

§ 210.12

(c) *Payment of limited liability amount.* If the RDFI qualifies for limited liability under this subpart, it shall immediately return to the Federal Government the amount specified in § 210.11(a)(1). The agency will then attempt to collect the amount of the outstanding total not returned by the RDFI. If the agency is unable to collect that amount, the Federal Government will instruct the appropriate Federal Reserve Bank to debit the account utilized by the RDFI at that Federal Reserve Bank for the amount specified in § 210.11(a)(2).

(d) *Violation of subpart B.* An RDFI that fails to comply with any provision of this subpart in a timely and accurate manner, including but not limited to the certification requirements at § 210.11(b) and the notice requirements at § 210.13, shall be liable to the Federal Government for any loss resulting from its act or omission. Any such liability shall be in addition to the amount(s) for which the RDFI is liable under § 210.10 or § 210.11, as applicable.

[64 FR 17487, Apr. 9, 1999, as amended at 69 FR 13189, Mar. 19, 2004]

§ 210.12 RDFI's rights of recovery.

(a) *Matters between the RDFI and its customer.* This subpart does not authorize or direct an RDFI to debit or otherwise affect the account of a recipient. Nothing in this subpart shall be construed to affect the right an RDFI has under state law or the RDFI's contract with a recipient to recover any amount from the recipient's account.

(b) *Liability unaffected.* The liability of the RDFI under this subpart is not affected by actions taken by the RDFI to recover any portion of the outstanding total from any party.

§ 210.13 Notice to account owners.

Provision of notice by RDFI. Upon receipt by an RDFI of a notice of reclamation, the RDFI immediately shall mail to the last known address of the account owner(s) or otherwise provide to the account owner(s) a copy of any notice required by the Service to be provided to account owners as specified in the Green Book. Proof that this notice was sent may be required by the Service.

31 CFR Ch. II (7-1-05 Edition)

§ 210.14 Erroneous death information.

(a) *Notification of error to the agency.* If, after the RDFI responds fully to the notice of reclamation, the RDFI learns that the recipient or beneficiary is not dead or legally incapacitated or that the date of death is incorrect, the RDFI shall inform the agency that certified the underlying payment(s) and directed the Service to reclaim the funds in dispute.

(b) *Resolution of dispute.* The agency that certified the underlying payment(s) and directed the Service to reclaim the funds will attempt to resolve the dispute with the RDFI in a timely manner. If the agency determines that the reclamation was improper, in whole or in part, the agency shall notify the RDFI and shall return the amount of the improperly reclaimed funds to the RDFI. Upon certification by the agency of an improper reclamation, the Service may instruct the appropriate Federal Reserve Bank to credit the account utilized by the RDFI at the Federal Reserve Bank in the amount of the improperly reclaimed funds.

[64 FR 17487, Apr. 9, 1999, as amended at 69 FR 13189, Mar. 19, 2004]

APPENDIX A TO PART 210—STANDARD DISCLOSURE FOR POINT-OF-PURCHASE CONVERSION—POSTED NOTICE

NOTICE TO CUSTOMERS PRESENTING CHECKS

Conversion of Checks—If you are presenting a check to the cashier, your check will be converted into an electronic fund transfer. When you hand your completed, signed check to the cashier, your check will be copied. The account information from your check will be used to make an electronic fund transfer from your account in the amount of the check. The cashier will void the check and return it to you.

Insufficient Funds—The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Do not present a check to the cashier unless there are sufficient funds available in your checking account. If the electronic fund transfer cannot be completed because of insufficient funds, we may try to make the transfer up to two more times [and we will charge you a one-time fee of \$ _____, which we will also collect by electronic fund transfer].

Authorization—By reading this notice and handing your check to the cashier, you authorize the conversion of your check into an electronic fund transfer. If the electronic fund transfer cannot be processed for technical reasons, you authorize us to process the copy of your original check.

More Information—A pamphlet with more information about this process, including information about your rights under Federal law, is available from the cashier. [You may also call _____ or visit our Internet site at _____ for detailed information.]

NOTE: This notice must be conspicuous. This means that the notice should be printed on a sign that is prominently posted at the location where checks are presented to a cashier, in such a way that it is clearly visible from several feet away to customers waiting to present checks.

[67 FR 17903, Apr. 11, 2002]

APPENDIX B TO PART 210—STANDARD DISCLOSURE FOR POINT-OF-PURCHASE CONVERSION—BROCHURE OR PAMPHLET

What is point-of-purchase check conversion? Point-of-purchase check conversion is the process of converting checks that customers present to cashiers into electronic fund transfers. "Electronic fund transfer" is the term used to refer to the process in which we electronically instruct your financial institution to transfer funds from your account to our account, rather than processing your check. When you hand a check to the cashier, your check is copied and the account information from your check is used to make an electronic fund transfer from your account. The cashier voids your check and returns it to you. By presenting your check at a location where a sign notifies you that your check will be converted, you authorize the conversion of your check into an electronic fund transfer in this manner.

How quickly will funds be transferred from my account? The electronic fund transfer from your account will usually occur within 24 hours, which is faster than a check is normally processed. Therefore, you should be sure that there are sufficient funds available in your checking account when you present your check. If the electronic fund transfer cannot be completed because there are insufficient funds in your account, we may try to make the transfer up to two more times [and we will impose a one-time fee of \$ _____ against your account, which we will also collect by electronic fund transfer].

Will the electronic fund transfer appear on my account statement? The electronic fund transfer from your account will be on the account statement that you receive from your financial institution. However, the transfer may be in a different place on your statement

than the place where your checks normally appear. For example, it may appear under "other withdrawals" or "other transactions." The electronic fund transfer should be identified on your statement as "[insert]."

