

**Supporting Statement for the  
Recordkeeping and Disclosure Requirements Associated with Regulation CC  
(FR CC; OMB No. 7100-0235)**

**Summary**

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Recordkeeping and Disclosure Requirements Associated with Regulation CC (FR CC; OMB No. 7100-0235). Regulation CC requires banks to make funds deposited in transaction accounts available within specified time periods, disclose their funds availability policies to customers, begin accruing interest on such deposits promptly, and provide certain notices in connection with the nonpayment of certain checks.<sup>1</sup> Regulation CC also requires banks to provide consumer awareness disclosures and other notices regarding substitute checks. Regulation CC includes model disclosure forms, clauses, notices, and commentary to ease compliance with these requirements.

Regulation CC contains both recordkeeping and disclosure requirements. The Paperwork Reduction Act (PRA) classifies these recordkeeping and disclosure requirements as an information collection. Although Regulation CC applies to all banks, the Board accounts for only the burden imposed on the state member banks and uninsured state branches and agencies of foreign banks that it supervises.

The Board proposes to revise the FR CC to take into account certain existing provisions in Regulation CC that include information collections, but had not been included in previous clearances. The current estimated total annual burden for the FR CC is 134,327 hours and would increase to 134,352. The proposed revisions would result in an increase of 25 hours.

**Background and Justification**

Regulation CC implements the Expedited Funds Availability Act of 1987 (EFA Act)<sup>2</sup> and the Check Clearing for the 21<sup>st</sup> Century Act of 2003 (Check 21 Act).<sup>3</sup>

The EFA Act was enacted to provide depositors of checks with prompt funds availability and to foster improvements in check collection and return processes. Subpart B of Regulation CC implements the EFA Act's funds availability provisions and specifies availability schedules within which banks must make funds available for withdrawal. Subpart B also implements the EFA Act's rules regarding exceptions to the funds availability schedules,<sup>4</sup> disclosure of funds

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<sup>1</sup> Regulation CC is codified at 12 CFR part 229. For purposes of Regulation CC, "bank" includes various types of depository institutions, such as insured banks, savings associations, insured credit unions, and U.S. branches and agencies of foreign banks. *See* 12 CFR 229.2(e).

<sup>2</sup> *See* 12 U.S.C. § 4001 et seq.

<sup>3</sup> *See* 12 U.S.C. § 5001 et seq.

<sup>4</sup> The EFA Act and Regulation CC permit banks to delay the availability of funds for certain types of deposits, such as if the depository bank has reasonable cause to believe that the check is uncollectible from the paying bank. *See* 12 U.S.C. § 4003 and 12 CFR part 213.

availability policies, and payment of interest.<sup>5</sup> Subpart C of Regulation CC implements the EFA Act's provisions regarding forward collection and return of checks.<sup>6</sup> Subpart C includes provisions to speed the collection and return of checks, such as requirements for the expeditious return responsibilities of paying and returning banks, authorization to send returns directly to depository banks, and notification of nonpayment of large-dollar returned checks. Certain of these provisions in subparts B and C of Regulation CC—sections 229.10, 229.11, 229.13, 229.16, 229.17, 229.18, 229.21, 229.31, 229.32 and 229.33, as explained further below—contain information collection requirements for purposes of the PRA.

The Check 21 Act, which became effective in October 2004, facilitated electronic collection and return of checks by permitting banks to create a paper “substitute check” from an electronic image of a paper check and from electronic information related to the paper check.<sup>7</sup> The Check 21 Act authorized banks to provide substitute checks to a bank or a customer that had not agreed to electronic exchange. Subpart D of Regulation CC implements the requirements of the Check 21 Act relating to banks that create or receive substitute checks or paper or electronic representations of substitute checks. Subpart D includes, among other things, provisions concerning requirements a substitute check must meet to be the legal equivalent of an original check; the warranties and indemnity associated with substitute checks; expedited recredit procedures for consumers and banks, which are designed to address errors relating to substitute checks; and the consumer awareness disclosure and other notices regarding substitute checks. Certain of these provisions in subpart D of Regulation CC—sections 229.54, 229.55, and 229.57, as explained further below—contain information collection requirements for purposes of the PRA.

