

Regulation CC Funds Availability Policy

Part A - General Funds Availability Policy

Application: Regulation CC contains the rules regarding when a bank must make deposited funds available to its customers. Accounts covered by the Regulation include all transaction accounts, such as non-interest bearing and interest bearing checking accounts. While money market accounts and savings accounts are not covered by the Regulation, it is our practice to apply the same standards for determining availability on these accounts to avoid both depositor and employee confusion. The policy does not apply to certificates of deposit.

Our Policy: It is our general policy to make funds available from our customer's check and electronic check deposits into a transaction account on the next business day after the day we receive the deposit. Deposits that are made via Mobile Deposit will also be made available on the next business day after we receive the deposit. Electronic deposits, such as automated clearing house deposits (ACH), wire transfers, and cash deposits will be made available on the day we receive the deposit. Once they are available, our depositor can withdraw the funds in cash and we will use the funds to pay debits presented against the depositor's account. For security reasons, we may limit the amount that can be withdrawn by debit card transactions at point-of-sale terminals, VISA merchant terminals, and ATM machines. Our policy does not affect the Bank's right to reject any item for deposit. As an alternative to rejection, and at the depositor's or potential depositor's request, we may send an item for collection. An item taken for collection under these circumstances is not subject to this policy. It should, however, be forwarded as a non-cash item directly to the paying bank instead of being processed with the teller work that is submitted to the Items Processing department. If we accept the item for deposit, however, this policy does apply.

Next Day Availability Defined: For determining availability, every day is a business day except Saturdays, Sundays, and Federal holidays.

Deposits made after closing, on a Saturday, or a day that we are not open will be considered to be made on the next business day we are open. Deposits mailed to the bank are deposited on the banking day that they are received by the bank.

Delays May Apply: In some cases, we will not make all of the funds that a depositor deposits by check available on the first business day after the day of deposit. Depending on the type of check deposited, funds may not be available until the second business day after the day of the deposit. We may make the first \$225 of the deposit available on the first business day.

If we are not going to make all of the funds from a customer's deposit available on the first business day, we will notify the customer at the time he makes his deposit. We will also tell him when the funds will be available. If the deposit was not made directly to one of our employees or if we decide to take this action after the customer has left the premises, we will mail the notice by the day after we receive the deposit.

Longer Delays May Apply: We may delay a deposit made by check for an even longer period under the following conditions:

More than \$5,525 in checks is deposited on any one day;

The customer re-deposits a check that has been returned unpaid;

The account has been repeatedly overdrawn during the past six months;

We believe a check deposited will not be paid; or,

There is an emergency, such as a failure of our computer or communications equipment.

If we chose to delay a customer's ability to withdraw funds for any of these reasons, we will notify the customer and tell him when the funds will be available. The funds will generally be available no later than the seventh business day after the day of your deposit.

Special Rules for New Accounts: An account is a new account if any customer on the account has not, within 30

days of when the account is established, had a transaction account with the bank. We may delay the availability of the entire deposited check amount presented when opening a new account or at any time during the 30 day period following the opening date. Funds from electronic deposits to a new customer's account will be available on the day we receive the deposit. Funds from deposit of cashier's, certified, teller, traveler's and federal, state, and local government checks will be available on the first business day after the day of deposit.

Providing Disclosure to Our Customers: We will provide a written disclosure of our policy to a potential customer prior to opening an account and prior to accepting a deposit if the account has not yet been opened. If a customer opens an account by mail or telephone, we will mail our disclosure to the customer on the first banking day that the request was received.

We will also post our disclosure policy in a conspicuous place at each location where we receive deposits to consumer accounts. This policy will reflect our policy for funds availability generally followed by the bank and any longer delays the bank may impose on a case-by-case basis or any exceptions we may invoke. Additionally, we will include on all preprinted deposit slips and post or provide at all ATM locations, a notice that funds deposited may not be available for immediate withdrawal.

Overdraft and Return Check Fees: If the Bank delays availability and does not give the customer notice at the time of deposit, it will not charge an overdraft or returned-check fee if the overdraft would have not occurred but for the availability delay and the delayed check was paid by the paying bank.

Payment of Interest: It is our policy to start accrual of interest for a customer's interest bearing account beginning on the business day the Bank receives credit for a check deposited. If the check is returned unpaid, we may reclaim interest that was credited to the customer's account between the time of credit and return of the unpaid check. We will rely on the published availability schedule of our Federal Reserve or correspondent bank to determine when credit will be received.