

Funds Availability Policy

AND SUBSTITUTE CHECK POLICY DISCLOSURE



This policy statement applies to “transaction” accounts. Transaction accounts, in general, are accounts which permit an unlimited number of payments to third persons and, with some limitations, telephone and pre-authorized transfers to other accounts of yours with us. Share draft accounts are the most common transaction accounts. Feel free to ask us whether any of your other accounts might also be under this policy.

Our policy is to make funds from your deposits available on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit.

Once the funds are available, you can withdraw them in cash and we will use them to pay checks that you have written. In some cases, we may delay your ability to withdraw funds beyond the second business day. Then, the funds will generally be available by the fifth business day after the day of deposit.

During the delay, you may not withdraw funds in cash and we will not use the funds to pay checks that you have written.

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 before we close 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 we close 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. A deposit mailed to LANCO is considered made when it is received by LANCO.

Next-Day Availability

Funds from the following deposits may be immediately available or available on the first business day after the day of your deposit.

- US Treasury checks that are payable to you
- Select Employer Group (SEG) business checks that are payable to you
- Wire transfers, including preauthorized credits such as social security benefits and payroll payments
- Checks drawn on LANCO FCU that are payable to you
- Cash
- State and local government checks that are payable to you

- Cashiers, certified, and teller checks, local checks, money orders and travelers checks that are payable to you
- Federal Reserve Bank checks, Federal Home Loan bank checks and postal money orders that are payable to you
- Insurance checks (auto, home, disability, medical) that are payable to you

Longer Delays May Apply

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the fifth business day after the day of your deposit. The first \$200 of your deposits, however, may be available on the first business day.

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 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 failure of computer or communications 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 after the day of your deposit. If we decide to take action after you have left LANCO, we will mail you the notice by the first business day after we receive the deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

Exceptions for Large Deposit in Excess of \$5,000

An extended hold applies to the amount in excess of \$5,000. The first \$200 will be available on the next business day following the day of your deposit; \$4,800 would be available on the second business day following the deposit; and any excess of the \$5,000 will be available on the seventh business day following the day of deposit.

Example: Check in the amount of \$12,000 deposited on Monday

- \$200 available Tuesday
- \$4,800 available Wednesday
- \$7,000 available on the following Wednesday

Deposits at Automated Teller Machines

Funds from any deposits made at ATMs deposited by 3:00 PM on any business day will be considered deposited on the next business day. The first \$100 of a deposit at an ATM will be immediately available.

Funds from those deposits will be available under the same time periods that are described previously for the type of check that is deposited. Saturdays and Sundays are not considered business days.

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 will be available on the day we receive the deposit.
- Funds from deposits of cash, wire transfers, and the first \$5,000 of a day's total deposits of cashier's, certified, teller's, traveler's, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,000 will be available on the seventh business day after the day of your deposit.
- Funds from all other check deposits will be available on the second business day after the day of your deposit.

SUBSTITUTE CHECK POLICY DISCLOSURE

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 check 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 to your account. However, you have rights under other law with respect to those transactions.

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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, bounced 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 law.

Expedited Refunds

To obtain an expedited refund, you must send us a claim. Federal law limits an expedited refund to the amount of your loss, up to the amount of the substitute check, plus interest if your account earns interest. You should be aware that you could be entitled to additional amounts under other state or federal law.

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:

Calling: (717) 569-7180

Writing to: LANCO Federal Credit Union
349 W Roseville Rd
Lancaster PA 17601

E-mailing: lancofcu@lancofcu.com

You must contact us within 40 calendar days of the latter of these two dates:

- The date that we delivered the account statement showing the charge that you are disputing; or
- The date on which we made the substitute check available to you.

We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances (such as a long trip or hospital stay).

Your expedited refund 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
- A copy of the substitute check and/or information to help us identify the substitute check such as the check number, the name of the person to whom you wrote the check and/or the amount of the check

Our Responsibilities for Handling your Claim

We will investigate your claim promptly. If we conclude that we incorrectly charged your account, we will refund to your account the amount of your claim (up to the amount of the substitute check, plus interest if your account earns interest) within one business day of making that decision. If we conclude that we correctly charged your account, we will send you a notice that explains the reason for our decision and include either the original check or a better copy of the original check than the one you already received. If we have not made a decision on your claim within 10 business days after you submitted it, we will refund the amount that we owe to your account, up to \$2,500, plus

interest, to your account by the 45th calendar day after you submitted your claim.

If we refund your account, on the next business day we will send you a notice that tells you the amount of your refund and the date on which you may withdraw that amount. Normally, you may withdraw your refund on the business day after we make it. In limited cases, we may delay your ability to withdraw up to the first \$2,500 of the refund until the earlier of these two dates:

- The day after we determine that your claim is valid; or
- The 45th calendar day after the day that you submitted your claim.

Reversal of Refund

We may reverse any refund that we have given you if we later determine that the substitute check was correctly charged to your account. We also may reverse any interest we have paid you on that amount if your account earns interest. Within one business day after we reverse a refund, we will send you the original check or better copy of the original check than the one you previously received, explain to you why the substitute check was correctly charged to your account, and tell you the amount and date of the reversal.