

FEDERAL RESERVE SYSTEM

12 CFR Part 229

[Regulation CC; Docket No. R-1832]

RIN 7100-AG 76

Availability of Funds and Collection of Checks

AGENCY: Board of Governors of the Federal Reserve System (Board) and Consumer Financial Protection Bureau (CFPB).

ACTION: Final rule.

SUMMARY: The Board and the CFPB (collectively, the Agencies) are amending Regulation CC, which implements the Expedited Funds Availability Act (EFA Act) and the Check Clearing for the 21st Century Act (Check 21 Act), to fulfill a statutory requirement in the EFA Act to adjust the dollar amounts under the EFA Act for inflation.

DATES: *Effective date:* This final rule is effective July 1, 2025.

FOR FURTHER INFORMATION CONTACT: *Board:* Andrew Ruben, Counsel (202) 263-4851, Legal Division, or Ian C.B. Spear, Assistant Director (202) 452-3959, Division of Reserve Bank Operations and Payment Systems. For users of TTY-TRS, please call 711 from any telephone, anywhere in the United States.

CFPB: George Karithanom, Regulatory Implementation & Guidance Program Analyst, Office of Regulations, at 202-435-7700 or at: <https://reginquiries.consumerfinance.gov/>. If you require this document in an alternative electronic format, please contact CFPB_Accessibility@cfpb.gov.

SUPPLEMENTARY INFORMATION:

I. Background

Regulation CC (12 CFR part 229) implements the EFA Act and the Check 21 Act.¹ Subpart B of Regulation CC implements the requirements set forth in the EFA Act regarding the availability schedules within which banks² must make funds available for withdrawal, exceptions to those schedules, disclosure of funds availability policies, and payment of interest. The EFA Act and subpart B of Regulation CC contain specified dollar amounts, including: (1) the minimum amount of deposited funds that banks must make available for withdrawal by opening of business on the next day for certain check deposits (“minimum amount”);³ (2) the amount a bank must make available when using the EFA Act’s permissive adjustment to the funds-availability rules for withdrawals by cash or other means (“cash withdrawal amount”);⁴ (3) the amount of funds deposited by certain checks in a new account that are subject to next-day availability (“new-account amount”);⁵ (4) the threshold for using an exception to the funds-availability schedules if the aggregate amount of checks on any one banking day exceeds the threshold amount (“large-deposit threshold”);⁶ (5) the threshold for determining whether an

¹ Expedited Funds Availability Act, 12 U.S.C. 4001 *et seq.*; Check Clearing for the 21st Century Act, 12 U.S.C. 5001 *et seq.*

² Section 229.2(e) of Regulation CC defines “bank” to include banks, savings institutions, and credit unions.

³ The minimum amount is currently \$225. 12 CFR 229.10(c)(1)(vii); 12 U.S.C. 4002(a)(2)(D).

⁴ The cash withdrawal amount is currently \$450. 12 CFR 229.12(d); 12 U.S.C. 4002(b)(3)(B).

⁵ The new-account amount is currently \$5,525. 12 CFR 229.13(a)(1)(ii); 12 U.S.C. 4003(a)(3).

⁶ The large-deposit threshold is currently \$5,525. 12 CFR 229.13(b); 12 U.S.C. 4003(b)(1).

account has been repeatedly overdrawn (“repeatedly overdrawn threshold”);⁷ and (6) the civil liability amounts for failing to comply with the EFA Act’s requirements.⁸

The Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) made certain amendments to the EFA Act, and these amendments were effective on July 21, 2011.⁹ Section 609(a) of the EFA Act,¹⁰ as amended by section 1086(d) of the Dodd-Frank Act, provides that the Board and the Director of the CFPB shall jointly prescribe regulations to carry out the provisions of the EFA Act, to prevent the circumvention or evasion of such provisions, and to facilitate compliance with such provisions.

