had, within 30 calendar days before the account is established, another account at the credit union for at least 30 calendar days.

Longer holds may be placed on deposits into new share draft accounts if the deposits meet the requirements of the exceptions noted above. If this is the case, funds will normally be available on the seventh business day after the date of deposit.

ATM DEPOSITS

All deposits made via ATM, will have an automatic two-day hold on funds in excess of \$300.00. A maximum of \$300.00 of the deposit will be available for cash withdrawal. The remainder of the funds will be available on the second business day after the date of deposit. Proper holds will be placed on check deposits on the next business day.

THE ABOVE POLICY DOES NOT APPLY TO THE FOLLOWING

The above policy does not apply to funds deposited by checks to non-transaction accounts (i.e.; Savings, Miscellaneous, Certificates and Money Market accounts) nor to foreign checks. If a hold is necessary in any of these cases, a hold can be placed until funds are collected.