## **Description of Information Collection**

### *Recordkeeping Requirements*

#### **Section 229.21(g) and 229.13(g)(5) Record retention**

Section 229.21(g) requires banks to retain for no less than two years evidence of compliance with requirements under subpart B of Regulation CC.<sup>8</sup> Regulation CC generally does not specify the kind of records that must be retained for this purpose. However, consistent with

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<sup>5</sup> The Dodd-Frank Wall Street Reform and Consumer Protection Act made certain amendments to the EFA Act. These amendments became effective on July 21, 2011. As a result of these amendments, the Board and the Consumer Financial Protection Bureau (CFPB) assumed joint rulemaking authority with respect to subpart B of Regulation CC.

<sup>6</sup> The Board adopted the provisions of subpart C pursuant to the authority granted to it in sections 609(b) and (c) of the EFA Act, 12 U.S.C. § (b) and (c).

<sup>7</sup> A substitute check is a paper reproduction of an original check that contains an image of the front and back of the original check and is suitable for automated processing in the same manner as the original check.

<sup>8</sup> Regulation CC also specifies that if a bank has actual notice that it is being investigated, or is subject to an enforcement proceeding by an agency charged with monitoring that bank's compliance with the EFA Act and subpart B of Regulation CC, or has been served with notice of an individual or class action related to the bank's failure to comply with any requirement imposed under subpart B of Regulation CC, it must retain the records pertaining to the action or proceeding pending final disposition of the matter, unless an earlier time is allowed by order of the agency or court.

the EFA Act,<sup>9</sup> section 229.13(g)(5) of Regulation CC requires that banks retain a record for not less than two years of each notice provided to a depositor pursuant to the bank's application of the reasonable cause to doubt collectibility exception hold, together with a brief statement of the facts giving rise to the bank's reason to doubt the collectibility of the check.

The Board estimates no additional burden for this requirement, because banks are anticipated to retain records for at least this duration in their usual course of business.

### *Disclosure Requirements*<sup>10</sup>

#### **Section 229.16 Specific availability policy disclosure and section 229.17 Initial disclosures**

Before opening a new account, a bank must provide a disclosure describing the bank's policy as to when funds deposited in an account are available for withdrawal. The disclosure must reflect the policy followed by the bank in most cases. The specific availability policy disclosure must contain the following, as applicable:

- a summary of the bank's availability policy;
- a description of the categories of deposits or checks used by the bank when it delays availability, how to determine the category to which a particular deposit or check belongs, and when each category will be available for withdrawal;
- a description of any of the exceptions permitted by Regulation CC that may be invoked by the bank, including the time following a deposit that funds generally will be available for withdrawal and a statement that the bank will notify the customer if the bank invokes one of the exceptions;
- a description, as specified in section 229.16(c) below, of any case-by-case policy of delaying availability that may result in deposited funds being available for withdrawal later than the time periods stated in the bank's specific availability policy; and
- a description of how the customer can differentiate between proprietary and nonproprietary automatic teller machines (ATMs), if the bank makes funds from deposits at nonproprietary ATMs available for withdrawal later than funds from deposits at proprietary ATMs.

#### **Section 229.16(c) Longer delays on a case-by-case basis – Notice in specific policy disclosure and notice at time of case-by-case delay**

If a bank has a policy of generally making funds available for withdrawal sooner than required under Regulation CC but delaying availability on a case-by-case basis, the bank must provide advance notice of the policy in its specific policy disclosure and notice each time a delay is imposed. The case-by-case notice must include a specific number code that identifies the customer's account, the date of deposit, the amount being delayed, and the date funds will be available for withdrawal.

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<sup>9</sup> 12 U.S.C. § 4003(c)(4).

