

*Your **check float** has  
hit **bottom!***



For more information, contact:

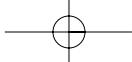
**HVHS Credit Union**  
720 Blackburn Road  
Sewickley, PA 15143

**SVH Office**  
412-749-7099  
Fax 412-749-7680  
7:00 A.M. – 4:00 P.M.

**TMC Office**  
724-773-8300  
Fax 724-773-8303  
7:30 A.M. – 4:00 P.M.

**Check 21**  
*Substitute Checks  
and You*

**HVHS**  
Credit Union



## What is Check 21?

The Check Clearing for the 21st Century Act (**Check 21**) is a regulation issued by the Federal Reserve Board that allows financial institutions to replace original checks with “substitute checks”. The implementation of substitute checks will reduce the amount of time it takes for your check/draft to clear, virtually eliminating any “float” time. This means funds must be available in your account when a check/draft is written.

## What is a substitute check?

For many years, credit unions have used the electronic movement of checks to clear member drafts. Banks just recently started using this form of processing. **Check 21** allows financial institutions the option to receive a replacement of the paper check instead of receiving the electronic file of the check. This “substitute check” will be slightly smaller than the original, is printed on different paper, but contains all the same information as the original document. The front and back will contain all the information that appeared on the original check at the time it was truncated.

## How will Check 21 affect me?

Most of the time and under most circumstances, these changes should be transparent to you. You may receive a substitute check in these cases:

- When you request a copy of a paid check/share draft from the Credit Union, that check may have been converted to an electronic file in the payment process, resulting in a substitute check to fulfill your request. The **Check 21** law says that you can use this substitute check as you would use the original check.
- If you deposit someone’s check into your account, and that check is returned for any number of reasons, it is possible that the check may have been converted during the payments process to an electronic file, leaving you with a substitute check.
- If you have a checking/share draft account that returns paid original checks, some of them may have been converted during the payments process to an electronic file, reconverted back to paper, and been returned to you as a substitute check.

## What are my rights regarding substitute checks?

The **Check 21** law gives you the right to file a claim for an expedited refund if you receive a substitute check and believe that all of the statements below are true:

- 1 The substitute check was incorrectly charged to your account (for example, this may be true if we charged your account for the wrong amount or if we charged your account more than once for the same check);

- 2 You lost money (i.e. fees) as a result of the substitute check charge to your account;
- 3 You need the original check or a better copy of the original check to demonstrate that we incorrectly charged your account (for example, this may be true if you think that we charged your account for the wrong amount and the substitute check does not clearly show the amount).

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 dividends on the amount of your refund if your account is a dividend-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 \$2,500 of your refund (plus dividends if your accounts earns dividends) within 10 days after we received your claim and the remainder of your refund (plus dividends when applicable) not later than 45 calendar days after we received your claim.

We may reverse the refund (including any dividend 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 write to us at the address listed on your statement. You must contact us within 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 or information to help us identify the substitute check, for example the check number, the name of the person to whom you wrote the check, and the amount of the check.

