

Source: [Final Amendments to Regulation CC to Implement the Check Clearing for the 21st Century Act](http://federalreserve.gov/paymentsystems/truncation/default.htm), July 2004. <http://federalreserve.gov/paymentsystems/truncation/default.htm>

APPENDIX C TO PART 229 – MODEL AVAILABILITY POLICY DISCLOSURES, CLAUSES, AND NOTICES; MODEL SUBSTITUTE CHECK POLICY DISCLOSURE AND NOTICES

This appendix contains model availability policy and substitute check policy disclosures, clauses, and notices to facilitate compliance with the disclosure and notice requirements of Regulation CC (12 CFR 229). Although use of these models is not required, banks using them properly (with the exception of models C-22 through C-25) to make disclosures required by Regulation CC are deemed to be in compliance.

C-5A-Substitute Check Policy Disclosure Substitute Checks and Your Rights

[IMPORTANT INFORMATION ABOUT YOUR CHECKING ACCOUNT]

Substitute Checks and Your Rights What is a substitute check?

To make check processing faster, federal law permits banks 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.

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 The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced check fees).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.

If you use this procedure, you may receive up to (amount, not lower than \$2,500) of your refund (plus interest if your account earns interest) within (number of days, not more than 10) business days after we received your claim and the remainder of your

refund (plus interest if your account earns interest) not later than (number of days, not more than 45) calendar days after we received your claim.

We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

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 at (contact information, for example phone number, mailing address, e-mail address). You must contact us within (number of days, not less than 40) calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your 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; and
- A copy of the substitute check [and/or] the following information to help us identify the substitute check: (identifying information, for example the check number, the name of the person to whom you wrote the check, the amount of the

C-22-Expedited Recredit Claim, Valid Claim Refund Notice

Notice of Valid Claim and Refund

We have determined that your substitute check claim is valid. We are refunding (amount) [of which [(amount) represents fees] [and] [(amount) represents accrued interest]] to your account. You may withdraw these funds as of (date). [This refund is the amount in excess of the \$2,500 [plus interest] that we credited to your account on (date).]

C-23-Expedited Recredit Claim, Provisional Refund Notice

Notice of Provisional Refund

In response to your substitute check claim, we are refunding (amount) [of which [(amount) represents fees] [and] [(amount) represents accrued interest]] to your account, while we complete our investigation of your claim. You may withdraw these funds as of (date). [Unless we determine that your claim is not valid, we will credit the remaining amount of your refund to your account no later than the 45th calendar day after we received your claim.]

If, based on our investigation, we determine that your claim is not valid, we will reverse the refund by withdrawing the amount of the refund [plus interest that we have paid you on that amount] from your account. We will notify you within one day of any such reversal.

C-24-Expedited Recredit Claim, Denial Notice

Denial of Claim

Based on our review, we are denying your substitute check claim. As the enclosed (type of document, for example original check or sufficient copy) shows, (describe reason for denial, for example the check was properly posted, the signature is authentic, there was no warranty breach).

[We have also enclosed a copy of the other information we used to make our decision.] [Upon your request, we will send you a copy of the other information that we used to make our decision.]

C-25-Expedited Recredit Claim, Reversal Notice

Reversal of Refund

In response to your substitute check claim, we provided a refund of (amount) by crediting your account on (date(s)). We now have determined that your substitute check claim was not valid. As the enclosed (type of document, for example original check or sufficient copy) shows, (describe reason for reversal, for example the check was properly posted, the signature is authentic, there was no warranty breach). As a result, we have reversed the refund to your account [plus interest that we have paid you on that amount] by withdrawing (amount) from your account on (date).

[We have also enclosed a copy of the other information we used to make our decision.] [Upon your request, we will send you a copy of the information we used to make our decision.]