<sup>10</sup> Section 229.15 prescribes general requirements for disclosures required by subpart B of Regulation CC.

### **Sections 229.18(d) Disclosure of specific availability policy to any person upon request**

A bank must provide its specific availability policy disclosure to any person who makes an oral or written request regarding the policy. Because banks are required to have this information already, the Board estimates that the burden to fulfill these additional requests is negligible.

### **Section 229.13(g) Notice of exceptions**

Regulation CC permits banks to invoke certain exceptions to the availability schedules required by the regulation. Whenever a bank invokes such an exception, it must notify the customer in writing. Special rules apply to exceptions pertaining to large dollar deposits and redeposited checks into non-consumer accounts, as well as an exception pertaining to repeated overdrafts. The notice must include a specific number code that identifies the customer's account, the date of deposit, the amount being delayed, the reason the exception was invoked, and when funds will be available for withdrawal.

### **Section 229.18(a) Notice on preprinted deposit slips**

A bank must include on all preprinted deposit slips furnished to its customers a notice that deposits may not be available for immediate withdrawal. Because this notice is a standardized, machine-generated message on forms the bank would be using in its normal course of business and does not change from one individual account to another, the Board estimates that the burden for this requirement is negligible.

### **Section 229.18(b) Locations where employees accept consumer deposits and section 229.18(c) Automated teller machines**

A bank must post conspicuously in each location where its employees receive deposits to consumer accounts a notice that sets forth the time periods applicable to the availability of funds deposited in a consumer account.

A bank must also post or provide a notice at each ATM location that funds deposited in the ATM may not be available for immediate withdrawal. A bank that operates an off-premises ATM from which deposits are removed not more than two times each week must disclose at or on the ATM the days on which deposits made at the ATM will be considered received

### **Section 229.18(e) Notice of changes in policy**

A bank must send a notice to holders of consumer accounts at least 30 days before implementing a change to the bank's availability policy regarding such accounts, except that a change that expedites the availability of funds may be disclosed not later than 30 days after implementation.

A bank that has provided its customers with a list of ATMs (to fulfill the requirement that it explain its availability policy for proprietary and nonproprietary ATMs under section 229.16(b)(5)), must provide its customers with an updated list of ATMs once a year if there are changes in the list of ATMs previously disclosed to the customers.<sup>11</sup>

### **Sections 229.11(c) and 229.18(e) Notices of quinquennial inflation adjustment**

The EFA Act requires certain dollar thresholds in Regulation CC to be adjusted for inflation every five years.<sup>12</sup> These dollar amount adjustments are prescribed in several parts of section 229.<sup>13</sup> Such periodic inflation adjustments are considered a change in policy that cause banks to need to update their disclosures to match the new information and send notice to holders of consumer accounts.

### **Sections 229.31(c) Notice of nonpayment**

Paying bank notice of nonpayment - If a paying bank determines not to pay a check in the amount of \$5,000 or more, it generally must provide notice of nonpayment such that the notice would normally be received by the depository bank not later than 2 p.m. (local time of the depository bank) on the second business day following the banking day on which the check was presented to the paying bank. This notice must include certain information as specified in Regulation CC.<sup>14</sup>

### **Section 229.33(h) Notification to customer**

Notification to customer - If the depository bank receives a returned check, notice of nonpayment, or notice of recovery under section 229.35(b), it must send or give notice to its customer of the facts by midnight of the banking day following the banking day on which it received the returned check, notice of nonpayment, or notice of recovery, or within a longer reasonable time. The Board estimates a lower additional burden for this requirement because, even absent this requirement, banks presumably would provide a similar notification to customers in the usual and customary course of their business. While a specific time period is required, such notice is anticipated to be largely automated.