Additionally, section 1086(f) of the Dodd-Frank Act added section 607(f) of the EFA Act, which provides that the dollar amounts under the EFA Act shall be adjusted every five years after December 31, 2011, by the annual percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), as published by the Bureau of Labor Statistics, rounded to the nearest multiple of \$25.¹¹ In 2019, the Agencies promulgated a final rule that implemented this section of the EFA Act. The final rule codified a methodology for inflation adjustments and specified that the relevant dollar amounts shall be adjusted effective on

⁷ The repeatedly overdrawn threshold is currently \$5,525. 12 CFR 229.13(d)(2). This dollar amount is not specified in the EFA Act, but is a result of the authority of the Board and the CFPB under section 604(b)(3) of the EFA Act (12 U.S.C. 4003(b)(3)) to establish reasonable exceptions to time limitations for deposit accounts that have been overdrawn repeatedly.

⁸ The civil liability amounts are currently “not less than \$100 nor greater than \$1,100” for an individual action and “not more than \$552,500 or 1 percent of the net worth” of a depository institution for a class action. 12 CFR 229.21(a)(2)(i), (a)(2)(ii)(B).

⁹ Public Law 111-203, sections 1062, 1086, 1100H, 124 Stat. 2081 (2010); 75 FR 57252 (September 20, 2010).

¹⁰ 12 U.S.C. 4008(a).

¹¹ 12 U.S.C. 4006(f).

July 1, 2020, on July 1, 2025, and on July 1 of every fifth year after 2025.¹² For dollar amount adjustments that are effective on July 1, 2025, the inflation measurement period begins in July 2018 and ends in July 2023.¹³

II. Adjustment

As a result of the 21.8 percent increase in the CPI-W between July 2018 and July 2023, the following thresholds are effective July 1, 2025:¹⁴

Section	Threshold
Minimum Amount, 12 CFR 229.10(c)(1)(vii).	\$275
Cash Withdrawal Amount, 12 CFR 229.12(d).	\$550
New-Account Amount, 12 CFR 229.13(a)(1)(ii).	\$6,725
Large-Deposit Threshold, 12 CFR 229.13(b).	\$6,725
Repeatedly Overdrawn Threshold, 12 CFR 229.13(d)(2).	\$6,725
Civil Liability Minimum and Maximum for Individual Action, 12 CFR 229.21(a)(2)(i).	\$125 ¹⁵ \$1,350
Civil Liability Maximum for Class Action, 12 CFR 229.21(a)(2)(ii)(B).	\$672,950

¹² See 84 FR 31687 (July 3, 2019); 84 FR 45403 (Aug. 29, 2019); 12 CFR 229.11(a). As noted in the preamble to the July 2019 final rule, the effective dates are consistent with section 302 of the Riegle Community Development and Regulatory Improvement Act of 1994 (Public Law 103–325, 108 Stat. 2160, 12 U.S.C. 4802). That section provides that new regulations and amendments to regulations prescribed by Federal banking agencies, including the Board (but not the CFPB), that impose additional reporting, disclosures, or other new requirements on insured depository institutions, shall take effect on the first day of a calendar quarter beginning on or after the date on which the regulations are published in final form (with certain exceptions). 84 FR 31687 at 31688 n.16.

¹³ 12 CFR 229.11(b)(1).

¹⁴ Dollar amounts have been rounded to the nearest multiple of \$25, consistent with statutory requirements. 12 U.S.C. 4006(f).

¹⁵ The civil liability minimum threshold did not change in the previous five-year inflation measurement period due to rounding to the nearest \$25, consistent with statutory requirements. As a result, the inflation adjustment for this five-year period includes the aggregate inflation percentage increase for both five-year periods. 12 CFR 229.11(b)(4).