What if there is a problem with the electronic fund transfer? You should contact your financial institution immediately if you believe that the electronic fund transfer reported on your account statement was not properly authorized or is otherwise incorrect. Consumers have protections under a Federal law called the Electronic Fund Transfer Act for an unauthorized or incorrect electronic fund transfer.

What if the electronic fund transfer cannot be processed? In rare instances, an electronic fund transfer cannot be processed for reasons other than insufficient funds. In these cases, we will process the copy of your original check. Different rights apply to the processing of the copy of the check than apply to an electronic fund transfer.

[More detailed information about this process is available on our Internet site at _____ or by calling _____.]

NOTE: This disclosure must be conspicuous. This means that it should be printed in reasonably large typeface. If this disclosure is combined with other information, it should be set off by contrasting color, by surrounding it with a box, or by using other means to ensure that it is prominently featured.

[67 FR 17903, Apr. 11, 2002]

APPENDIX C TO PART 210—STANDARD DISCLOSURE FOR ACCOUNTS RECEIVABLE CONVERSION—NOTICE

NOTICE TO CUSTOMERS MAKING PAYMENT BY CHECK

If you send us a check, it will be converted into an electronic funds transfer (EFT). This means we will copy your check and use the account information on it to electronically debit your account for the amount of the check. The debit from your account will usually occur within 24 hours, and will be shown on your regular account statement.

You will not receive your original check back. We will destroy your original check, but we will keep the copy of it. If the EFT cannot be processed for technical reasons, you authorize us to process the copy in place of your original check. If the EFT cannot be completed because of insufficient funds, we may try to make the transfer up to 2 times [and we will charge you a one-time fee of \$ _____, which we will also collect by EFT].

NOTE: This disclosure must be conspicuous. This means that it should be printed in reasonably large typeface. If this disclosure is combined with other information, it should

be set off by contrasting color, by surrounding it with a box, or by using other means to ensure that it is prominently featured.

[69 FR 13189, Mar. 19, 2004]

PART 211—DELIVERY OF CHECKS AND WARRANTS TO ADDRESSES OUTSIDE THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS

Sec.

211.1 Withholding delivery of checks.

211.2 Claims for the release of withheld checks or for the proceeds thereof.

211.3 Exceptions.

211.4 Implementing instructions.

AUTHORITY: 5 U.S.C. 301; 31 U.S.C. 321 and 3329.

§211.1 Withholding delivery of checks.

(a) It is hereby determined that postal, transportation or banking facilities in general or local conditions in the Republic of Cuba and the Democratic People's Republic of Korea (North Korea) are such that there is not a reasonable assurance that a payee in those areas will actually receive checks or warrants drawn against funds of the United States, or agencies or instrumentalities thereof, and be able to negotiate the same for full value.

(b) A check or warrant intended for delivery in any of the areas named in paragraph (a) of this section shall be withheld unless the check or warrant is specifically released by the Secretary of the Treasury.

(c) Before a check or warrant drawn against funds blocked pursuant to the provisions of Executive Order No. 8389 (3 CFR, 1943 Cum. Supp.), as amended, and which remain blocked under the proviso clause of General License No. 101 of the Foreign Funds Control Regulations (31 CFR 520.101) may be released, it will be necessary for a license authorizing the release to be issued by the Department of the Treasury, Office of Foreign Assets Control, pursuant to E.O. 8389, as amended. In this regard, attention is also directed to the following regulations issued by the Secretary of the Treasury:

(1) The Foreign Assets Control Regulations issued on December 17, 1950 (31 CFR part 500), pursuant to Executive Order 9193 (3 CFR, 1943 Cum. Supp.),

which prohibit transactions involving payments to nationals of the Democratic People's Republic of Korea (North Korea), the Socialist Republic of Vietnam, and Democratic Kampuchea, except to the extent that any such payments have been authorized by appropriate license.

(2) The Cuban Assets Control Regulations issued on July 8, 1963 (31 CFR part 515), pursuant to the same authority, which prohibit similar transactions with nationals of Cuba unless licensed, and

(3) The Iranian Assets Control Regulations issued on November 14, 1979 (31 CFR part 535), as amended on April 17, 1980, pursuant to Executive Orders 12170 and 12211, which prohibit transactions in property of the Iranian Government or its instrumentalities and transfers of funds to persons in Iran, except as authorized by appropriate license.

(d) Powers of attorney for the receipt or collection of checks or warrants or for the proceeds of checks or warrants included within the determination of the Secretary of the Treasury set forth in paragraph (a) of this section will not be recognized.

[41 FR 15847, Apr. 15, 1976, as amended at 44 FR 51568, Sept. 4, 1979; 45 FR 47678, July 16, 1980; 61 FR 41739, Aug. 12, 1996; 66 FR 63623, Dec. 10, 2001]

§211.2 Claims for the release of withheld checks or for the proceeds thereof.

Claims for the release of checks or warrants withheld from delivery or for the proceeds thereof, shall be filed with the administrative agency which would have originally authorized such issuance, e.g., claims arising out of checks or warrants representing payments under laws administered by the Department of Veterans Affairs shall be filed with the Secretary of Veterans Affairs, Department of Veterans Affairs, Washington, DC 20420.

[61 FR 41739, Aug. 12, 1996]

§211.3 Exceptions.

The regulations of this part do not apply to payments to foreign governments, nor to checks or warrants issued in payment of salaries or wages, or for goods or services purchased by