### **Sections 229.54 Expedited recredit claim for consumers**

The Check 21 Act and Regulation CC provide that, if certain conditions are met, a consumer may make a claim for expedited recredit for addressing errors relating to substitute checks.<sup>15</sup> The consumer's expedited recredit claim must include certain information described in the Check 21 Act and section 229.54 of Regulation CC. If a consumer attempts to make an expedited recredit claim but fails to provide all the information required to constitute a claim, the

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<sup>11</sup> See 12 CFR part 229, App. C, section XII.E(3).

<sup>12</sup> 12 U.S.C. § 4006(f) and 12 CFR 229.11.

<sup>13</sup> See 12 CFR 229.10(c)(1)(vii), 229.12(d), 229.13(a), 229.13(b), 229.13(d), and 229.21(a). By statute, these dollar amounts are indexed to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), as published by the Bureau of Labor Statistics.

<sup>14</sup> See 12 CFR 229.31(c)(2) & 229.31(e)-(f).

<sup>15</sup> 12 U.S.C. § 5006 and 12 CFR 229.54(a).

bank must inform the consumer that the claim is not complete and identify the information that is missing.<sup>16</sup> A bank that requires a consumer to submit an expedited recredit claim in writing must inform a consumer who submits a claim orally of the written claim requirement at the time of the oral claim.<sup>17</sup> In addition, a bank must provide notice to the consumer when the bank validates or denies a consumer's expedited recredit claim or reverses an amount that it previously recredited. These notices must include certain information as specified in the Check 21 Act and section 229.54 of Regulation CC.

### **Section 229.55 Expedited recredit claim for banks**

In certain circumstances, the Check 21 Act and Regulation CC give a bank the right to make an expedited credit claim against an indemnifying bank with respect to a substitute check. The bank's expedited credit claim must include certain information and follow certain procedures described in the Check 21 Act and section 229.55 of Regulation CC. Section 229.60 of Regulation CC provides that any provision of section 229.55 may be varied by agreement of the banks involved.

### **Section 229.57 Consumer awareness**

The Check 21 Act and Regulation CC require banks to provide disclosures to consumer customers regarding substitute checks and consumer recredit rights. Banks must provide these disclosures to a consumer at the time the customer relationship is initiated if the consumer receives paid original checks or paid substitute checks with his or her periodic account statement. Banks also must provide these disclosures to certain other consumers who receive substitute checks on an occasional basis, as described in section 229.57(b)(2) of Regulation CC.

### **Respondent Panel**

Although Regulation CC applies to all banks, the Board accounts for only the burden imposed on the state member banks and uninsured state branches and agencies of foreign banks that it supervises.

### **Frequency and Time Schedule**

With certain exceptions noted above, the disclosure requirements for Regulation CC are triggered by specific events and must be provided to consumers within the time periods established by the law and regulation. There is no reporting form associated with the requirements of Regulation CC; disclosures or notifications pertaining to a particular transaction or consumer account are not publicly available. Model disclosure forms, clauses, and notices are appended to the regulation to ease compliance.

### **Proposed revisions to the FR CC**

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<sup>16</sup> 12 CFR 229.54(b)(2)(ii).

<sup>17</sup> See 12 CFR 229.54(b)(3)(ii).

The Board proposes to revise the FR CC to take into account sections 229.10(c)(3), 229.31(f) and 229.32(d) of Regulation CC that include information collections, but had not been included in previous clearances.

### **Section 229.10(c)(3) Special deposit slip**

As a condition to making the funds available for withdrawal not later than the business day after the banking day on which the funds are deposited, a depository bank may require that certain types of checks be deposited with a special deposit slip or deposit envelope that identifies the type of check. If a depository bank requires the use of a special deposit slip or deposit envelope, the bank must either provide the special deposit slip or deposit envelope to its customers or inform its customers how the slip or envelope may be prepared or obtained and make the slip or envelope reasonably available.

### **229.31(f) and 229.32(d) Notices of nonpayment**

Paying bank notice in lieu of return - If a check is unavailable for return, the paying bank may send in its place a copy of the front and back of the returned check, or, if no such copy is available, a written notice of nonpayment containing the information specified in section 229.31(c)(2) of Regulation CC.

Returning bank notice in lieu of return - If a check is unavailable for return, the returning bank may send in its place a copy of the front and back of the returned check, or, if no such copy is available, a written notice of nonpayment containing the information specified in section 229.31(c) of Regulation CC.

### **Public Availability of Data**

There is no data related to this information collection available to the public.

### **Legal Status**

Section 609 of the EFA Act, as amended by section 1086 of the Dodd-Frank Wall Street Reform and Consumer Protection Act,<sup>18</sup> states that, “the Board, jointly with the Director of the Bureau of Consumer Financial Protection, shall prescribe regulations—(1) to carry out the provisions of this chapter; (2) to prevent the circumvention or evasion of such provisions; and (3) to facilitate compliance with such provisions.” Additionally, section 15 of the Check 21 Act<sup>19</sup> authorizes the Board to “prescribe such regulations as the Board determines to be necessary to implement, prevent circumvention or evasion of, or facilitate compliance with the provisions of this chapter.” The Board is therefore authorized by these statutory provisions to promulgate the disclosure and recordkeeping requirements contained in Regulation CC.

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<sup>18</sup> 12 U.S.C. § 4008. The Dodd-Frank Wall Street Reform and Consumer Protection Act made certain amendments to the EFA Act. These amendments became effective on July 21, 2011. As a result of these amendments, the Board and the Consumer Financial Protection Bureau (CFPB) assumed joint rulemaking authority with respect to subpart B of Regulation CC.

<sup>19</sup> 12 U.S.C. § 5014.

The disclosure and recordkeeping requirements in Regulation CC are mandatory. The information that Regulation CC requires of consumers who are making an expedited recredit claim is required to obtain a benefit. The information that Regulation CC requires of consumers who are required to use a special deposit slip is required to obtain a benefit.

Because records required by Regulation CC are maintained at each banking organization, the Freedom of Information Act (FOIA) would only be implicated if the Board obtained such records as part of the examination or supervision of a banking organization. In the event the records are obtained by the Board as part of an examination or supervision of a financial institution, this information would be considered confidential pursuant to exemption 8 of the FOIA, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process.<sup>20</sup>

### **Consultation Outside the Agency**

Pursuant to sections 1086 and 1100H of the Dodd-Frank Wall Street Reform and Consumer Protection Act, effective July 21, 2011, the Board and the CFPB assumed joint rulemaking authority with respect to subpart B of Regulation CC. Given this joint authority, the Board has communicated with the CFPB regarding the information collection requirements of Regulation CC.

### **Public Comments**

On April 30, 2025, the Board published an initial notice in the *Federal Register* (90 FR 17932) requesting public comment for 60 days on the extension, with revision, of the FR CC. The comment period for this notice expires on June 30, 2025.

### **Estimate of Respondent Burden**

As shown in the table below, the estimated total annual burden for the FR CC is 134,327 hours, would increase to 134,352 with the proposed revisions. The estimated average hours per response caused by a particular notice or disclosure requirement depends on several factors, including whether the notice is machine-generated and whether it is customer-specific. The notices given at account opening and upon request and the notices posted where consumers make deposits are disclosures concerning the bank’s policy. They are machine-generated and are not customer-specific; thus, the burden per response is minimal. The notice of changes in policy (including the annual notice updating the ATM list, if necessary) is not customer-specific, but likely requires more time to prepare. Also, the timing for these is more uncertain because they are event-triggered and not given a standard schedule; therefore, the burden per response is greater than for other notices. Notices given when a bank invokes a case-by-case hold or an exception permitted by the regulation are customer-specific; therefore, the burden per response associated with these notices is slightly greater. The notice of nonpayment is also customer-specific; however, it is machine-generated. Therefore, the burden per response associated with this notice is less than the burden per response associated with other customer-specific notices.

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<sup>20</sup> 5 U.S.C. § 552(b)(8).



These recordkeeping and disclosure requirements represent approximately 2.0 percent of the Board's total paperwork burden.