III. Legal Authority

In issuing the final rule, the Agencies are exercising their authority under section 609(a) of the EFA Act (12 U.S.C. 4008(a)) to amend subpart B of Regulation CC to prescribe regulations to carry out the provisions of the EFA Act, to prevent the circumvention or evasion of such provisions, and to facilitate compliance with such provisions.¹⁶

IV. Procedural Requirements

A. Administrative Procedure Act

Under the Administrative Procedure Act, notice and opportunity for public comment are not required if the Agencies find that notice and public comment are impracticable, unnecessary, or contrary to the public interest.¹⁷ The amendments in this rule are expected, technical, and non-discretionary adjustments that are required by statute and result from the application of a methodology in Regulation CC that the Agencies previously published for comment.¹⁸ For these reasons, the Agencies have determined that publishing a notice of proposed rulemaking and providing opportunity for public comment are unnecessary. Therefore, the amendments are adopted in final form.

B. Regulatory Flexibility Act

The Regulatory Flexibility Act does not apply to a rulemaking where a general notice of

¹⁶ Additionally, section 604(b)(3) of the EFA Act (12 U.S.C. 4003(b)(3)) authorizes the Agencies to establish reasonable exceptions to time limitations for deposit accounts that have been overdrawn repeatedly. As noted above, the Agencies also rely on this authority in adjusting the repeatedly overdrawn threshold in 12 CFR 229.13(d).

¹⁷ 5 U.S.C. 553(b)(B).

¹⁸ In the preamble to the July 2019 final rule, the Agencies stated their expectation that notice and opportunity for public comment on subsequent inflation adjustments would be impracticable, unnecessary, or contrary to the public interest, because the calculation methodology for the adjustments is set forth in the regulation and future execution of the adjustments will be technical and non-discretionary. 84 FR 31687, 31690.

proposed rulemaking is not required.¹⁹ As noted previously, the Agencies have determined that it is unnecessary to publish a general notice of proposed rulemaking for this joint final rule. Accordingly, the Regulatory Flexibility Act's requirements relating to an initial and final regulatory flexibility analysis do not apply.

C. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995,²⁰ the Agencies have reviewed this final rule and determined that it does not create any new information collections or substantially revise any existing collections.

D. Plain Language Used

Section 722 of the Gramm-Leach-Bliley Act (Public Law 106–102, 113 Stat. 1338, 1471, 12 U.S.C. 4809) requires the Federal banking agencies to use plain language in all proposed and final rules published after January 1, 2000. The Board has sought to present the final rule in a simple and straightforward manner.

E. CFPB Congressional Review Act

Pursuant to the Congressional Review Act (5 U.S.C. 801 *et seq.*), the CFPB will submit a report containing this rule and other required information to the United States Senate, the United States House of Representatives, and the Comptroller General of the United States prior to the rule taking effect. The Office of Information and Regulatory Affairs has designated this rule as not a “major rule” as defined by 5 U.S.C. 804(2).

List of Subjects in 12 CFR Part 229

Banks, banking, Federal Reserve System, Reporting and recordkeeping requirements.

¹⁹ 5 U.S.C. 603(a) and 604(a).

²⁰ 44 U.S.C. 3506; 5 CFR part 1320.

Authority and Issuance

For the reasons set forth in the preamble, the Board amends Regulation CC, 12 CFR part 229, as set forth below:

PART 229—AVAILABILITY OF FUNDS AND COLLECTIONS OF CHECKS (REGULATION CC)

1. The authority citation for part 229 continues to read as follows:

Authority: 12 U.S.C. 4001-4010, 12 U.S.C. 5001-5018.

Subpart B—Availability of Funds and Disclosure of Funds Availability Policies

§ 229.10 [Amended]

2. In § 229.10, remove “\$225,” and add in its place “\$275;” in paragraph (c)(1)(vii)(A).

3. In § 229.11, revise paragraph (c) to read as follows:

§ 229.11 Adjustment of dollar amounts

* * * * *

(c) *Amounts.*

(1) For purposes of § 229.10(c)(1)(vii), the dollar amount in effect during a particular period is the amount stated in this paragraph (c)(1) for that period.

(i) Prior to July 21, 2011, the amount is \$100.

