EXPEDITED FUNDS AVAILABILITY ACT

(REGULATION CC)

DEFINITIONS

Definitions (Section 229.2)

Definitions used in this part, unless the context requires otherwise:

Account
A deposit as defined in Regulation D – Reserve Requirements of Depository Institutions, §204.2(a)(1)(i) that is a transaction account as described in Regulation D, §204.2(e). As defined in these sections, "account" generally includes accounts at a bank from which the account holder is permitted to make transfers or withdrawals by negotiable or transferable instrument, payment order of withdrawal, telephone transfer, electronic payment, or other similar means for the purpose of making payments or transfers to third persons or others. "Account" also includes accounts at a bank from which the account holder may make third-party payments at an ATM, remote service unit, or other electronic device e, including by debit card, but the term does not include savings deposits or accounts described in §204.2(d)(2) even though such accounts permit third-party transfers. An account may be in the form of:
(1) A demand deposit account,
(2) A negotiable order of withdrawal account,
(3) A share draft account,
(4) An automatic transfer account, or
(5) Any other transaction account described in §204.2(e).
"Account" does not include an account where the account holder is a bank, where the account holder is an office of an institution described in paragraphs (e) (1) through (e) (6) of this section or an office of a "foreign bank" as defined in section 1(b) of the International Banking Act (12 USC 3101) that is located outside the United States, or where the direct or indirect account holder is the Treasury of the United States.

Automated clearinghouse or ACH
A facility that processes debit and credit transfers under rules established by a Federal Reserve Bank operating circular on automated clearinghouse items or under rules of an automated clearinghouse association.

Automated teller machine or ATM
An electronic device at which a natural person may make deposits to an account by cash or check and perform other account transactions.

Available for withdrawal
Available for withdrawal with respect to funds deposited means available for all uses generally permitted to the customer for actually and finally collected funds under the bank's account agreement or policies, such as for payment of checks drawn on the account, certification of checks drawn on the account, electronic payments, withdrawals by cash, and transfers between accounts.

Bank
(1) An "insured bank" as defined in section 3 of the Federal Deposit Insurance Act (12 USC 1813) or a bank that is eligible to apply to become an insured bank under section 5 of that Act (12 USC 1815);
(2) A "mutual savings bank" as defined in section 3 of the Federal Deposit Insurance Act (12 USC 1813);
(3) A "savings bank" as defined in section 3 of the Federal Deposit Insurance Act (12 USC 1813);
(4) An "insured credit union" as defined in section 101 of the Federal Credit Union Act (12 USC 1752) or a credit union that is eligible to make application to become an insured credit union under section 201 of that Act (12 USC 1781);
(5) A "member" as defined in section 2 of the Federal Home Loan Bank Act (12 USC 1422);
(6) A savings association as defined in section 3 of the Federal Deposit Insurance Act (12 USC 1813) that is an insured depository institution as defined in section 3 of that Act (12 USC 1813(c)(2))) or that is eligible to apply to become an insured depository institution under section 5 of that Act (12 USC 1815); or
(7) An "agency" or "branch" of a "foreign bank" as defined in section 1(b) of the International Banking Act (12 USC 3101).
For purposes of subpart C of this part and, in connection therewith, subpart A, the term "bank" also includes any person engaged in the business of banking, as well as a Federal Reserve Bank, a Federal Home Loan Bank, and a state or unit of general local government to the extent that the state or unit of general local government acts as a paying bank. Unless otherwise specified, the term "bank" includes all of a bank's offices in the United States, but not offices located outside the United States.

Banking day
That part of any business day on which an office of a bank is open to the public for carrying on substantially all of its banking functions.

Business day
A calendar day other than a Saturday or a Sunday, January 1, the third Monday in January, the third Monday in February, the last Monday in May, July 4, the first Monday in September, the second Monday in October, November 11, the fourth Thursday in November, or December 25. If January 1, July 4, November 11, or December 25 fall on a Sunday, the next Monday is not a business day.

Cash
United States coins and currency.

Cashier's check
A check that is:
(1) Drawn on a bank;
(2) Signed by an officer or employee of the bank on behalf of the bank as drawer;
(3) A direct obligation of the bank; and
(4) Provided to a customer of the bank or acquired from the bank for remittance purposes.

Certified check
A check with respect to which the drawee bank certifies by signature on the check of an officer or other authorized employee of the bank that:
(1) (i) The signature of the drawer on the check is genuine; and
(ii) The bank has set aside funds that-
(A) Are equal to the amount of the check, and
(B) Will be used to pay the check; or
(2) The bank will pay the check upon presentment.

Check
(1) A negotiable demand draft drawn on or payable through or at an office of a bank;
(2) A negotiable demand draft drawn on a Federal Reserve Bank or a Federal Home Loan Bank;
(3) A negotiable demand draft drawn on the Treasury of the United States;
(4) A demand draft drawn on a state government or unit of general local government that is not payable through or at a bank;
(5) A United States Postal Service money order; or
(6) A traveler's check drawn on or payable through or at a bank.
The term "check" does not include a noncash item or an item payable in a medium other than United States money. A draft may be a check even though it is described on its face by another term, such as "money order." For purposes of subpart C, and in connection therewith, subpart A, of this part, the term "check" also includes a demand draft of the type described above that is nonnegotiable.

Check-processing region
The geographical area served by an office of a Federal Reserve Bank for purposes of its check processing activities.

Consumer account
Any account used primarily for personal, family, or household purposes.