<b>FR CC</b>	<i>Estimated number of respondents<sup>21</sup></i>	<i>Estimated annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b>Current</b>				
<b>Bank burden</b>				
Section 229.16				
Specific availability policy disclosure and section 229.17				
Initial disclosures	668	500	0.02	6,680
Section 229.16(c)				
Longer delays on a case-by-case basis – Notice in specific policy disclosure and notice at time of case-by-case delay	668	700	0.05	23,380
Section 229.13(g)				
Notice of exceptions	668	2,000	0.05	66,800
Sections 229.18(b) Locations where employees accept consumer deposits and section 229.18(c) ATMs	668	1	0.25	167
Section 229.11(c)				
Quinquennial inflation adjustments for disclosures (annualized)	668	1	8	5,344
Section 229.18(e)				
Annual notice of new ATMs	668	1	5	3,340
Section 229.18(e)				
Notice of changes in policy	100	2	20	4,000
Sections 229.11(c) and 229.18(e)				
Notices of quinquennial inflation adjustments (annualized)	668	1	4	2,672
Sections 229.31(c)				
Notices of nonpayment	668	35	0.02	468
Section 229.33(h)				
Notification to customer	668	370	0.02	4,943
Section 229.54				
Expedited recredit claim for consumers	668	35	0.25	5,845

<sup>21</sup> Of these respondents, 434 of the 668 respondents are considered small entities as defined by the Small Business Administration using current size standards (i.e., entities with less than \$850 million in total assets). *See* 13 CFR 121.201. There are no special accommodations given to mitigate the burden on small institutions.

Section 229.55				
Expedited recredit claim for banks	668	15	0.25	2,505
Section 229.57				
Consumer awareness	668	300	0.02	4,008
<b>Consumer burden</b>				
Section 229.54(b)(2)				
Expedited recredit claim notice	668	25	0.25	<u>4,175</u>
<i>Total</i>				134,327

## **Proposed**

### **Bank burden**

Section 229.10(c)(3) Special deposit slip	100	1	0.25	25
Section 229.16				
Specific availability policy disclosure and section 229.17				
Initial disclosures	668	500	0.02	6,680
Section 229.16(c)				
Longer delays on a case-by-case basis – Notice in specific policy disclosure and notice at time of case-by-case delay	668	700	0.05	23,380
Section 229.13(g)				
Notice of exceptions	668	2,000	0.05	66,800
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Section 229.18(e)				
Notice of changes in policy	100	2	20	4,000
Sections 229.11(c) and 229.18(e)				
Notices of quinquennial inflation adjustments (annualized)	668	1	4	2,672
Sections 229.31(c), 229.31(f), 229.32(d)				
Notices of nonpayment	668	35	0.02	468
Section 229.33(h)				
Notification to customer	668	370	0.02	4,943

Section 229.54				
Expedited recredit claim for consumers	668	35	0.25	5,845
Section 229.55				
Expedited recredit claim for banks	668	15	0.25	2,505
Section 229.57				
Consumer awareness	668	300	0.02	4,008
<b>Consumer burden</b>				
Section 229.54(b)(2)				
Expedited recredit claim notice	668	25	0.25	<u>4,175</u>
<i>Proposed Total</i>				134,352
<i>Change</i>				25

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The estimated total annual cost to the public for the FR CC is \$9,528,242 and would increase to \$9,530,046 with the proposed revisions.<sup>22</sup>

### Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

### Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing this information collection is negligible.

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<sup>22</sup> Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$24, 45% Financial Managers at \$87, 15% Lawyers at \$88, and 10% Chief Executives at \$126). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), Occupational Employment and Wages, May 2024, published April 2, 2025, <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>. The average consumer cost of \$33 is estimated using data from the Bureau of Labor Statistics (BLS), Occupational Employment and Wages, May 2024, published April 2, 2025, <https://www.bls.gov/news.release/ocwage.t01.htm#>.