(ii) From July 21, 2011, through June 30, 2020, by operation of section 603(a)(2)(D) of the EFA Act (12 U.S.C. 4002(a)(2)(D)) the amount is \$200.

(iii) From July 1, 2020, through June 30, 2025, the amount is \$225.

(iv) Effective July 1, 2025, the amount is \$275.

(2) For purposes of § 229.12(d), the dollar amount in effect during a particular period is the amount stated in this paragraph (c)(2) for that period.

(i) Prior to July 1, 2020, the amount is \$400.

(ii) From July 1, 2020, through June 30, 2025, the amount is \$450.

(iii) Effective July 1, 2025, the amount is \$550.

(3) For purposes of §§ 229.13(a), 229.13(b), and 229.13(d), the dollar amount in effect during a particular period is the amount stated in this paragraph (c)(3) for that period.

(i) Prior to July 1, 2020, the amount is \$5,000.

(ii) From July 1, 2020, through June 30, 2025, the amount is \$5,525.

(iii) Effective July 1, 2025, the amount is \$6,725.

(4) For purposes of § 229.21(a), the dollar amounts in effect during a particular period are the amounts stated in this paragraph (c)(4) for the period.

(i) Prior to July 1, 2020, the amounts are \$100, \$1,000, and \$500,000 respectively.

(ii) From July 1, 2020, through June 30, 2025, the amounts are \$100, \$1,100, and \$552,500 respectively.

(iii) Effective July 1, 2025, the amounts are \$125, \$1,350, and \$672,950 respectively.

§ 229.12 [Amended]

4. In § 229.12, remove “\$450” and “\$225” and add in their places “\$550” and “\$275”, respectively, in paragraph (d).

§ 229.13 [Amended]

5. In § 229.13, remove “\$5,525” and add in its place “\$6,725” in paragraphs (a)(1)(ii), (b), and (d)(2).

§ 229.21 [Amended]

6. In § 229.21:

a. Remove “\$100” and “\$1,100” add in their places “\$125” and “\$1,350”, respectively, in paragraph (a)(2)(i).

b. Remove “\$552,500” and add in its place “672,950” in paragraph (a)(2)(ii)(B).

Appendix E to Part 229 [Amended]

7. In appendix E to part 229, remove the dollar amounts in the “Remove” column wherever they appear within the section indicated in the “Section” column, and add in their places the dollar amounts in the “Add” column in the following table:

Section	Remove	Add
IV.D.1.	\$5,525	\$6,725
IV.D.5.	\$225	\$275
IV.D.5.	\$1,225	\$1,275
IV.D.5.	\$500	\$550
VI.D.1. and 2.	\$450	\$550
VI.D.1.	\$100	\$275
VI.F.1.	\$100	\$275
VII.B.2.b.	\$100	\$275
VII.B.2.b.	\$5,525	\$6,725
VII.B.2.b.	\$5,000	\$6,725
VII.C.1.	\$5,525	\$6,725
VII.C.2.	\$2,225	\$2,275
VII.C.2.	\$225	\$275
VII.C.2.	\$5,300	\$6,450
VII.C.2.	\$3,475	\$2,275
VII.D.3.	\$100	\$275
VII.E.2.	\$5,525	\$6,725
VII.E.4.	\$100	\$275
VII.F.1.	\$100	\$275
VII.G.1.	\$100	\$275
VII.H.2.b, b.(1), and b.(2).	\$5,525	\$6,725

Section	Remove	Add
VII.H.2.b.(1) and (2).	\$225	\$275
VII.H.2.b.(1) and (2).	\$5,300	\$6,450
VII.I.4.	\$5,000	\$6,725
VII.I.4.	\$2,000	\$275
XIII.C.3 and 4.	\$400	\$550
XIV.C.2.	\$225	\$275
XIV.C.2.	\$75	\$25

By order of the Board of Governors of the Federal Reserve System.

Ann E. Misback,
Secretary of the Board.

Brian Shearer,
Assistant Director, Office of Policy Planning and Strategy, Consumer Financial Protection Bureau.