Depository bank
means the first bank to which a check is transferred even though it is also the paying bank or the payee. A check deposited in an account is deemed to be transferred to the bank holding the account into which the check is deposited, even though the check is physically received and indorsed first by another bank.

Electronic payment
A wire transfer or an ACH credit transfer.

Forward collection
The process by which a bank sends a check on a cash basis to the paying bank for payment.

Local check
A check payable by or at a local paying bank, or a check payable by a nonbank payor and payable through a local paying bank.

Local paying bank
A paying bank that is located in the same check-processing region as the physical location of the branch, contractual branch, or proprietary ATM of the depository bank in which that check was deposited.

Merger transaction
(1) A merger or consolidation of two or more banks; or
(2) The transfer of substantially all of the assets of one or more banks or branches to another bank in consideration of the assumption by the acquiring bank of substantially all of the liabilities of the transferring banks, including the deposit liabilities.

Noncash item
An item that would otherwise be a check, except that:
(1) A passbook, certificate, or other document is attached;
(2) It is accompanied by special instructions, such as a request for special advice of payment or dishonor;
(3) It consists of more than a single thickness of paper, except a check that qualifies for handling by automated check-processing equipment; or
(4) It has not been preprinted or post-encoded in magnetic ink with the routing number of the paying bank.

Nonlocal check
A check payable by, through, or at a nonlocal paying bank.

Nonlocal paying bank
A paying bank that is not a local paying bank with respect to the depository bank.

Nonproprietary ATM
An ATM that is not a proprietary ATM.

Paying bank
(1) The bank by which a check is payable, unless the check is payable at another bank and is sent to the other bank for payment or collection;
(2) The bank at which a check is payable and to which it is sent for payment or collection;

(3) The Federal Reserve Bank or Federal Home Loan Bank by which a check is payable;
(4) The bank through which a check is payable and to which it is sent for payment or collection, if the check is not payable by a bank; or
(5) The state or unit of general local government on which a check is drawn and to which it is sent for payment or collection. For purposes of subpart C, and in connection therewith, subpart A, "paying bank" includes the bank through which a check is payable and to which the check is sent for payment or collection, regardless of whether the check is payable by another bank, and the bank whose routing number appears on a check in fractional or magnetic form and to which the check is sent for payment or collection.

Proprietary ATM
An ATM that is:
(1) Owned or operated by, or operated exclusively for, the depository bank;
(2) Located on the premises (including the outside wall) of the depository bank; or
(3) Located within 50 feet of the premises of the depository bank, and not identified as being owned or operated by another entity. If more than one bank meets the owned-operated criterion of paragraph (1) of this definition, the ATM is considered proprietary to the bank that operates it.

Qualified returned check
A returned check that is prepared for automated return to the depository bank by placing the check in a carrier envelope or placing a strip on the check and encoding the strip or envelope in magnetic ink. A qualified returned check need not contain other elements of a check drawn on the depository bank, such as the name of the depository bank.

Returning bank
A bank (other than the paying or depository bank) handling a returned check or notice in lieu of return. A returning bank is also a collecting bank for purposes of UCC 4-202(b).

Routing number
(1) The number printed on the face of a check in fractional form or in nine-digit form; or
(2) The number in a bank's endorsement in fractional or nine-digit form.

Similarly situated bank
A bank of similar size, located in the same community, and with similar check-handling activities as the paying bank or returning bank.

State
A state, the District of Columbia, Puerto Rico, or the U.S. Virgin Islands.

Teller's check
A check provided to a customer of a bank or acquired from a bank for remittance purposes, that is drawn by the bank, and drawn on another bank or payable through or at a bank.

Traveler's check
An instrument for the payment of money that:
(1) Is drawn on or payable through or at a bank;
(2) Is designated on its face by the term "traveler's check" or by any substantially similar term or is commonly known and marketed as a traveler's check by a corporation or bank that is an issuer of traveler's checks;
(3) Provides for a specimen signature of the purchaser to be completed at the time of purchase; and
(4) Provides for a countersignature of the purchaser to be completed at the time of negotiation.

Uniform Commercial Code, Code, or UCC
The Uniform Commercial Code as adopted in a state.

United States
The states, including the District of Columbia, the U.S. Virgin Islands, and Puerto Rico.

Unit of general local government
Any city, county, parish, town, township, village, or other general-purpose political subdivision of a state. The term does not include special-purpose units of government, such as school districts or water districts.

Wire transfer
An unconditional order to a bank to pay a fixed or determinable amount of money to a beneficiary upon receipt or on a day stated in the order, that is transmitted by electronic or other means through the Fedwire, the Clearing House Interbank Payments System, other similar network, between banks, or on the books of a bank. "Wire transfer" does not include an electronic fund transfer as defined in section 903(6) of the Electronic Fund Transfer Act (15 USC 1693a(6)).

Fedwire
The same meaning as in §210.6.

Good faith
Honesty in fact and observance of reasonable commercial standards of fair dealing.

Interest compensation
An amount of money calculated at the average of the Federal Funds rates published by the Federal Reserve Bank of New York for each of the days for which interest compensation is payable, divided by 360. The Federal Funds rate for any day on which a published rate is not available is the same as the published rate for the last preceding day for which there is a published rate.

Contractual branch
With respect to a bank, means a branch of another bank that accepts a deposit on behalf of the first bank.

Unless the context requires otherwise, the terms not defined in this section have the meanings set forth in the UCC: