



Caring for your financial health.

Check Cashing and Funds Availability Policy

Check Cashing Policy

This check cashing policy was implemented as required under Reg CC-Expedited Funds Availability Act of 1987 (EFAA) and Check Clearing for the 21st Century Act (Check 21) to help reduce the effects of fraudulent check cashing schemes and to protect members from the liability they incur if they fall victim to cashing stolen, forged, or insufficient fund checks. It is important for members who attempt to cash any check at a KH Credit Union facility to understand that they, not the individual who originally wrote the check, will be held financially responsible for any related insufficient funds, overdraft, or courtesy pay fees that result from a check that is returned uncollectable. All checks that are attempted to be cashed or deposited at a KH Credit Union facility will be completed after presenting proper identification so that the Credit Union can safeguard our members' privacy.

Proper identification includes: U.S. Passport or U.S. Passport Card, Driver's license or ID card issued by a U.S. State, U.S. Military card, or a Kettering Health photo ID. In the event that none of these identification methods are made available, the Credit Union will attempt to verify personal information that was provided during account opening: member date of birth, social security, and current address. Under no circumstances will the Credit Union cash checks for non-members, with the exception of on-us checks, including persons who do not meet our membership eligibility requirements. When cashing on-us checks for non members, they must have proper ID and be ran through OFAC. In rare cases, management may approve additional check cashing privileges.

Except for checks drawn on foreign banks in foreign countries, this disclosure describes your ability to withdraw funds from transaction accounts at KH Credit Union.

Your Ability to Withdraw Funds

Our policy is to delay the availability of funds from applicable check deposits. During the delay, you may not withdraw the funds in cash and we will not use the funds to pay checks that you have written or debits that you have authorized. Funds will accrue dividends while on hold.

Determining the Availability of a Deposit

The length of the delay is counted in business days from the day of your deposit. Every day is a business day except Saturdays, Sundays, and federal holidays. If you make a deposit prior to closing on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after closing or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

The length of the delay varies depending on the type of deposit and is explained below.

Same-Day Availability

Funds from the following types of deposits will be available on the day we receive the deposit:

- Funds from electronic direct deposits to your account
- US Treasury checks that are payable to you

- Wire transfers
- Checks drawn on-us
- Cash
- State and local government checks that are payable to you
- Cashier's, Certified, and Teller's checks that are payable to you. only in the rare cases that the funds are needed immediately, for example, to release a title, the check can be verified and approval obtained to not put the check on hold. This should be an exception case only. As normal procedure, Cashier's, Certified, and Teller checks should follow the hold schedule listed below.
- Recognized Payroll checks
- Federal Reserve Bank checks, Federal Home Loan Bank checks, and postal money orders, if these items are payable to you

If you make the deposit at one of our ATM's, funds from these deposits will be available on the second business day after the day we receive your deposit.

Other Check Deposits

The first \$225.00 of funds from other check deposits will be available on the same business day we receive your deposit. The remaining funds up to \$5300 will be available on the second business day after the day of your deposit. This includes personal checks and cashier's, certified, and teller checks drawn on another institution. Any funds in excess of \$5300 will be available on the seven business day after the day of deposit. For example, if you deposit a check of \$700.00 on a Monday, \$225.00 of the deposit is available on Monday. The remaining \$475.00 is available on Wednesday. If you wish to have the remainder of the check in cash, we will withdraw those available funds from your account directly. If the funds are not available in your account to withdraw, the hold on the remaining funds from the check would not be available for withdrawal until the hold is released. Exceptions can be made to release funds early with approval based on member relationship.

Third Party Checks

We will not cash or deposit a check endorsed to authorize payment to someone other than the payee to whom the check was originally written. There are some rare events when an exception can be made for this check handling policy. If both signatures on the third-party check can be verified in person and ID information of the original payee(s) noted, a third-party check can be accepted.

Longer Delays May Apply

Funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid
- You deposit checks totaling more than \$5,525.00 on any one day
- You redeposit a check that has been returned unpaid
- You have overdrawn your account repeatedly in the last six months
- There is an emergency, such as a failure of computer or communication equipment

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day following the day of your deposit. In any case, we reserve the right to refuse an item for deposit or encashment.

Special Rules for New Accounts

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account, cash, wire transfers, cashier's, certified, teller's, traveler's and federal, state, and local government checks will be available on the day we receive the deposit if the deposit meets certain conditions. For example, the checks must be payable to you. For all other check deposits, \$225 will be available the same day we receive the deposit. Remaining funds up to \$5300 will be available the second business day after the day we receive the deposit. The excess over \$5,300.00 will be available on the seventh business day after the day of your deposit.

Deposits at Automated Teller Machines

For deposits made at ATMs deposits will become available for withdrawal on the second business day following the day of deposit. All ATMS that we own or operate are identified as our machines.

Remote Deposit Capture Checks

Items transmitted using mobile deposit are not subject to the funds availability requirements of Federal Reserve Board Regulation CC. You understand that for the purpose of deposit using this service, the place of deposit is Dayton, OH. In general, if an image of an item you transmit is received AND ACCEPTED before 4 p.m. EST, Monday through Friday, we will consider that the day of deposit. Otherwise, we will consider the deposit was made on the next business day that we are open. Generally, funds will be made available according to the following schedule: the first \$225 will be available on the 1st BUSINESS DAY following the day of deposit. The remaining funds will be available on the 2nd BUSINESS DAY following the day of deposit. **The Credit Union may make such funds available sooner or later based on such factors as credit worthiness, length and extent of relationship with us, type of check being deposited, and such factors the Credit Union, in its sole discretion, deems relevant.**

Payment of Dividends

The credit union will begin accruing dividends on dividend-bearing transaction accounts on the business day it receives credit for the deposited funds.

Endorsements

According to Uniform Commercial Code for checks written out to multiple members they can either be payable to the persons alternatively, not alternatively, or ambiguously. The manner in which the check is written will determine the restrictions we may put on the deposit.

- 1) **Alternatively:** If the check is made payable to persons alternatively (most commonly using "Or"), the check can be properly negotiated by any one payee individually. Endorsement by at least one payee is required.
- 2) **Not Alternatively:** If the check is made payable to multiple payees (most commonly using "And"), the check can only be negotiated by all payees acting in concert. Endorsement by all payees is required. If one or more of the payees is not a member, (s)he must be present with photo ID to cash or deposit the check.
- 3) **Ambiguously:** If the check is made out to multiple persons, but there is no "And", "Or", or "For", the check is payable to the payees alternatively.