

Proposal: 1409 (RIN 7100-AD68) - Reg CC - Availability of Funds and Collection of Checks  
Description: The Board request comments on proposed amendments to Regulation CC (Availability of Funds and Collection of Checks) to encourage banks to clear and return checks electronically, add provisions that govern electronic items cleared through the check-collection system, and shorten the "exception" hold periods on deposited funds.

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Comment ID: 80975  
From: Regions Financial Corporation, Chris Scribner  
Subject: Regulation CC

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Comments:

Date: Jun 02, 2011

Proposal: Regulation CC - Availability of Funds and Collection of Checks  
Document ID: R-1409  
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Comments:

June 2, 2011 Ms. Jennifer J. Johnson, Secretary Board of Governors of the Federal Reserve 20th Street and Constitution Avenue, N.W. Washington, DC 20551  
Re: Docket No. R-1409: Regulation CC Revisions Dear Ms. Johnson, Regions Financial Corp. appreciates the opportunity to comment on proposed revisions to Regulation CC (12 CFR Part 229). In particular, Regions would like to comment on four specific areas where the proposed changes to current regulation need to be reconsidered because they would lead to undue burdens on banks or do not sufficiently consider current and effective banking practices. The specific comments are outlined below. Exception Hold Notices - § 229.13(g). It will be burdensome, costly and time-consuming to modify our current exception hold notices to conform to the format in the proposed rule and there is not a clear benefit to the consumer. Our hold notices print automatically from our teller capture system. We would need at least 18 months to program, test and implement the changes. Moreover, we are in the process of replacing our current teller capture system with a new system and it would be inefficient to have to make changes to the current system before switching away from it. Exception Hold Period - § 229.13(h). Our policy is to make funds available by the first business day after the day of deposit. However, we reserve the right to invoke a new-account or exception hold and we currently place exception holds up to seven business days. Shortening this period seems reasonable;

however, five days rather than four days is a more reasonable based on when we receive returned checks. A recent analysis performed by our Operations area found that we received most returned checks on the third or fourth day following the day of deposit; however, there are times when the returned check is not received until the fifth day. Elimination of Refer to Maker as Return Reason - Commentary to subsection 229.30(d). The current commentary states that "Refer to Maker" is permissible. The proposal states that "Refer to Maker" is an instruction and not a reason for a return and that "Refer to Maker" must be accompanied by a reason for return. We object to this change in the commentary because in some cases, such as Positive Pay checks and Payable through Drafts, the payor instructs the bank to return a check. In these cases, the bank is acting on the instructions of a customer, and has no additional reason for returning a check other than "Refer to Maker." Electronic Notification of Holds - § 229.13(g)(1)(ii). This proposal needs clarification. Currently, if a hold notice is not provided to the customer at the time of deposit, the bank is required to mail or deliver the notice to the customer no later than the first business day following the day of deposit. The Board proposes that, if the customer has agreed to receive notices electronically, the depository bank is required to send the notice such that the customer should receive it no later than the first business day following the date the deposit is made. For example, the bank could email the hold notice to the customer. We request clarification of the statement "If the customer has agreed to accept notices electronically." More specifically, if the customer agrees to electronically receive "all disclosures that we are required by applicable law or regulation to provide to you in writing" is that sufficient or will the customer specifically have to agree to receive electronic notification of holds? Regions appreciates the opportunity to comment on this proposal.

If you have further questions please contact Chris Scribner.

Sincerely, Chris Scribner  
Senior Vice President External Affairs  
Regions Financial Corporation

Regions Financial Corporation, with \$132 billion in assets, is a member of the S• 100 Index and is one of the nation's largest full-service providers of consumer and commercial banking, trust, securities brokerage, mortgage and insurance products and services. Regions serves customers in 16 states across the South, Midwest and Texas, and through its subsidiary, Regions Bank, operates approximately 1,800 banking offices and 2,200 ATMs. Its investment and securities brokerage trust and asset management division, Morgan Keegan & Company Inc., provides services from over 300 offices. Additional information about Regions and its full line of products and services can be found at [www.regions.com](http://www.regions.com).