

Checks may clear *FASTER*, so be sure enough funds are on deposit



Important Information about Checking Account Legislation

As the result of a new federal law* that takes effect on Oct. 28, checks that you write may no longer be transported physically between financial institutions to complete the payment cycle. This will shorten the time that it takes for a check to clear your account. Your “float time” could be reduced from days to hours. You need to make sure you have sufficient funds available in your account before you write a check.

The new law also permits financial institutions to replace original checks with “substitute checks.”

Example: A financial institution in California receives a check drawn on a financial institution in New York. In today’s environment, the original check must be transported from California to New York for presentment. Using the new laws, an image of the original check can be sent from California to New York and a substitute check of the original can be created. The substitute check is presented to the financial institution in New York for payment. The new process can eliminate processing time, transportation costs and improve the efficiency of the payment system of the United States.

If we receive a returned substitute check (for reasons such as insufficient funds or stopped payment), the affected account holder will receive a disclosure along with the original returned substitute check. The disclosure examines substitute checks and your rights.

How will Check 21 benefit you?

- **Detects fraud faster** – Since check clearing is faster, fraud can be detected and investigated sooner which brings about a quicker resolution.
- **Faster check clearing** – You get a more accurate picture of your account balance.
- **Quick response** – Check images can be accessed faster to resolve questions.
- **More secure check information** – Checks do not have to be physically transported via truck, train or plane.

*Check Clearing for the 21st Century Act (Check 21)

