

**From:** Lawrence E. Jones, CMS - Remittance Processing SW Vendor  
**Subject:** Availability of Funds and Collection of Checks

Date: Jan 17, 2004

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Proposal: Regulation CC - Availability of  
Funds and Collection of Checks  
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Comments:

@@@The proposed regulatory language states numerous times that a substitute check, created from the electronic processing (scanning) and subsequent printing of an existing substitute check, must retain the original image size of the check on the substitute check from which it was created. The regulations also state that all previous indorsement information must be captured and presented with any substitute check. These two requirements contradict each other. If an entity creates a substitute check from an original check, and then this substitute check is processed by normal means by one or more clearing partners, there will be indorsement information applied that will only be available through physically printing the copy of said indorsement information on a subsequently printed substitute check. This is most likely to happen in a returned check scenario. Stated simply, an entity that prints a substitute check, based on the image captured from a substitute check, will need to print an image of the ENTIRE initial substitute check on the 2nd substitute check in order to preserve all the indorsement information. This is difficult if not impossible to do without altering the size of the image of the original check as it appears on the subsequent substitute check.

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