From: John T. Frazier

Subject: Electronic Fund Transfers

Comments:

A few years ago, new regulations were passed to reduce the "float" on the clearing of checks. So why is it that banks are allowed to deny us access to funds we deposit for up to 11 business days? This is what the manager at my former bank informed me when I was depositing a cashiers check drawn from another local bank.

Before the implementation of the "Check 21" provisions, there had not been a problem like this when I would close one Certificate of Deposit, put those funds in my checking account, then write a new check to the bank where I was opening a new CD. HOWEVER, after the "Check 21" provisions were in place, one such transfer did NOT go through and my check bounced. This is when the manager informed me of the policy of holding at least half of the funds for up to 11 days. After much arguing, he agreed to reverse the overdraft charge and release the funds, albeit reluctantly. When asked if there was any way to avoid this problem in the future as I transfer funds like this frequently, he said "No, it is bank policy to hold those funds. I would have to approve each transaction on a case-by-case basis."

I changed banks as soon as I could.

If the regulations are set so that OUR personal checks clear more quickly, then so should checks issued by another bank. There can be no valid reason for this difference in clearing of funds.

Sincerely yours,

John T. Frazier